



Dave Yost • Auditor of State



**ROSS COUNTY GENERAL HEALTH DISTRICT  
ROSS COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis .....	11
Statement of Activities – Cash Basis.....	12
Statement of Cash Basis Assets and Fund Balance – 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 and Actual – Budgetary Basis –General Fund.....	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis –Ross County MAC Fund.....	16
Notes to the Basic Financial Statements .....	17
Schedule of Federal Awards Expenditures.....	29
Notes to the Schedule of Federal Awards Expenditures .....	30
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	31
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133.....	33
Schedule of Findings.....	35

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Ross County General Health District  
Ross County  
150 E Second St  
Chillicothe, Ohio 45601

To the Board:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross County General Health District, Ross County, Ohio (the District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

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 the Ross County General Health District, Ross County, Ohio, as of December 31, 2014, and the respective changes in cash financial position and the respective budgetary comparison for the General and MAC Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Other Matters**

*Supplemental and Other Information*

We audited to opine on the District's financial statements that collectively comprise its basic financial statements. The Schedule of Federal Award Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We applied no procedures to the Management's Discussion & Analysis presented on pages 3-7 of the report, and accordingly, we express no opinion or any other assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Columbus, Ohio

September 28, 2015

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**Ross County Health District**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*(Unaudited)*

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This discussion and analysis of the Ross County Health District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2014, within the limitations of the District's cash basis of accounting. 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.

**Highlights**

Key highlights for 2014 are as follows:

There was a decrease in net position from 2013 to 2014 of \$100,224.

The District's receipts are primarily from charges for services, operating grants and contributions, unrestricted intergovernmental receipts, and property taxes. These receipts represent over 77.4 percent of the total cash received for governmental activities during 2014. The remaining receipts are attributed to proceeds from a lease-purchase agreement, proceeds from the sale of assets, and miscellaneous receipts.

The District's disbursements are primarily comprised of children's health, community health, home health, and capital outlay with \$776,503, \$941,422, \$2,544,600, and \$1,706,208, respectively, disbursed for 2014.

**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 position 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 in 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 basic 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 financial statements.

**Basis of Accounting**

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

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.

**Ross County Health District**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*(Unaudited)*

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**Reporting the District as a Whole**

The statement of net position and the statement of activities reflect how the District did financially during 2014, within the limitations of the cash basis of accounting. The statement of net position presents the cash and investment balances of the governmental activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for its governmental programs or functions. Program receipts include charges paid by the recipient of the program services and for grant monies received. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how its governmental activities draw 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 and infrastructure, and the reliance on non-local financial resources for operations.

In the statement of net position and the statement of activities, we report the District in one type of activity: governmental activities. All of the District's basic services are reported as governmental activities.

**Reporting the District's Most Significant Funds**

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 the money that is restricted and that it is being spent for the intended purpose. All of 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 basic 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 programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major 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 Building Fund, and the MAC Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the government-wide statements.

**Ross County Health District**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*(Unaudited)*

**The District as a Whole**

Table 1 provides a summary of the District's net position for 2014 compared to 2013 on the cash basis:

Table 1  
Net Position

	Governmental Activities	
	2014	2013
<i>Assets:</i>		
Cash	\$48,419	\$40,624
Equity in County Treasury	562,879	670,898
<b>Total Assets</b>	<b>\$611,298</b>	<b>\$711,522</b>
 <i>Net Position:</i>		
Other Purposes	\$204,466	\$243,053
Capital Projects	500	0
Unrestricted	406,332	468,469
<b>Total Net Position</b>	<b>\$611,298</b>	<b>\$711,522</b>

As mentioned previously, net position of governmental activities decreased \$100,224 or 14.1 percent during 2014. This decrease is a result of disbursements in excess of receipts.

Table 2 reflects the changes in net position in 2014. A comparative analysis of 2014 and 2013 is presented.

