



Certified Public Accountants, A.C.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY
Regular Audit
For the Years Ended December 31, 2018 and 2017**

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KEITH FABER



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Members of the Board
Union County General Health District
940 London Ave #1100
Marysville, OH 43040

We have reviewed the *Independent Auditor's Report* of the Union County General Health District, Union County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Union County General Health District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 1, 2019

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UNION COUNTY GENERAL HEALTH DISTRICT

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INDEPENDENT AUDITOR'S REPORT

June 14, 2019

Union County General Health District
Union County
940 London Avenue, Suite 1100
Marysville, Ohio 43040

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Union County General Health District**, Union County, Ohio (the District) as of and for the years ended December 31, 2018 and 2017, 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 such 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.

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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 Union County General Health District, Union County, Ohio as of December 31, 2018 and 2017, and the respective changes in cash financial position and the respective budgetary comparison for the General, Public Health Nursing, Public Health Infrastructure, and Sewage funds thereof for the years 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.

Emphasis of Matter

As discussed in Note 4 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to management's discussion & analysis, as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019, 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

The discussion and analysis of the Union County General Health District's, Union County, Ohio (the "Health District") financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2018, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the Health 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 Health District's financial performance.

Financial Highlights

Key financial highlights for the year 2018 are as follows:

- Net position of governmental activities increased \$90,214 or 3.37% as compared to 2017.
- General receipts in the form of property taxes, unrestricted grants and entitlements, and miscellaneous receipts comprise the largest percentage of the Health District's receipts, accounting for \$1,759,423 or 44.89% of all the dollars coming into the Health District. Program specific receipts in the form charges for services and operating grants and contributions make up the remaining \$2,159,901 or 55.11%.
- The Health District had \$3,829,110 in disbursements during 2018.
- In 2018, the general fund had receipts of \$2,142,151 and disbursements and other financing uses of \$2,034,352. The fund balance of the general fund increased by \$107,799 from \$1,377,150 to \$1,484,949.
- The public nursing fund, a major fund, accounts for receipts collected from general nursing and other various personal health activities throughout the county. Receipts, primarily in the form of intergovernmental monies, charges for services, donations and other miscellaneous sources, and other financing sources of \$1,418,723 represent a decrease of \$57,691 from 2017. Disbursements of \$1,352,155 increased \$15,430 as compared to 2017. The overall fund balance increased \$66,568 from \$414,379 to \$480,947.
- The public health infrastructure fund, a major fund, accounts for federal grant monies to improve the emergency preparedness of the county. Receipts increased by \$37,452 and disbursements decreased \$21,010 from 2017. Fund balance decreased \$13,141 from \$345,927 to \$332,786 during 2018.
- The sewage fund, a major fund, accounts for receipts collected from fees, licenses, permits, and grants received from the EPA for sewage programs. Receipts and other financing sources were \$468,262 in 2018. Disbursements were \$538,457. The overall fund balance decreased \$70,195 from \$200,037 to \$129,842.

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 is applicable to the District's cash basis of accounting.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

Report Components

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis provide information about the cash activities of the Health District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health 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 Health 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 accounting principles generally accepted in the United States of America (GAAP). Under the Health District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this 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 these 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 Health District as a Whole

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis reflect how the Health District performed financially during 2018, within the limitations of the cash basis of accounting. The Statement of Net Position - Cash Basis presents the cash balances of the governmental activities of the Health District at year end. The Statement of Activities - Cash Basis compares cash disbursements with program receipts for each governmental program 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 cash disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

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

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis present governmental activities, which include all the Health District's services. Charges for services and state and federal grants finance just under half of these activities. To a significant extent, benefits provided through the governmental activities are being paid for by the people receiving them. The Health District has no business-type activities.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED

Reporting the Health District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Health District's major funds - not the Health District as a whole. The Health 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 Health District are governmental.

Governmental Funds - The Health District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Health 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 Health District's health programs. The Health 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 Health District's major governmental funds are the general fund, the public health nursing fund, the public health infrastructure grant fund, and the sewage fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Health District as a Whole

Table 1 provides a summary of the Health District's cash basis net position at December 31, 2018 compared to December 31, 2017.

