



Dave Yost • Auditor of State

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets – Cash Basis.....	11
Statement of Activities – Cash Basis.....	12
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances- Governmental Funds.....	13
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds.....	14
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget Basis - General Fund.....	15
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget Basis – Construction and Demolition Debris Fund.....	16
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget Basis – WIC Grant Fund.....	17
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget Basis – Public Health Preparedness Fund.....	18
Notes to the Financial Statements.....	19
Federal Awards Expenditures Schedule.....	29
Notes to the Federal Awards Expenditures Schedule.....	30
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	31
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	33
Schedule of Findings.....	35

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Seneca County District Board of Health
Seneca County
71 South Washington Street
Tiffin, Ohio 44883-2359

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Seneca County District Board of Health, Seneca County, Ohio (the District), as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Seneca County District Board of Health, Seneca County, as of December 31, 2010, and the respective changes in cash financial position thereof and the respective budgetary comparison for the General, Construction and Demolition Debris, WIC Grant and Public Health Preparedness funds thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards expenditures schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

June 23, 2011

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

The discussion and analysis of the Seneca County District Board of Health (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2010, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the year 2010 are as follows:

- Net assets increased \$124,855 or 19.93% from the prior year. The majority of this increase occurred in the Construction and Demolition Debris major fund, the WIC grant major fund, and the Solid Waste nonmajor special revenue fund.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the District's receipts, making up almost 79.55% of all the dollars coming into the District. General receipts in the form of property taxes, donations, state subsidy and miscellaneous receipts make up the other 20.45%.
- The District's disbursements decreased by \$27,174 from the prior year, primarily related to the Construction and Demolition Services program.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2010, within the limitations of the cash basis of accounting. The Statement of Net Assets - Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis present governmental activities, which include all the District's services. These activities are funded primarily by charges for services and operating grants and contributions. The District has no business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds - not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the District are governmental.

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's health programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund, the Construction and Demolition Debris Fund, the WIC Grant Fund, and the Public Health Preparedness Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

The District as a Whole

Table 1 provides a summary of the District's net assets for 2010 compared to 2009 on a cash basis:

**Table 1
Net Assets**

	Governmental Activities	
	2010	2009
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 751,273	\$ 626,418
Net Assets		
Restricted for:		
Other purposes	\$ 639,494	\$ 533,996
Unrestricted	111,779	92,422
Total Net Assets	\$ 751,273	\$ 626,418

As mentioned previously, net assets increased \$124,855. The increase is due primarily to increase in operating grants received during 2010.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Table 2 reflects the change in net assets on a cash basis in 2010 as compared to 2009:

**Table 2
Changes in Net Assets**

	Governmental Activities	
	2010	2009
Receipts		
Program Cash Receipts		
Charges for Services and Sales	\$ 1,155,481	\$ 1,291,109
Operating Grants and Contributions	936,887	849,481
Total Program Cash Receipts	<u>2,092,368</u>	<u>2,140,590</u>
General Receipts		
Property Taxes and Other Local Taxes Levied for General Health District Purposes	438,508	467,182
Grants and Entitlements not Restricted to Specific Programs	80,986	87,605
Donations	3,168	2,603
Miscellaneous	15,066	13,928
Total General Receipts	<u>537,728</u>	<u>571,318</u>
Total Receipts	<u>2,630,096</u>	<u>2,711,908</u>
Disbursements		
Environmental Health		
Trailer Park	10,837	10,983
Swimming Pool	7,957	6,949
Food Service	86,706	86,642
Water System	16,229	16,278
Solid Waste	84,055	84,854
Nuisance	40	350
Radon	51,949	40,384
Sewage	19,513	13,506
Construction and Demolition Debris	235,051	401,348
Community Health Services		
WIC	349,744	322,850
Senior Services	3,939	3,883
Dental Services	2,012	8,067
Welcome Home Program	21,733	21,935
Public Health Preparedness	357,367	231,259
Lead	91,181	95,396
Tobacco Use	350	2,433
Preventative Health		2,858
Immunizations	134,422	132,472
Wellness	13,267	39,077
Child and family Health Services	31,494	38,081
Homemaker	65,647	70,880
Administration	921,748	901,930
Total Disbursements	<u>2,505,241</u>	<u>2,532,415</u>
Change in Net Assets	124,855	179,493
Net Assets January 1,	626,418	446,925
Net Assets December 31,	<u>\$ 751,273</u>	<u>\$ 626,418</u>

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

In 2010, 20.45% of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 79.55% of the District's total receipts in year 2010. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, trailer park, swimming pools and spas, and water system permits and state and federal operating grants and donations.