Table 2  
Change in Net Position

	Governmental Activities	
	2014	2013
<i>Receipts:</i>		
<i>Program Receipts:</i>		
Charges for Services	\$3,077,478	\$2,889,919
Operating Grants and Contributions	1,182,923	1,233,280
<b>Total Program Receipts</b>	<b>4,260,401</b>	<b>4,123,199</b>
<i>General Receipts:</i>		
Property Taxes	1,027,320	1,019,176
Grants and Entitlements not Restricted to Specific Programs	248,085	250,821
Payments in Lieu of Taxes	0	1,376
Proceeds from Lease-Purchase Agreement	1,612,825	0
Proceeds from Sale of Assets	1,552	0
Miscellaneous	430	70
<b>Total General Receipts</b>	<b>2,890,212</b>	<b>1,271,443</b>
<b>Total Receipts</b>	<b>7,150,613</b>	<b>5,394,642</b>

**Ross County Health District**  
*Management's Discussion and Analysis*  
For the Year Ended December 31, 2014  
(Unaudited)

Table 2  
Change in Net Position  
(Continued)

	Governmental Activities	
	2014	2013
<i>Disbursements:</i>		
<i>Current:</i>		
Children's Health	\$776,503	\$783,611
Environmental Health	430,031	416,924
Community Health	941,422	886,215
Administrative Services	688,581	683,615
Home Health	2,544,600	2,434,961
Community Preparedness	163,492	174,101
Capital Outlay	1,706,208	5,477
Total Disbursements	<u>7,250,837</u>	<u>5,384,904</u>
<i>Change in Net Position</i>	(100,224)	9,738
<i>Net Position, January 1</i>	<u>711,522</u>	<u>701,784</u>
<i>Net Position, December 31</i>	<u>\$611,298</u>	<u>\$711,522</u>

Program receipts represent 59.6 percent of total receipts in 2014, and are comprised of charges for services collected from customers and for operating grants and contributions. General receipts represent 40.4 percent of the District's total receipts for 2014. These receipts consist of property taxes, unrestricted intergovernmental receipts, proceeds from a lease-purchase agreement, proceeds from the sale of assets, and miscellaneous receipts. Charges for services increased by \$187,559 due to an increase in charges for services related to the home health program. Operating grants and contributions decreased by \$50,357 due to decreases in various federal funding, including WIC and Help Me Grow program funding. However, these decreases were partially offset by increases for grant funding received for new programs in 2014 such as Project DAWN and CFHS. Property tax receipts increased \$8,144 and unrestricted grants decreased \$2,736 which were relatively consistent to the prior year. Other receipts increased between years, but the increase was not substantial.

Disbursements also remained relatively consistent, except that capital outlay increased significantly due to the purchase and renovation of a building during 2014.

**Governmental Activities**

If you look at the statement of activities, as referenced in the table of contents, 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 next two columns of the statement, entitled program cash receipts, identify two types of program receipts. The first type is charges for services, which consists of amounts paid by people who are directly charged for services provided. The second type is operating grants and contributions, which consists of operating grants and contributions directly related to program services being provided. The net receipts (disbursements) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which is paid from money provided from sources other than charges for services and operating grants and contributions. 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 is presented in Table 3.

**Ross County Health District**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*(Unaudited)*

Table 3  
 Governmental Activities

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Children's Health	\$776,503	\$24,603	\$783,611	(\$72,805)
Environmental Health	430,031	175,569	416,924	190,770
Community Health	941,422	515,904	886,215	518,744
Administrative Services	688,581	503,835	683,615	498,804
Home Health	2,544,600	65,222	2,434,961	115,494
Community Preparedness	163,492	(905)	174,101	5,221
Capital Outlay	1,706,208	1,706,208	5,477	5,477
Total Disbursements	<u>\$7,250,837</u>	<u>\$2,990,436</u>	<u>\$5,384,904</u>	<u>\$1,261,705</u>

**The District's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the District's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

Total governmental funds had receipts and other financing sources of \$7,261,616 and disbursements and other financing uses of \$7,361,840. The General Fund balance decreased \$80,051 due to disbursements in excess of receipts. The Building Fund balance increased \$500. The MAC Fund balance increased \$13,427.

**Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During 2014, the District amended its General Fund budget to reflect changing circumstances. The District's most significant changes occurred in charges for services and intergovernmental receipts, due to increases in expectations for vital statistics and miscellaneous reimbursements and for its state subsidy.

**Capital Assets**

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The District had capital outlay disbursements of \$1,706,208 during fiscal year 2014, due primarily to the purchase and renovation of a building.