**Table 1
Statement of Net Position - Cash Basis**

	Governmental Activities	
	2018	2017
Assets		
Equity in pooled cash and cash equivalents	\$ 2,770,719	\$ 2,680,505
Net Position		
Restricted for:		
Public health nursing	\$ 480,947	\$ 414,379
Public health infrastructure	332,786	345,927
Other public health programs	472,037	543,049
Unrestricted	1,484,949	1,377,150
Total Net Position	\$ 2,770,719	\$ 2,680,505

Table 2 reflects the change in net position on a cash basis in 2018 as compared to 2017:

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED

**Table 2
Changes in Net Position - Cash Basis**

	Governmental Activities	
	2018	2017
Receipts		
Program cash receipts:		
Charges for services and sales	\$ 1,002,748	\$ 951,423
Operating grants and contributions	1,157,153	893,357
Total program cash receipts	<u>2,159,901</u>	<u>1,844,780</u>
General receipts:		
Property taxes	1,489,288	1,447,550
Grants and entitlements	256,799	271,346
Miscellaneous	13,336	22,857
Total general receipts	<u>1,759,423</u>	<u>1,741,753</u>
Total Receipts	<u>3,919,324</u>	<u>3,586,533</u>
Disbursements		
Environmental health:		
General environmental health	223,581	221,850
Food service	106,684	104,793
Plumbing	179,362	152,745
Water	47,490	47,550
Sewage	538,457	249,864
Pools/Spas	5,474	5,391
Camps/MHP	1,631	1,561
Solid waste	3,926	3,954
Radon	49,174	50,187
Rabies	1,759	728
Mosquito	6,034	-
Personal health:		
General nursing & ohio children's trust	322,744	313,400
Health education and partnerships	253,185	221,132
Injury prevention	125,821	129,073
Safe communities	29,285	31,464
Immunization action plan	38,987	9,847
LEADS/central intake	63,611	63,781
Prescription assistance	14,975	12,029
Maternal & child health	36,342	53,790
Reproductive health & wellness	215,340	263,035
Clinics/BCMH	317,492	324,428
Public health infrastructure/MRC/Radiation	273,314	294,324
Vital statistics	101,026	103,425
Administration	634,809	689,182
General health district & LGIF	238,607	230,369
Total Disbursements	<u>3,829,110</u>	<u>3,577,902</u>
Change in net position	90,214	8,631
Net position at beginning of year	<u>2,680,505</u>	<u>2,671,874</u>
Net position at end of year	<u>\$ 2,770,719</u>	<u>\$ 2,680,505</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

In 2018, 44.89 percent of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general Health District purposes. Program receipts accounted for 55.11 percent of the Health District's total receipts in year 2018. These receipts consist primarily of charges for services for birth and death certificates, food services licenses, trailer park permits, swimming pools permits, and water system permits and state and federal operating grants and donations.

Governmental Activities

If you look at the Statement of Activities for 2018 on page 11, you will see that the first column lists the major disbursements of the Health District. The next column identifies the amount of these disbursements. In 2018, the major program disbursements for governmental activities were: administration and sewage, which accounted for 16.58% and 14.06% of all governmental disbursements, respectively. The next two columns of the statement entitled Program Receipts identify amounts paid by people who are directly charged for services and grants and contributions received by the Health District that must provide a specific service. The net (disbursements) receipts 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, state subsidies and cash balances of grant and fee programs. 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 2018 and 2017 is presented in Table 3, below.

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>
Environmental health:				
General environmental health	\$ 223,581	\$ 221,983	\$ 221,850	\$ 199,044
Food service	106,684	(2,571)	104,793	1,798
Plumbing	179,362	(43,838)	152,745	(24,043)
Water	47,490	(4,801)	47,550	(4,165)
Sewage	538,457	120,195	249,864	(5,285)
Pools/Spas	5,474	(2,761)	5,391	(2,844)
Camps/MHP	1,631	(184)	1,561	(254)
Solid waste	3,926	(964)	3,954	(936)
Radon	49,174	(10,826)	50,187	(9,813)
Rabies	1,759	1,759	728	728
Mosquito	6,034	(8,626)	-	-
Personal health:				
General nursing & ohio children's trust	322,744	193,719	313,400	227,256
Health education and partnerships	253,185	161,985	221,132	186,222
Injury prevention	125,821	4,128	129,073	11,061
Safe & drug free communities	29,285	520	31,464	65
Immunization action plan	38,987	(7,654)	9,847	2,051
LEADS/central intake	63,611	(12,889)	63,781	(8,219)
Prescription assistance	14,975	640	12,029	(1,971)
Maternal & child health	36,342	11,578	53,790	(2,550)
Reproductive health & wellness	215,340	30,341	263,035	12,660
Clinics/BCMH	317,492	113,219	324,428	133,819
Public health infrastructure/MRC/Radiation	273,314	13,141	294,324	72,591
Vital statistics	101,026	17,699	103,425	26,756
Administration	634,809	634,809	689,182	688,782
General health district & LGIF	238,607	238,607	230,369	230,369
Totals	<u>\$ 3,829,110</u>	<u>\$ 1,669,209</u>	<u>\$ 3,577,902</u>	<u>\$ 1,733,122</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

The Health District has attempted 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. About 43.59% of the Health District's costs are supported through property taxes, unrestricted grants and other general receipts.

The Health District's Funds

Total governmental funds had receipts and other financing sources of \$4,519,324 and disbursements and other financing uses of \$4,429,110.