Administration accounted for 36.79% of the District's total disbursements for 2010. These costs represent the costs to administer all programs not supported by special revenues. Public Health Preparedness and WIC disbursements accounted for 14.26 % and 13.96%, respectively, of 2010 total disbursements.

Governmental Activities

If you look at the Statement of Activities - Cash Basis, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for environmental health, community health services, and administration, which account for 20.45%, 42.76%, and 36.79% of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net cost column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost for both the current and prior years is presented in Table 3.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>
Environmental Health				
Trailer Park	\$ 10,837	\$ (219)	\$ 10,983	\$ (3,190)
Swimming Pool	7,957	182	6,949	(1,231)
Food Service	86,706	898	86,642	(2,411)
Water System	16,229	(1,498)	16,278	(2,848)
Solid Waste	84,055	(58,428)	84,854	2,947
Nuisance	40	(131)	350	300
Radon	51,949	(3,893)	40,384	(14,198)
Sewage	19,513	(2,755)	13,506	(10,459)
Construction and Demolition				
Debris	235,051	(32,333)	401,348	(36,854)
Community Health Services				
WIC	349,744	(33,920)	322,850	(30,628)
Senior Services	3,939	93	3,883	(26)
Dental Services	2,012	1,193	8,067	4,171
Welcome Home Program	21,733	(3,945)	21,935	1,117
Public Health Preparedness	357,367	19,190	231,259	(30,014)
Lead	91,181	(10,987)	95,396	(538)
Tobacco Use	350	350	2,433	1,923
Preventative Health			2,858	(5,142)
Immunizations	134,422	15,485	132,472	(6,283)
Wellness	13,267	10,448	39,077	11,399
Child and Family Health Services	31,494	(966)	38,081	363
Homemaker	65,647	1,002	70,880	8,766
Administration	921,748	513,107	901,930	504,661
Total Expenses	<u>\$ 2,505,241</u>	<u>\$ 412,873</u>	<u>\$ 2,532,415</u>	<u>\$ 391,825</u>

The District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. Only 20.45% of the District costs are supported through property taxes, unrestricted grants and other general receipts.

The District's Funds

Total governmental funds had receipts and other financing sources of \$2,715,139 and disbursements and other financing uses of \$2,590,284.

The general fund is the chief operating fund of the District. Receipts exceeded disbursements in the general fund by \$17,114 in 2010. The General fund increased \$19,357 due to additional contract services. Property and other local taxes and fees represent 46.71% and 28.70% of total receipts for 2010. The general fund had \$921,748 in disbursements for administration costs during the year.

The Construction and Demolition Debris special revenue fund accounts for receipts collected from the landfill. License and permits receipts were down 38.98% for 2010, due to overpayment in 2009 which also resulted in lower disbursements during the year as compared to 2009.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

The Women, Infants, and Children (WIC) special revenue fund accounts for federal grant monies for the WIC program. WIC is a program for pregnant women, women who recently had a baby, breastfeeding moms, infants and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. Receipts and disbursements increased in 2010 over 2009 as a result of additional grants received during the year.

The Public Health Preparedness special revenue fund receives grants to address bioterrorism, other outbreaks of infectious disease, and other public health threats and emergencies at the county and regional public health level. At the end of 2010 the cash fund balance was \$30,442, a decrease of \$18,165 from the prior year.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During the course of 2010, the District amended its budget as needed.

The General Fund's final budgeted revenues, excluding other financing sources, were \$2,824 more than the original budget. Actual revenue collections, excluding other financing sources, were \$11,485 more than final budget estimates. Actual expenditures, excluding other financing uses, were \$10,488 less than final estimates.