**Debt**

The District had a lease-purchase agreement outstanding as of December 31, 2014 in the amount of \$1,612,825. See notes 11 and 12 for additional information on the District's lease-purchase agreement.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mr. Adam Dyer, Chief Fiscal Officer, 150 E. Second Street, Chillicothe, Ohio 45601.

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**Ross County Health District**  
*Statement of Net Position - Cash Basis*  
*December 31, 2014*

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	<u>Governmental Activities</u>
Assets	
Cash	\$48,419
Equity in County Treasury	<u>562,879</u>
Total Assets	<u><u>\$611,298</u></u>
Net Position	
Restricted For:	
Other Purposes	\$204,466
Capital Projects	500
Unrestricted	<u>406,332</u>
Total Net Position	<u><u>\$611,298</u></u>

See the accompanying notes to the basic financial statements.

**Ross County Health District**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2014*

	Program Cash Receipts			Net Receipts (Disbursements) and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Current:				
Children's Health	\$776,503	\$250	\$751,650	(\$24,603)
Environmental Health	430,031	254,462	0	(175,569)
Community Health	941,422	173,315	252,203	(515,904)
Administrative Services	688,581	170,073	14,673	(503,835)
Home Health	2,544,600	2,479,378	0	(65,222)
Community Preparedness	163,492	0	164,397	905
Capital Outlay	1,706,208	0	0	(1,706,208)
<b>Total Governmental Activities</b>	<b>\$7,250,837</b>	<b>\$3,077,478</b>	<b>\$1,182,923</b>	<b>(2,990,436)</b>
		General Receipts		
		Property Taxes Levied for		
		General Health District Purposes		1,027,320
		Grants and Entitlements not Restricted		248,085
		to Specific Programs		1,612,825
		Proceeds from Lease-Purchase Agreement		1,552
		Proceeds from Sale of Assets		430
		Miscellaneous		<u>2,890,212</u>
		Total General Receipts		<u>2,890,212</u>
		Change in Net Position		(100,224)
		Net Position Beginning of Year		<u>711,522</u>
		Net Position End of Year		<u><u>\$611,298</u></u>

See the accompanying notes to the basic financial statements.



**Ross County Health District**  
*Statement of Cash Basis Assets and Fund Balances*  
 Governmental Funds  
 December 31, 2014

	General	Building	MAC	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$48,419	\$0	\$0	\$0	\$48,419
Equity in County Treasury	364,012	500	66,332	132,035	562,879
<b>Total Assets</b>	<b>\$412,431</b>	<b>\$500</b>	<b>\$66,332</b>	<b>\$132,035</b>	<b>\$611,298</b>
<b>Fund Balances</b>					
Restricted for:					
Children's Health	\$0	\$0	\$24,652	\$37,979	\$62,631
Environmental Health	0	0	0	4,460	4,460
Community Health	0	0	0	77,507	77,507
Community Preparedness	0	0	41,680	18,188	59,868
Capital Projects	0	500	0	0	500
Unassigned (Deficit)	412,431	0	0	(6,099)	406,332
<b>Total Fund Balances</b>	<b>\$412,431</b>	<b>\$500</b>	<b>\$66,332</b>	<b>\$132,035</b>	<b>\$611,298</b>

See the accompanying notes to the basic financial statements.