In 2018, the general fund had receipts of \$2,142,151 and disbursements and other financing sources of \$2,034,352. The fund balance of the general fund increased by \$107,799 due mainly to decreases in administration related expenses and increases in fees, licenses and permits receipts. The general fund had an increase in receipts and a decrease in disbursements.

The public nursing fund, a major fund, accounts for receipts collected from general nursing and other various personal health activities throughout the county. Receipts, primarily in the form of intergovernmental monies, charges for services, donations and other miscellaneous sources, and other financing sources of \$1,418,723 represent a decrease of \$57,691 from 2017. Disbursements of \$1,352,155 increased \$15,430 as compared to 2017. The overall fund balance increased \$66,568 from \$414,379 to \$480,947.

The public health infrastructure fund, a major fund, accounts for federal grant monies to improve the emergency preparedness of the county. Receipts increased by \$37,452 and disbursements decreased \$21,010 from 2017. Fund balance decreased \$13,141 from \$345,927 to \$332,786 during 2018.

The sewage fund, a major fund, accounts for receipts collected from fees, licenses, permits, and grants received from the EPA for sewage programs. Receipts and other financing sources were \$468,262 in 2018. Disbursements were \$538,457. The overall fund balance decreased \$70,195 from \$200,037 to \$129,842.

General Fund Budgeting Highlights

The Health 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. The most significant budgeted fund is the general fund.

During the course of 2018, the Health District amended its appropriations, and the budgetary statements reflect both the original and final appropriated amounts. The general fund's final budgeted receipts of \$2,429,285 were equal to original budgeted receipts. Actual receipts were \$2,142,151, which were \$287,134 less than final budget estimates. Actual budgetary-basis disbursements and other financing uses of \$2,097,231 were \$1,635,921 less than final appropriated expenditures and other financing uses of \$3,733,152.

Capital Assets

The Health District does not currently keep track of its capital assets and infrastructure.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health 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 Jason E. Orcena, PhD, Health Commissioner, Union County Health Department, 940 London Avenue, Suite 1100, Marysville, Ohio 43040.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2018**

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash and cash equivalents with fiscal agent	\$ 2,770,719
Net position	
Restricted for:	
Public health nursing	\$ 480,947
Public health infrastructure	332,786
Other public health programs	472,037
Unrestricted	<u>1,484,949</u>
Total net position	<u>\$ 2,770,719</u>

The notes to the financial statements are an integral part of this statement.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Governmental Activities:				
Environmental health:				
General environmental health	\$ 223,581	\$ 1,200	\$ 398	\$ (221,983)
Food service	106,684	109,255	-	2,571
Plumbing	179,362	223,200	-	43,838
Water	47,490	52,291	-	4,801
Sewage	538,457	176,469	241,793	(120,195)
Pools / spas	5,474	8,235	-	2,761
Camps / MHP	1,631	1,815	-	184
Solid waste	3,926	-	4,890	964
Radon	49,174	-	60,000	10,826
Rabies	1,759	-	-	(1,759)
Mosquito	6,034	-	14,660	8,626
Personal health:				
General nursing & Ohio Children's Trust	322,744	9,302	119,723	(193,719)
Health education and partnerships	253,185	62,700	28,500	(161,985)
Injury prevention	125,821	-	121,693	(4,128)
Safe & drug free communities	29,285	-	28,765	(520)
Immunization action plan	38,987	-	46,641	7,654
LEADS/central intake	63,611	76,500	-	12,889
Prescription assistance	14,975	-	14,335	(640)
Maternal & child health	36,342	-	24,764	(11,578)
Reproductive health & wellness	215,340	43,521	141,478	(30,341)
Clinics / BCMH	317,492	91,264	113,009	(113,219)
Public health infrastructure/MRC/radiation	273,314	67,938	192,235	(13,141)
Vital statistics	101,026	79,058	4,269	(17,699)
Administration	634,809	-	-	(634,809)
General health district & LGIF	238,607	-	-	(238,607)
Total governmental activities	<u>\$ 3,829,110</u>	<u>\$ 1,002,748</u>	<u>\$ 1,157,153</u>	<u>(1,669,209)</u>
General Receipts:				
Property taxes and other local taxes				
levied for general health district purposes				1,489,288
Grants and entitlements not restricted to specific programs				256,799
Miscellaneous				13,336
				1,759,423
Total general receipts				1,759,423
Change in net position				90,214
Net position at beginning of year				2,680,505
Net position at end of year				\$ 2,770,719

The notes to the financial statements are an integral part of this statement.

UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUNDS BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General Fund	Public Health Nursing Fund	Public Health Infrastructure Fund	Sewage Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Equity in pooled cash and cash equivalents with fiscal agent	\$ 1,484,949	\$ 480,947	\$ 332,786	\$ 129,842	\$ 342,195	\$ 2,770,719
Fund Balances						
Restricted:						
Environmental health:						
Food service	-	-	-	-	77,203	77,203
Water	-	-	-	-	32,696	32,696
Sewage	-	-	-	129,842	-	129,842
Pools / spas	-	-	-	-	57,879	57,879
Camps / MHP	-	-	-	-	4,578	4,578
Solid Waste	-	-	-	-	18,706	18,706
Personal health:						
Safe & drug fee communities	-	-	-	-	81,079	81,079
Maternal & child health	-	-	-	-	70,054	70,054
Public health nursing	-	480,947	-	-	-	480,947
Public health infrastructure / MRC / radiation	-	-	332,786	-	-	332,786
Assigned:						
Outstanding encumbrances	62,879	-	-	-	-	62,879
Subsequent year appropriation	1,011,216	-	-	-	-	1,011,216
Unassigned:	410,854	-	-	-	-	410,854
Total fund balances	\$ 1,484,949	\$ 480,947	\$ 332,786	\$ 129,842	\$ 342,195	\$ 2,770,719

The notes to the financial statements are an integral part of this statement.

UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY

STATEMENT OF CASH RECEIPTS, DIBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Public Health Nursing Fund	Public Health Infrastructure Fund	Sewage Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receipts						
Property and other local taxes	\$ 1,489,288	\$ -	\$ -	\$ -	\$ -	\$ 1,489,288
Intergovernmental	335,728	636,879	192,235	241,793	58,419	1,465,054
Fees, licenses and permits	225,176	-	-	176,469	171,596	573,241
Contractual services	-	-	67,938	-	-	67,938
Charges for services	78,680	181,846	-	-	-	260,526
Donations	-	25,000	-	-	-	25,000
Miscellaneous	13,279	24,998	-	-	-	38,277
Total Receipts	2,142,151	868,723	260,173	418,262	230,015	3,919,324
Disbursements						
Environmental health:						
General environmental health	223,581	-	-	-	-	223,581
Food service	-	-	-	-	106,684	106,684
Plumbing	179,362	-	-	-	-	179,362
Water	-	-	-	-	47,490	47,490
Sewage	-	-	-	538,457	-	538,457
Pools / spas	-	-	-	-	5,474	5,474
Camps / MHP	-	-	-	-	1,631	1,631
Solid waste	-	-	-	-	3,926	3,926
Radon	49,174	-	-	-	-	49,174
Rabies	1,759	-	-	-	-	1,759
Mosquitos	6,034	-	-	-	-	6,034
Personal health:						
General nursing & Ohio Children's Trust	-	322,744	-	-	-	322,744
Health education and partnerships	-	253,185	-	-	-	253,185
Injury prevention	-	125,821	-	-	-	125,821
Safe & drug free communities	-	-	-	-	29,285	29,285
Immunization action plan	-	38,987	-	-	-	38,987
LEADS / central intake	-	63,611	-	-	-	63,611
Prescription assistance	-	14,975	-	-	-	14,975
Maternal & child health	-	-	-	-	36,342	36,342
Reproductive health & wellness	-	215,340	-	-	-	215,340
Clinics / BCMH	-	317,492	-	-	-	317,492
Public health infrastructure / MRC / radiation	-	-	273,314	-	-	273,314
Vital Statistics	101,026	-	-	-	-	101,026
Administration	634,809	-	-	-	-	634,809
General health district & LGIF	238,607	-	-	-	-	238,607
Total Disbursements	1,434,352	1,352,155	273,314	538,457	230,832	3,829,110
Excess (deficiency) of receipts over (under) disbursements	707,799	(483,432)	(13,141)	(120,195)	(817)	90,214
Other financing sources (uses)						
Transfers in	-	550,000	-	50,000	-	600,000
Transfers out	(600,000)	-	-	-	-	(600,000)
Total other financing sources (uses)	(600,000)	550,000	-	50,000	-	-
Net change in fund balances	107,799	66,568	(13,141)	(70,195)	(817)	90,214
Fund balances at beginning of year	1,377,150	414,379	345,927	200,037	343,012	2,680,505
Fund balances at end of year	1,484,949	480,947	332,786	129,842	342,195	2,770,719