Capital Assets

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Current Issues

A major challenge for the District is to provide quality services to the public while complying with the restrictions imposed by limited, and in some cases shrinking funding. We rely on operating grants and are diligent in searching for new funding sources to allow our programs to continue. Charges for services and contract rates are analyzed to ensure that costs to administer and carry out programs are covered.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Marjorie Broadhead, Health Commissioner, 71 South Washington Street, Suite 1102, Tiffin, OH 44883-2359.

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**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010**

	<u>Governmental Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 751,273</u>
<u>Net Assets</u>	
Restricted for:	
Other Purposes	\$ 639,494
Unrestricted	<u>111,779</u>
Total Net Assets	<u>\$ 751,273</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Program Cash Receipts</u>			Net (Disbursements) Receipts and Changes in Net Assets
	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Environmental Health				
Trailer Park	\$ 10,837	\$ 11,056		\$ 219
Swimming Pool	7,957	7,775		(182)
Food Service	86,706	85,808		(898)
Water System	16,229	17,727		1,498
Solid Waste	84,055	124,900	\$ 17,583	58,428
Nuisance	40	171		131
Radon	51,949		55,842	3,893
Sewage	19,513	22,268		2,755
Construction and Demolition Services	235,051	267,384		32,333
Community Health Services				
WIC	349,744		383,664	33,920
Senior Services	3,939	3,846		(93)
Dental Services	2,012	819		(1,193)
Welcome Home Program	21,733	25,678		3,945
Public Health Preparedness	357,367	45,615	292,562	(19,190)
Lead	91,181	22,500	79,668	10,987
Tobacco Use	350			(350)
Immunizations	134,422	68,829	50,108	(15,485)
Wellness	13,267	2,819		(10,448)
Child and Family Health Services	31,494		32,460	966
Homemaker	65,647	39,645	25,000	(1,002)
Administration	921,748	408,641		(513,107)
Total governmental activities	<u>\$ 2,505,241</u>	<u>\$ 1,155,481</u>	<u>\$ 936,887</u>	<u>(412,873)</u>

General Receipts:

Property Taxes and Other Local Taxes	
Levied for General Health District Purposes	438,508
Grants and Entitlements not Restricted to Specific Programs	80,986
Donations	3,168
Miscellaneous	15,066
Total General Receipts	<u>537,728</u>
Change in Net Assets	124,855
Net Assets at Beginning of Year	<u>626,418</u>
Net Assets at End of Year	<u>\$ 751,273</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>WIC Grant</u>	<u>Public Health Preparedness</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	<u>\$111,779</u>	<u>\$375,403</u>	<u>\$67,869</u>	<u>\$30,442</u>	<u>\$165,780</u>	<u>\$751,273</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$23,161	\$63,040	\$24,530	\$800	\$18,210	\$129,741
Unreserved, Undesignated, Reported in:						
General Fund	88,618					88,618
Special Revenue Funds		<u>312,363</u>	<u>43,339</u>	<u>29,642</u>	<u>147,570</u>	<u>532,914</u>
Total Fund Balances	<u>\$111,779</u>	<u>\$375,403</u>	<u>\$67,869</u>	<u>\$30,442</u>	<u>\$165,780</u>	<u>\$751,273</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Construction and Demolition Debris	WIC Grant	Public Health Preparedness	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 438,508					\$ 438,508
Licenses and Permits	11,496				\$ 253,878	265,374
Fees	269,471	\$ 267,384			88,294	625,149
Contractual services	127,674			\$ 45,615	91,669	264,958
Intergovernmental	80,986		\$ 383,664	292,562	260,661	1,017,873
Donations	5				3,163	3,168
Miscellaneous	10,722	50	213	1,025	3,056	15,066
Total Receipts	938,862	267,434	383,877	339,202	700,721	2,630,096
Disbursements						
Current:						
Environmental Health						
Trailer Park					10,837	10,837
Swimming Pool					7,957	7,957
Food Service					86,706	86,706
Water System					16,229	16,229
Solid Waste					84,055	84,055
Nuisance					40	40
Radon					51,949	51,949
Sewage					19,513	19,513
Construction and Demolition Services		235,051				235,051
Community Health Services						
WIC			349,744			349,744
Senior Services					3,939	3,939
Dental Services					2,012	2,012
Welcome Home Program					21,733	21,733
Public Health Preparedness				357,367		357,367
Lead					91,181	91,181
Tobacco Use					350	350
Immunizations					134,422	134,422
Wellness					13,267	13,267
Child and Family Health Services					31,494	31,494
Homemaker					65,647	65,647
Administration	921,748					921,748
Total Disbursements	921,748	235,051	349,744	357,367	641,331	2,505,241
Excess of Receipts Over (Under)						
Disbursements	17,114	32,383	34,133	(18,165)	59,390	124,855
Other Financing Sources (Uses)						
Transfers In	143				1,900	2,043
Transfers Out	(1,900)				(143)	(2,043)
Advances In	43,500		20,000		19,500	83,000
Advances Out	(39,500)		(20,000)		(23,500)	(83,000)
Total Other Financing Sources (Uses)	2,243				(2,243)	
Net Change in Fund Balances	19,357	32,383	34,133	(18,165)	57,147	124,855
Fund Balances Beginning of Year	92,422	343,020	33,736	48,607	108,633	626,418
Fund Balances End of Year	\$ 111,779	\$ 375,403	\$ 67,869	\$ 30,442	\$ 165,780	\$ 751,273