**Ross County Health District**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2014*

	General	Building	MAC	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Property Taxes	\$1,027,320	\$0	\$0	\$0	\$1,027,320
Intergovernmental	262,758	0	28,566	1,139,684	1,431,008
Charges for Services	2,895,217	0	250	182,011	3,077,478
Miscellaneous	430	0	0	0	430
<b>Total Receipts</b>	<b>4,185,725</b>	<b>0</b>	<b>28,816</b>	<b>1,321,695</b>	<b>5,536,236</b>
<b>Disbursements</b>					
Current:					
Children's Health	0	0	15,375	761,128	776,503
Environmental Health	213,297	0	0	216,734	430,031
Community Health	680,410	0	0	261,012	941,422
Administrative Services	688,581	0	0	0	688,581
Home Health	2,544,600	0	0	0	2,544,600
Community Preparedness	0	0	14	163,478	163,492
Capital Outlay	35,731	1,657,727	0	12,750	1,706,208
<b>Total Disbursements</b>	<b>4,162,619</b>	<b>1,657,727</b>	<b>15,389</b>	<b>1,415,102</b>	<b>7,250,837</b>
Receipts Over (Under) Disbursements	23,106	(1,657,727)	13,427	(93,407)	(1,714,601)
<b>Other Financing Sources (Uses)</b>					
Proceeds from Lease-Purchase Agreement	0	1,612,825	0	0	1,612,825
Proceeds from Sale of Assets	0	1,552	0	0	1,552
Transfers In	3,750	43,850	0	63,403	111,003
Transfers Out	(106,907)	0	0	(4,096)	(111,003)
<b>Total Other Financing Sources (Uses)</b>	<b>(103,157)</b>	<b>1,658,227</b>	<b>0</b>	<b>59,307</b>	<b>1,614,377</b>
<b>Net Change in Fund Balances</b>	<b>(80,051)</b>	<b>500</b>	<b>13,427</b>	<b>(34,100)</b>	<b>(100,224)</b>
Beginning Fund Balances, January 1	492,482	0	52,905	166,135	711,522
Ending Fund Balances, December 31	\$412,431	\$500	\$66,332	\$132,035	\$611,298

See the accompanying notes to the basic financial statements.

**Ross County Health District**  
*Statement of Receipts, Disbursements and*  
*Changes in Fund Balance - Budget and Actual - Budgetary Basis*  
*General Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$1,021,500	\$1,027,320	\$1,027,320	\$0
Intergovernmental	242,868	262,758	262,758	0
Charges for Services	160,000	170,073	170,073	0
Miscellaneous	0	430	430	0
<b>Total Receipts</b>	<b>1,424,368</b>	<b>1,460,581</b>	<b>1,460,581</b>	<b>0</b>
Disbursements				
Current:				
Administrative Services	761,235	688,581	688,581	0
Capital Outlay	16,500	12,861	12,861	0
<b>Total Disbursements</b>	<b>777,735</b>	<b>701,442</b>	<b>701,442</b>	<b>0</b>
Receipts Over Disbursements	646,633	759,139	759,139	0
Other Financing Sources (Uses)				
Transfers In	8,816	3,750	3,750	0
Transfers Out	(895,017)	(844,466)	(844,466)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(886,201)</b>	<b>(840,716)</b>	<b>(840,716)</b>	<b>0</b>
Net Change in Fund Balances	(239,568)	(81,577)	(81,577)	0
Beginning Fund Balances, January 1	479,257	479,257	479,257	0
Ending Fund Balances, December 31	\$239,689	\$397,680	\$397,680	\$0

See the accompanying notes to the basic financial statements.

**Ross County Health District**  
*Statement of Receipts, Disbursements and*  
*Changes in Fund Balance - Budget and Actual - Budgetary Basis*  
*MAC Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$31,536	\$28,566	\$28,566	\$0
Charges for Services	0	250	250	0
<b>Total Receipts</b>	<b>31,536</b>	<b>28,816</b>	<b>28,816</b>	<b>0</b>
Disbursements				
Current:				
Children's Health	18,265	15,375	15,375	0
Community Preparedness	9,271	14	14	0
Capital Outlay	4,000	0	0	0
<b>Total Disbursements</b>	<b>31,536</b>	<b>15,389</b>	<b>15,389</b>	<b>0</b>
Net Change in Fund Balances	0	13,427	13,427	0
Beginning Fund Balances, January 1	52,905	52,905	52,905	0
Ending Fund Balances, December 31	<u>\$52,905</u>	<u>\$66,332</u>	<u>\$66,332</u>	<u>\$0</u>

See the accompanying notes to the basic financial statements.

**Ross County Health District**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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**Note 1 – Reporting Entity**

The Ross County Health District, Ross County, Ohio, (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is responsible for the administration of all health programs established by the Ohio Revised Code, the Ohio Department of Health, and the Public Health Council. Services provided by the District include, but are not limited to, the inspection and licensing of public health programs, community nursing activities, the control of communicable diseases, immunization clinics, environmental health programs, and home health activities.

By law, the Ross County Auditor is the fiscal agent of the District.