The notes to the financial statements are an integral part of this statement.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DIBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$ 1,320,629	\$ 1,320,629	\$ 1,489,288	\$ 168,659
Fees, licenses and permits	203,055	203,055	225,176	22,121
Charges for services	74,000	74,000	78,680	4,680
Intergovernmental	326,601	326,601	335,728	9,127
Miscellaneous	5,000	5,000	13,279	8,279
Total Receipts	<u>1,929,285</u>	<u>1,929,285</u>	<u>2,142,151</u>	<u>212,866</u>
Disbursements				
Current:				
Environmental health:				
General environmental health	294,134	286,611	231,022	55,589
Plumbing	183,429	211,846	192,024	19,822
Radon	76,568	83,370	53,684	29,686
Rabies	5,878	5,878	1,759	4,119
Mosquito	-	14,660	6,164	8,496
Vital Statistics	137,663	146,214	119,359	26,855
Administration	1,807,711	1,828,985	652,997	1,175,988
General health district & LGIF	295,717	305,588	240,222	65,366
Total Disbursements	<u>2,801,100</u>	<u>2,883,152</u>	<u>1,497,231</u>	<u>1,385,921</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(871,815)</u>	<u>(953,867)</u>	<u>644,920</u>	<u>1,598,787</u>
Other financing sources (uses)				
Transfers out	(850,000)	(850,000)	(600,000)	250,000
Proceeds from bond issuance	500,000	500,000	-	(500,000)
Total other financing sources (uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>(600,000)</u>	<u>(250,000)</u>
Net change in fund balance	<u>(1,221,815)</u>	<u>(1,303,867)</u>	<u>44,920</u>	<u>1,348,787</u>
Fund balances beginning of year	1,294,368	1,294,368	1,294,368	-
Prior year encumbrances appropriated	82,782	82,782	82,782	-
Fund balance end of year	<u>\$ 155,335</u>	<u>\$ 73,283</u>	<u>\$ 1,422,070</u>	<u>\$ 1,348,787</u>

The notes to the financial statements are an integral part of this statement.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DIBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 581,865	\$ 653,683	\$ 636,879	\$ (16,804)
Charges for services	130,660	130,660	181,846	51,186
Donations	-	-	25,000	25,000
Miscellaneous	8,000	45,000	24,998	(20,002)
Total Receipts	<u>720,525</u>	<u>829,343</u>	<u>868,723</u>	<u>39,380</u>
Disbursements				
Current:				
Personal health:				
General nursing & ohio children's trust	446,727	433,713	333,580	100,133
Health education and partnerships	273,462	336,264	256,683	79,581
Injury prevention	124,754	195,605	130,184	65,421
Immunization action plan	43,756	71,931	48,719	23,212
LEADS / central intake	83,340	80,473	64,620	15,853
Prescription assistance	19,500	21,473	17,830	3,643
Reproductive health & wellness	286,126	290,608	226,745	63,863
Clinics / BCMH	430,647	415,426	339,469	75,957
Total Disbursements	1,708,312	1,845,493	1,417,830	427,663
Excess (deficiency) of receipts over (under) disbursements	<u>(987,787)</u>	<u>(1,016,150)</u>	<u>(549,107)</u>	<u>467,043</u>
Other financing sources				
Transfers in	<u>800,000</u>	<u>800,000</u>	<u>550,000</u>	<u>(250,000)</u>
Total other financing sources (uses)	<u>800,000</u>	<u>800,000</u>	<u>550,000</u>	<u>(250,000)</u>
Net change in fund balance	(187,787)	(216,150)	893	217,043
Fund balances beginning of year	334,847	334,847	334,847	-
Prior year encumbrances appropriated	<u>79,532</u>	<u>79,532</u>	<u>79,532</u>	<u>-</u>
Fund balance end of year	<u>\$ 226,592</u>	<u>\$ 198,229</u>	<u>\$ 415,272</u>	<u>\$ 217,043</u>

The notes to the financial statements are an integral part of this statement.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DIBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 166,535	\$ 166,535	\$ 192,235	\$ 25,700
Contractual services	56,000	56,000	67,938	11,938
Total Receipts	<u>222,535</u>	<u>222,535</u>	<u>260,173</u>	<u>37,638</u>
Disbursements				
Current:				
Public health infrastructure	<u>309,174</u>	<u>324,625</u>	<u>274,193</u>	<u>50,432</u>
Net change in fund balance	(86,639)	(102,090)	(14,020)	88,070
Fund balances beginning of year	344,786	344,786	344,786	-
Prior year encumbrances appropriated	<u>1,141</u>	<u>1,141</u>	<u>1,141</u>	<u>-</u>
Fund balance end of year	<u>\$ 259,288</u>	<u>\$ 243,837</u>	<u>\$ 331,907</u>	<u>\$ 88,070</u>

The notes to the financial statements are an integral part of this statement.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SEWAGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Fees, licenses and permits	\$ 126,587	\$ 126,587	\$ 176,469	\$ 49,882
Intergovernmental	359,795	609,795	241,793	(368,002)
Total Receipts	<u>486,382</u>	<u>736,382</u>	<u>418,262</u>	<u>(318,120)</u>
Disbursements				
Current:				
Sewage	<u>691,366</u>	<u>960,809</u>	<u>672,710</u>	<u>288,099</u>
Total Disbursements	691,366	960,809	672,710	288,099
Excess (deficiency) of receipts over (under) disbursements	<u>(204,984)</u>	<u>(224,427)</u>	<u>(254,448)</u>	<u>(30,021)</u>
Other financing sources				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	(154,984)	(174,427)	(204,448)	(30,021)
Fund balances beginning of year	139,539	139,539	139,539	-
Prior year encumbrances appropriated	<u>60,498</u>	<u>60,498</u>	<u>60,498</u>	<u>-</u>
Fund balance end of year	<u>\$ 45,053</u>	<u>\$ 25,610</u>	<u>\$ (4,411)</u>	<u>\$ (30,021)</u>