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 439,577	\$ 438,277	\$ 438,508	\$ 231
Licenses and Permits	12,373	11,041	11,496	455
Fees	248,555	262,555	269,471	6,916
Contractual services	130,000	124,041	127,674	3,633
Intergovernmental	85,098	80,986	80,986	
Donations			5	5
Miscellaneous	8,950	10,477	10,722	245
Total Receipts	<u>924,553</u>	<u>927,377</u>	<u>938,862</u>	<u>11,485</u>
Disbursements				
Current:				
Administration	951,884	955,397	944,909	10,488
Excess of Disbursements Over Receipts	<u>(27,331)</u>	<u>(28,020)</u>	<u>(6,047)</u>	<u>21,973</u>
Other Financing Sources (Uses)				
Transfers In		143	143	
Transfers Out		(1,900)	(1,900)	
Advances In			43,500	43,500
Advances Out			(39,500)	(39,500)
Total Other Financing Sources (Uses)		<u>(1,757)</u>	<u>2,243</u>	<u>4,000</u>
Net Change in Fund Balance	<u>(27,331)</u>	<u>(29,777)</u>	<u>(3,804)</u>	<u>25,973</u>
Fund Balance Beginning of Year	77,776	77,776	77,776	
Prior Year Encumbrances Appropriated	14,646	14,646	14,646	
Fund Balance End of Year	<u>\$ 65,091</u>	<u>\$ 62,645</u>	<u>\$ 88,618</u>	<u>\$ 25,973</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET BASIS
CONSTRUCTION AND DEMOLITION DEBRIS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Fees	\$ 400,000	\$ 238,285	\$ 267,384	\$ 29,099
Miscellaneous		50	50	
Total Receipts	<u>400,000</u>	<u>238,335</u>	<u>267,434</u>	<u>29,099</u>
Disbursements				
Current:				
Environmental Health				
Construction and Demolition Services	<u>295,255</u>	<u>299,373</u>	<u>298,091</u>	<u>1,282</u>
Net Change in Fund Balance	104,745	(61,038)	(30,657)	30,381
Fund Balance Beginning of Year	187,582	187,582	187,582	
Prior Year Encumbrances Appropriated	<u>155,438</u>	<u>155,438</u>	<u>155,438</u>	
Fund Balance End of Year	<u>\$ 447,765</u>	<u>\$ 281,982</u>	<u>\$ 312,363</u>	<u>\$ 30,381</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET BASIS
WIC GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 255,049	\$ 383,664	\$ 383,664	
Miscellaneous		213	213	
	<u>255,049</u>	<u>383,877</u>	<u>383,877</u>	
Disbursements				
Current:				
Community Health Services				
WIC	<u>283,721</u>	<u>389,586</u>	<u>374,274</u>	<u>\$ 15,312</u>
Excess of Receipts Over (Under)				
Disbursements	<u>(28,672)</u>	<u>(5,709)</u>	<u>9,603</u>	<u>15,312</u>
Other Financing Sources (Uses)				
Advances In			20,000	20,000
Advances Out			<u>(20,000)</u>	<u>(20,000)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(28,672)	(5,709)	9,603	15,312
Fund Balance Beginning of Year	32,051	32,051	32,051	
Prior Year Encumbrances Appropriated	<u>1,685</u>	<u>1,685</u>	<u>1,685</u>	
Fund Balance End of Year	<u>\$ 5,064</u>	<u>\$ 28,027</u>	<u>\$ 43,339</u>	<u>\$ 15,312</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET BASIS
PUBLIC HEALTH PREPAREDNESS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Contractual services	\$ 39,032	\$ 45,615	\$ 45,615	
Intergovernmental	242,660	292,562	292,562	
Miscellaneous		1,025	1,025	
	<u>281,692</u>	<u>339,202</u>	<u>339,202</u>	
Disbursements				
Current:				
Community Health Services				
Public Health Preparedness	<u>295,225</u>	<u>359,701</u>	<u>358,167</u>	\$ 1,534
Net Change in Fund Balance	(13,533)	(20,499)	(18,965)	1,534
Fund Balance Beginning of Year	23,203	23,203	23,203	
Prior Year Encumbrances Appropriated	<u>25,404</u>	<u>25,404</u>	<u>25,404</u>	
Fund Balance End of Year	<u>\$ 35,074</u>	<u>\$ 28,108</u>	<u>\$ 29,642</u>	<u>\$ 1,534</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 1 - REPORTING ENTITY