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

**Note 2 – Summary of Significant Account Policies**

As discussed further in Note 2.F, these financial statements are presented on the cash basis of accounting. This 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. Following are the more significant of the District's accounting policies.

**A. Cash**

As required by the Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. As of December 31, 2014, the District's share of the County's cash and investment pool was \$562,879. All risks associated with deposits and investments held at the Treasurer's Office are the responsibility of Ross County. Deposit and investment disclosures for the County as a whole may be obtained from the Ross County Auditor's Office, 2 North Paint Street, Suite G, Chillicothe, Ohio 45601, (740) 702-3080.

The District maintains a bank account to hold District receipts during each month and then makes a monthly deposit to the County. The carrying amount of these deposits as of December 31, 2014 was \$48,419 and the bank balance was \$19,167. The entire balance was covered by federal depository insurance.

**B. Fund Accounting**

The District uses fund accounting to maintain its financial records during the fiscal 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. The funds of the District are presented in one category: governmental.

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:

1. General Fund – The General Fund is the general operating fund. It is used to account for all financial resources of the District, except for restricted resources requiring a separate accounting. The General Fund balance is available for any purpose provided it is disbursed or transferred according to Ohio laws.

**Ross County Health District**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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2. Building Fund – The Building Fund accounts for the proceeds from a lease-purchase agreement and the related disbursements for the purchase and renovation of a building.
3. MAC Fund – The MAC Fund accounts for grant receipts received from the Ohio Department of Health. This program provides funds that support efforts to identify and enroll eligible clients into Medicaid, to bring them services covered by Medicaid, to remove barriers to accessing Medicaid services, and to reduce gaps in Medicaid services.

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

C. Basis of Presentation

The District uses the provisions of GASB 34 for financial reporting on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and GASB 38, for certain financial statement note disclosures. The District's basic financial statements consist of government-wide statements, including a statement of net position-cash basis and statement of activities-cash basis, and fund financial statements, which provide a more detailed level of financial information.

D. Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position-cash basis presents the cash basis financial condition of governmental activities of the District at year-end. The statement of activities-cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the District's governmental activities. Direct cash disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services identifiable to a particular program and operating grants and contributions. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the District. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self-financing or draws from the general cash receipts of the District.

E. 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 at a more detailed level. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column and aggregate non-major funds in a single column.

F. Basis of Accounting

The District prepares its financial statements and notes on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

**Ross County Health District**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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As a result of the use of the 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 liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

G. Cash Receipts—Exchange and Non-exchange Transactions

Cash receipts resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the cash basis when the exchange takes place. On the cash basis, receipts are recorded in the year in which the resources are received.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the cash basis, receipts from property taxes are recognized in the year in which the monies have been received. On the cash basis, receipts from grants, entitlements, and donations are recognized in the year in which the monies have been received.

H. Cash Disbursements

On the cash basis of accounting, disbursements are recognized at the time payments are made.

I. 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's Board. The District uses the object level within each fund and function as its legal level of control.

Ohio Revised Code Section 5705.28(C)(1) requires the District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the District by about June 1 (forty-five days prior to July 15). The County Auditor cannot allocate property taxes from the municipalities and townships within the District if the filing has not been made.

Ohio Revised Code Section 3709.28 establishes budgetary requirements for the District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, the District must adopt an itemized appropriation measure. The appropriations measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the County Budget Commission. Subject to estimated resources, the District's Board may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the County Budget Commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statement 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 statement reflect the amounts in the amended certificate of estimated resources in effect at the time the final appropriations were passed by the District's Board.

**Ross County Health District**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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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 budgeted amounts 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's Board during the year.

J. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying basic financial statements.

K. Accumulated Leave

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

L. Net Position

Under the District's cash basis of accounting, net position equal cash balances. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted for other purposes is comprised primarily of resources restricted for grants. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available. None of the District's restricted net position is restricted by enabling legislation.

M. Interfund Transactions

The statements report transfers between funds as receipts in the seller funds and as disbursements in the purchasing funds. Subsidies from one fund to another without requirement for repayment are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs. Transfers among governmental activities are eliminated in the government-wide statement of activities.

N. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. The District reported no nonspendable fund balances as of December 31, 2014.