The notes to the financial statements are an integral part of this statement.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - REPORTING ENTITY

The Union County General Health District (the "Health 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. A seven-member Board of Health (the "Board") governs the Health District. Three members are appointed by the District Advisory Council on behalf of the townships, two members are appointed by the City of Marysville, one member is appointed by the District Advisory Council as a medical representative, and one member is appointed by the Licensing Council that represents vendors who are inspected or certified by the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

A. Primary Government

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

B. Public Entity Risk Pool

The Health District participates in the Public Entities Pool of Ohio, a public entity risk pool. This organization is presented in Note 11 to the financial statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the "Basis of Accounting" section of this note, 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). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

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

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The statement of net position presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health 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 Health District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Health 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 cash basis or draws from the general receipts of the Health District.

Fund Financial Statements

During the year, the Health District segregates transactions related to certain Health 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 Health 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. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Health 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. The funds of the Health District are presented in a single category (governmental).

Governmental Funds

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

General Health Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Public Health Nursing Fund - This fund receives grants and patient fees to provide for and make disbursements toward health planning, health promotion, health education, and various public health and clinical nursing services.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

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

B. Fund Accounting (Continued)

Public Health Infrastructure Fund - This fund accounts for and reports federal grants received from the Ohio Department of Health and the City of Columbus restricted for public health infrastructure (preparedness and education) for the Health District.

Sewage Fund - This fund accounts for and reports grants received from the EPA restricted for sewage programs of the Health District.

The other governmental funds of the Health District account for grants and other resources that are restricted or committed for a particular purpose.

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health 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 expenses and liabilities) 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 Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health 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 Health District if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health District must adopt an itemized appropriation measure. The appropriation 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 Board of Health 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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

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

D. Budgetary Process (Continued)

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 Board of Health.

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 amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

E. Cash and Investments

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County, Andrew J. Smarra, CPA, Union County Treasurer, 233 West Sixth Street, Marysville, Ohio 43040. The phone number is (937) 645-3035.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. 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. The Health District has no restricted assets at December 31, 2018.

G. Inventory and Prepaid Items

The Health District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. 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 Health District's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Health 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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

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

K. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Health 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.

M. Fund Cash Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as 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.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a Health District official delegated that authority by resolution, or by State statute. The amount of subsequent year's appropriations in excess of the subsequent year's estimated receipts for the general fund is also reported as assigned fund balance.

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

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

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

M. Fund Cash Balance (Continued)

The Health District applies restricted resources first when expenditures 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 expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. 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.

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, public health nursing fund, public health infrastructure fund, and sewage 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 cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

The encumbrances outstanding at year end (budgetary basis) amounted to:

Outstanding Encumbrances by Fund (Year-End)	2018
General fund	\$ 62,879
Major Special Revenue Funds	
Public health nursing fund	65,675
Public health infrastructure fund	879
Sewage fund	134,253

NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2018, the Health District has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the Health District's postemployment benefit plan disclosures, as presented in Note 8 to the basic financial statements.

UNION COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLES - (Continued)

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the Health District.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the Health District.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

Real property taxes received in 2018 were levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes received in 2017 were collected in and intended to finance 2018. Real property taxes received in 2018 were collected in and intended to finance 2019.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2018 was \$1.25 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2018 property tax receipts were based are as follows:

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

NOTE 5 - PROPERTY TAXES - (Continued)

	<u>Tax Year 2018</u>
Real property:	
Agriculture	\$ 313,109,500
Residential	989,307,680
Commercial/Industrial/Mineral	227,793,000
Public utility personal property:	
Personal	<u>137,852,870</u>
Total assessed valuation	<u><u>\$1,668,063,050</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Health District. The County Auditor periodically remits to the Health District its portion of the taxes collected.