The Seneca District Board of Health, Seneca County, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A ten-member Board with two members appointed by the City of Tiffin, two members appointed by the City of Fostoria, five members appointed by the District Advisory Council, and one member appointed by the District Licensing Advisory Council.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, certification of birth and death records, women-infant-children nutritional education, and emergency response planning.

The Seneca County Auditor acts as fiscal agent for the District and the Seneca County Treasurer acts as custodian of all funds.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. The District has no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the District's accounting policies.

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational requirements of a particular program. Receipts, which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a modified cash basis or draws from the general receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

General Fund - The General fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Construction and Demolition Debris Fund - The Construction and Demolition Debris special revenue fund receives revenue from the landfill at a rate of \$1.60 per ton collected by the landfill. The District retains \$.40 per ton collected and the remaining revenue is disbursed to the Environmental Protection Agency, Department of Natural Resources, Loudon Township, and the Seneca County Commissioners.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

WIC Grant Fund - The WIC Grant Fund receives revenue from the Ohio Department of Health to provide services to improve the health and nutrition status and prevent health problems among at-risk women, infants and children.

Public Health Preparedness Fund - The Public Health Preparedness fund receives grant revenue to address bioterrorism, other outbreaks of infectious disease, and other public health threats and emergencies at the county and regional public health level.

The other governmental funds of the District account for grants and other resources whose use is restricted for a particular purpose.

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and their related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate. The appropriations resolution is the District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established by the District at the fund and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are indentified by the District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the District.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriations passed by the District during the year.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Seneca County Treasurer, who acts as custodian for the District's monies. The District's assets are held in the County Treasurer's cash and investment pool, and are valued at the Treasurer's reported carrying amount. Individual fund integrity is maintained through District records.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

H. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include grants for specific purposes.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

J. Fund Balance Reserves

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$23,161 for the General fund, \$63,040 for the Construction and Demolition Debris fund, \$24,530 for the WIC Grant fund and \$800 for the Public Health Preparedness fund.

NOTE 4 - PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. Real property tax receipts received in 2010 represent the collection of 2009 taxes. Real property taxes received in 2009 were levied after October 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. The first payment is due on December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real property taxes collected for 2010 were levied after October 1, 2009, on the assessed values determined as of December 31, 2009, the lien date. These taxes will be collected in and are intended to finance 2011 operations. Public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described earlier.

The full tax rate for all District operations for the year ended December 31, 2010, was \$1.90 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2010 property tax receipts were based are as follows:

Real property	\$ 890,398,160	94.93%
Public utility personal property	<u>47,434,790</u>	<u>5.07%</u>
Total assessed valuation	<u>\$ 937,832,950</u>	100.00%

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 5 - INTERFUNDS

During 2010 the following transfers were made:

Transfers from the General Fund to:		
Other Governmental Fund	\$	1,900
Transfers from Other Governmental Funds to:		
General Fund	\$	143

Transfers in the amount of \$1,900 represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The Tobacco Use Prevention Fund and the CHFS Grant fund made residual equity transfers in the amount of \$5 and \$138, respectively, to close out the funds in 2010.