**Ross County Health District**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements. The District reported no committed fund balances as of December 31, 2014.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the General Fund report all fund balances as *assigned* unless they are restricted or committed. In the General Fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State statute. The District reported no assigned fund balances as of December 31, 2014.

5. Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when disbursements are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Intergovernmental Receipts**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are included in intergovernmental receipts on the accompanying basic financial statements.

**Note 4 - Levies**

The County Commissioners serve as the taxing authority to levy a special levy outside the ten-mill limitation to provide the District with sufficient funds to carry out health programs. The levy generated \$1,027,320 in 2014. This amount is reflected as property tax receipts on the accompanying basic financial statements.

**Note 5 – Defined Benefit Pension Plan**

Ohio Public Employees Retirement System

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
- 1) The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan.
  - 2) The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
  - 3) The Combined Plan – 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 members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. 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.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans.

The member contribution rate was 10.0% of earnable salary for 2014, 2013, and 2012 for the District.

The employer contribution rate was 14.0% of earnable salary for 2014, 2013, and 2012 for the District.

- F. The District's contributions to OPERS for the years ended December 31, 2014, 2013, and 2012 were \$366,226, \$388,811, and \$288,793, respectively, which were equal to the required contributions for those years.
- G. In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." This accounting standard replaces GASB Statement 27, and it is effective for employer fiscal years beginning after June 15, 2014. OPERS recommends employers begin a dialog with their external auditors to determine the impact this standard will have on employer financial statements.

**Note 6 – Post-Employment Benefits**

Ohio Public Employees Retirement System

A. 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, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying benefit recipients 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.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care coverage.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014, the District contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remained at 2% for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or

**Ross County Health District**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The District's contributions to fund post-employment benefits for the years ended December 31, 2014, 2013, and 2012 were \$61,038, \$29,896, and \$115,509, respectively, which were equal to the required contributions for those years.
- D. Changes to the health care plan were adopted by the OEPRS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

**Note 7 – 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 coverage 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 also 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 Insurance

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, 2014, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2014 and 2013:

	2014	2013
Assets	\$35,402,177	\$34,411,883
Liabilities	(12,363,257)	(12,760,194)
Net Position	\$23,038,920	\$21,651,689

As of December 31, 2014 and 2013, respectively, the liabilities above include approximately \$11.1 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11 million of unpaid claims to be billed. The Pool's membership increased from 475 members in 2013 to 488 members in 2014. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the District's share of these unpaid claims collectible in future years is approximately \$11,000.

**Ross County Health District**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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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.

Contributions to PEP	
<hr/>	
2012	\$12,840
2013	12,086
2014	15,202

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to 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 occurred or was reported prior to the withdrawal.

**Note 8 – Contingent Liabilities**

Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

Litigation

The District is not currently party to legal proceedings.

**Note 9 – Budgetary Basis of Accounting**

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a financial reporting basis. This includes the Home Health Fund, the Environmental Health Fund, and the Public Health Fund. Since these funds are budgeted separately, they are not included in the budgetary presentation for the General Fund.

	<u>General Fund</u>
Budgetary basis fund balance	\$397,680
Fund balance of funds combined with general fund for reporting purposes	14,751
Cash basis fund balance	\$412,431

**Ross County Health District**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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**Note 10 – Interfund Transfers**

The District had the following interfund transfers for the year ended December 31, 2014:

	Transfers In	Transfers Out
Major Funds:		
General Fund	\$3,750	\$106,907
Building Fund	43,850	0
Total Major Funds	47,600	106,907
Non-Major Funds:		
Camp/Rec Parks Fund	0	131
Food Service Fund	21,940	0
Water Systems Fund	3,916	0
Swimming Pools/Bathing Fund	0	3,496
Sewage Program Fund	19,182	0
Vivitrol Program Fund	18,019	8
Ross County WIC Fund	346	0
WIC Peer Program Fund	0	346
Public Safety Fund	0	80
Susan G. Komen Foundation Program	0	35
Total Non-Major Funds	63,403	4,096
Total All Funds	\$111,003	\$111,003

Transfers were made from the General Fund to the Building Fund and other governmental funds to subsidize operations. Transfers were made from the Camp/Rec Parks Fund, Swimming Pools/Bathing Fund, Vivitrol Program Fund, WIC Peer Program Fund, Public Safety Fund, and Susan G. Komen Foundation Program Fund to the General Fund to close out programs or in accordance with budgetary authorizations.