NOTE 6 - RISK MANAGEMENT

The Health District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the Health District contracted with the Public Entities Pool of Ohio for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
<u>Public Entities Pool of Ohio</u>		
Blanket Property and Contents, Replacement	\$ 178,500	\$ 500
General Liability	5,000,000	1,000
Automotive Liability	5,000,000	1,000
Wrongful Acts	5,000,000	1,000
Employment Practice Liability	5,000,000	1,000
Computer - Hardware and Software	366,000	500
Public Employee and Dishonesty	5,000	-
Money and Securities	10,000	-

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The Health District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

The Health District manages employee health benefits on a fully-insured basis. The employee health benefit plan provided basic health coverage through Medical Mutual of Ohio in 2018, which reviews and pays the medical claims. The Health District provided dental insurance through Delta Dental directly in 2018, which reviews and pays the dental claims. For 2018, monthly premiums were as follows:

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

NOTE 6 - RISK MANAGEMENT (CONTINUED)

Coverage	Monthly Premium	
	Medical	Dental
Employee plus spouse and more than two children	\$ 1,474.52	
Employee plus spouse and two children	1,245.99	
Employee plus spouse and one child	1,082.69	
Employee plus spouse	919.39	
Employee plus more than two children	1,017.39	
Employee plus two children	788.86	
Employee plus one child	625.56	
Single coverage	462.26	
Employee plus two or more dependents		\$ 123.05
Employee plus one dependent		63.85
Single coverage		32.74

Medical Mutual of Ohio charged the Health District a medical administration fee of \$25.00 per month to administer the respective medical plans.

NOTE 7 - DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

Plan Description - Health District employees participate 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 and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health District employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Health District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$267,665 for 2018.

NOTE 8 - DEFINED BENEFIT OPEB PENSION PLAN

Ohio Public Employees Retirement System

Plan Description – The 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 health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

UNION COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

NOTE 8 - DEFINED BENEFIT OPEB PENSION PLAN - (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or 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. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2108, OPERS did not allocate any employer contributions to post-employment health care.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

NOTE 9 - INTERFUND TRANSFERS

During 2018, the following transfers were made:

<u>Transfers from General Fund to:</u>	
Public Health Nursing Fund	\$ 550,000
Sewage Fund	<u>50,000</u>
Total	<u>\$ 600,000</u>

Transfers represent the allocation of unrestricted receipts collected in the general fund to finance current operations accounted for in other funds in accordance with budgetary authorizations. The transfers above were made to provide additional resources for current public health nursing operations and sewage programs.

NOTE 10 - CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs.

Management cannot presently determine amounts grantors may disallow. However, based on prior cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

NOTE 11 - PUBLIC ENTITY RISK POOL

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 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, 2018, 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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

NOTE 11 - PUBLIC ENTITY RISK POOL - (Continued)

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, 2017 and 2016 (the latest information available):

	2017	2016
Assets	\$ 44,452,326	\$ 42,182,281
Liabilities	(13,004,011)	(13,396,700)
Net position	\$ 31,448,315	\$ 28,785,581

At December 31, 2017 and 2016, respectively, the liabilities above include approximately \$11.8 million and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$11.3 million and 11.5 million of unpaid claims to be billed. The Pool’s membership increased from 520 members in 2016 to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the District’s share of these unpaid claims collectible in future years is approximately \$13,792.

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 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		
2018	2017	2016
\$ 13,353	\$ 13,573	\$ 13,696

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 was incurred or reported prior to the withdrawal.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

NOTE 12 - OHIO DEPARTMENT OF HEALTH FUNDS

During the year ended December 31, 2018, the District received federal funding passed through the Ohio Department of Health as follows:

Federal Grantor/ Grant Title	CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services:		
Creating Healthy Communities	93.305	\$ 4,736
Creating Healthy Communities	93.758	95,001
Get Vaccinated Ohio	93.268	32,817
Immunization Action Plan	93.539	22,521
Injury Prevention	93.758	122,428
Maternal & Child Health	93.994	23,822
PHEP	93.074	179,021
Indoor Radon	66.032	63,125
Reproductive Health & Wellness	93.217	21,517
Reproductive Health & Wellness	93.994	25,439
Opioid	93.136	31,500
Total		<u>\$ 621,925</u>

NOTE 13 – SIGNIFICANT SUBSEQUENT EVENT

On February 20, 2019, the District signed an amended lease agreement with Union County (the “County”) for its facilities. The agreement increases the space rented by 3,459 square feet and increases the yearly rent from \$9 per square foot to \$10 per square foot. As part of the agreement, the County will give the District \$500,000 for use in the renovation of the new space and some of the existing space. The term of the new contract is for 10 years following the renovation of the new space.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED**

The discussion and analysis of the Union County General Health District's, Union County, Ohio (the "Health District") financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2017, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the Health 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 Health District's financial performance.