NOTE 6 - RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 6 - RISK MANAGEMENT- (Continued)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (the latest information available):

<u>Casualty & Property Coverage</u>	<u>2009</u>	<u>2008</u>
Assets	\$36,374,898	\$35,769,535
Liabilities	(15,256,862)	(15,310,206)
Retained earnings	<u>\$21,118,036</u>	<u>\$20,459,329</u>

At December 31, 2009 and 2008, respectively, the liabilities noted above include approximately \$14.1 million and 13.8 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$11,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2008	\$11,442
2009	\$11,322
2010	\$11,189

After one year of membership, members may withdraw on each anniversary of the date they joined PEP if the member notifies PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 7 - DEFINED BENEFIT PENSION PLAN

Plan Description - The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll. For 2010, member and employer contribution rates were consistent across all three plans.

The District's contribution rate for pension benefits for members in the Traditional Plan for 2010 was 5.50 percent from January 1 through February 28, 2010 and 5.00 percent from March 1 through December 31, 2010. The District's contribution rate for pension benefits for members in the Combined Plan for 2010 was 4.73 percent from January 1 through February 28, 2010 and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009 and 2008 were \$163,508, \$174,506 and \$178,721, respectively. The full amount has been contributed for 2010, 2009 and 2008.

NOTE 8 - POSTEMPLOYMENT BENEFITS

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 8 - POSTEMPLOYMENT BENEFITS - (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code Section 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.50 percent from January 1 through February 28, 2010 and 5.00 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan for 2010 was 4.73 percent from January 1 through February 28, 2010 and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009 and 2008 were \$59,369, \$73,501 and \$89,361, respectively; 100 percent has been contributed for 2010, 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 9 - CONTINGENT GRANTS

The District receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	74-1-001-1WA0310 74-1-001-1WA0411	10.557	\$ 266,155 81,683
Total U.S. Department of Agriculture			<u>347,838</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Maternal and Child Health Services Block Grant to States (CFHS)	74-1-001-1-MC0310 74-1-001-1-MC0411	93.994	16,230 13,547
Maternal and Child Health Services Block Grant to States (Lead Resources)	74-1-001-1-LE0310 74-1-001-1-LE0411	93.994	61,998 15,984
Total Block Grant to States			<u>107,759</u>
Immunization Grants	74-1-001-2IM0209 74-1-001-2-IM0310	93.268	107 40,752
Total Immunization Grants			<u>40,859</u>
Public Health Emergency Preparedness	74-1-001-2-PH0110 74-1-001-2-PH0211	93.069	222,914 33,199
Total Public Health Emergency Preparedness			<u>256,113</u>
Total U.S. Department of Health and Human Services			<u>404,731</u>
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY			
<i>Passed Through Ohio Department of Health</i>			
State Indoor Radon Grants	74-1-001-2IR0310 74-1-001-2-IR0411	66.032	20,995 4,890
Total State Indoor Radon Grants			<u>25,885</u>
Total Federal Awards Expenditures			<u>\$ 778,454</u>

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
DECEMBER 31, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Seneca County District Board of Health's (the District's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Seneca County District Board of Health
Seneca County
71 South Washington Street
Tiffin, Ohio 44883-2359

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seneca County District Board of Health, Seneca County, Ohio (the District), as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 23, 2011, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the audit committee, the Members of the Board, federal awarding agencies, pass-through entities and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 23, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Seneca County District Board of Health
Seneca County
71 South Washington Street
Tiffin, Ohio 44883-2359

To the Members of the Board:

Compliance

We have audited the compliance of Seneca County District Board of Health, Seneca County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Seneca County District Board of Health complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of management, the audit committee, the Members of the Board, federal awarding agencies, pass-through entities and others within the District. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

June 23, 2011

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510 (a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Public Health Emergency Preparedness – CFDA # 93.069
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS FOR FEDERAL AWARDS

None

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SENECA COUNTY DISTRICT BOARD OF HEALTH

SENECA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 19, 2011**