**Note 11 – Long-Term Obligations**

Changes in the long-term obligations of the District during fiscal year 2014 were as follows:

	Principal Outstanding at 1/1/14	Additions	Deletions	Principal Outstanding at 12/31/14	Amount Due in One Year
Governmental Activities:					
Capital Leases	\$0	\$1,612,825	\$0	\$1,612,825	\$93,262

The capital lease will be paid from the General Fund, the Home Health Fund, Community Health Funds, and Environmental Funds.

**Note 12 – Capital Leases – Lessee Disclosure**

In 2014, the District entered into a capitalized lease for the purchase of a building and for additional funds to renovate the building. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments will be reclassified and reflected as debt service disbursements in the basic financial statements for the governmental funds.

**Ross County Health District**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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The District's first principal payment is due on January 31, 2015 and will be paid from the General Fund.

Principal and interest requirements to retire the capital lease at December 31, 2014 are as follows:

<u>Year Ending June 30</u>	<u>Capital Leases</u>
2015	\$125,519
2016	125,519
2017	125,519
2018	125,519
2019	125,519
Thereafter	<u>1,255,188</u>
Total Debt Payments	1,882,783
Less: Interest	<u>(269,958)</u>
Total Principal	<u>\$1,612,825</u>

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**ROSS COUNTY GENERAL HEALTH DISTRICT  
ROSS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program For Women, Infants, and Children	07110011WA0714	10.557	\$435,126
Special Supplemental Nutrition Program For Women, Infants, and Children	07110011WA0815	10.557	<u>108,624</u>
Total Special Supplemental Nutrition Program For Women, Infants, and Children			<u>543,750</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>543,750</u></b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Public Safety</i>			
State and Community Highway Safety	SC-2014-71-00-00-00460-00	20.600	29,009
State and Community Highway Safety	SC-2015-71-00-00-00462-00	20.600	<u>2,844</u>
Total State and Community Highway Safety			<u>31,853</u>
<b>Total U.S. Department of Transportation</b>			<b><u>31,853</u></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Health</i>			
Public Emergency Preparedness	07110012PH0514	93.074	57,095
Public Emergency Preparedness	07110012PH0615	93.074	<u>40,025</u>
Total Public Health Emergency Preparedness			<u>97,120</u>
Centers for Disease Control and Prevention-Investigations and Technical Assistance	07110014BC0714	93.283	52,218
Cervical and Breast Cancer	07110014BC0815	93.919	40,863
Maternal, Infant, and Early Childhood Home Visiting Program	07110011MV0314	93.505	84,203
Maternal, Infant, and Early Childhood Home Visiting Program	07110011MV0415	93.505	<u>23,030</u>
Total Maternal, Infant, and Early Childhood Home Visiting Program			<u>107,233</u>
Maternal and Child Health Services Block Grant	07110011MC0115	93.994	8,848
<b>Total U.S. Department of Health and Human Services</b>			<b><u>306,282</u></b>
<b>Total Federal Awards Expenditures</b>			<b><u><u>\$881,885</u></u></b>

*The accompanying notes are an integral part of this schedule.*

**ROSS COUNTY GENERAL HEALTH DISTRICT  
ROSS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Ross County General Health District'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 AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Ross County General Health District  
Ross County  
150 E Second St  
Chillicothe, Ohio 45601

To the Board:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 28, 2015, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***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, opining 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*.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242  
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

[www.ohioauditor.gov](http://www.ohioauditor.gov)

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

September 28, 2015



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Ross County General Health District  
Ross County  
150 E. Second St  
Chillicothe, Ohio 45601

To the Board:

### ***Report on Compliance for the Major Federal Program***

We have audited the Ross County General Health District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Ross County General Health District's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for 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*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the Ross County General Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2014.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine 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's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

September 28, 2015

**ROSS COUNTY GENERAL HEALTH DISTRICT  
ROSS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2014**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA #10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	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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# Dave Yost • Auditor of State

**ROSS COUNTY GENERAL HEALTH DISTRICT**

**ROSS 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  
SEPTEMBER 30, 2015**