Financial Highlights

Key financial highlights for the year 2017 are as follows:

- Net position of governmental activities increased \$8,631 or 0.32% as compared to 2016.
- General receipts in the form of property taxes, unrestricted grants and entitlements, and miscellaneous receipts comprise the largest percentage of the Health District's receipts, accounting for \$1,741,753 or 48.56% of all the dollars coming into the Health District. Program specific receipts in the form charges for services and operating grants and contributions make up the remaining \$1,844,780 or 51.44%.
- The Health District had \$3,577,902 in disbursements during 2017.
- In 2017, the general fund had receipts of \$2,072,909 and disbursements and other financing uses of \$2,148,486. The fund balance of the general fund decreased by \$75,577 from \$1,452,727 to \$1,377,150.
- The public nursing fund, a major fund, accounts for receipts collected from general nursing and other various personal health activities throughout the county. Receipts, primarily in the form of intergovernmental monies, charges for services and other miscellaneous sources, and other financing sources of \$1,476,414 represent a decrease of \$9,812 from 2016. Disbursements of \$1,336,725 decreased \$29,964 as compared to 2016. The overall fund balance increased \$139,689 from 2016.
- The public health infrastructure fund, a major fund, accounts for federal grant monies to improve the emergency preparedness of the county. Receipts decreased by \$26,867 and disbursements increased \$51,921 from 2016. Fund balance decreased \$71,603 from \$417,530 to \$345,927 during 2017.

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 is applicable to the District's cash basis of accounting.

Report Components

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis provide information about the cash activities of the Health District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health 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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED**

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 Health 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 accounting principles generally accepted in the United States of America (GAAP). Under the Health District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this 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 these 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 Health District as a Whole

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis reflect how the Health District performed financially during 2017, within the limitations of the cash basis of accounting. The Statement of Net Position - Cash Basis presents the cash balances of the governmental activities of the Health District at year end. The Statement of Activities - Cash Basis compares cash disbursements with program receipts for each governmental program 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 cash disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

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

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis present governmental activities, which include all the Health District's services. Charges for services and state and federal grants finance just under half of these activities. To a significant extent, benefits provided through the governmental activities are being paid for by the people receiving them. The Health District has no business-type activities.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

Reporting the Health District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Health District's major funds - not the Health District as a whole. The Health 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 Health District are governmental.

Governmental Funds - The Health District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Health 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 Health District's health programs. The Health 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 Health District's major governmental funds are the general fund, the public health nursing fund, and the public health infrastructure grant fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Health District as a Whole

Table 1 provides a summary of the Health District's cash basis net position at December 31, 2017 compared to December 31, 2016.

**Table 1
Statement of Net Position - Cash Basis**

	Governmental Activities	
	2017	2016
Assets		
Equity in pooled cash and cash equivalents	\$ 2,680,505	\$ 2,671,874
Total Assets	\$ 2,680,505	\$ 2,671,874
Net Position		
Restricted for:		
Public health nursing	\$ 414,379	\$ 274,690
Public health infrastructure	345,927	417,530
Other public health programs	543,049	526,927
Unrestricted	1,377,150	1,452,727
Total Net Position	\$ 2,680,505	\$ 2,671,874

Table 2 reflects the change in net position on a cash basis in 2017 as compared to 2016:

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED

**Table 2
Changes in Net Position - Cash Basis**

	Governmental Activities	
	2017	2016
Receipts		
Program cash receipts:		
Charges for services and sales	\$ 951,423	\$ 912,295
Operating grants and contributions	893,357	747,031
Total program cash receipts	<u>1,844,780</u>	<u>1,659,326</u>
General receipts:		
Property taxes	1,447,550	1,413,969
Grants and entitlements	271,346	304,807
Miscellaneous	22,857	9,592
Total general receipts	<u>1,741,753</u>	<u>1,728,368</u>
Total Receipts	<u>3,586,533</u>	<u>3,387,694</u>
Disbursements		
Environmental health:		
General environmental health	221,850	227,345
Food service	104,793	107,939
Plumbing	152,745	154,502
Water	47,550	42,520
Sewage	249,864	178,372
Pools/Spas	5,391	4,488
Camps/MHP	1,561	1,474
Solid waste	3,954	2,565
Radon	50,187	4,199
Rabies	728	1,180
Personal health:		
General nursing & ohio children's trust	313,400	517,961
Health education and partnerships	221,132	245,365
Injury prevention	129,073	121,071
Safe communities	31,464	21,132
Immunization action plan	9,847	120
Help me grow/LEADS/central intake	63,781	183,272
Prescription assistance	12,029	12,365
Child and family health services	53,790	28,566
Reproductive health & wellness	263,035	154,962
Clinics/BCMH	324,428	131,693
Public health infrastructure/MRC/Radiation	294,324	242,403
Vital statistics	103,425	85,412
Administration	689,182	586,026
General health district & LGIF	230,369	217,603
Total Disbursements	<u>3,577,902</u>	<u>3,272,535</u>
Change in net position	8,631	115,159
Net position at beginning of year	<u>2,671,874</u>	<u>2,556,715</u>
Net position at end of year	<u>\$ 2,680,505</u>	<u>\$ 2,671,874</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED**

In 2017, 48.56 percent of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general Health District purposes. Program receipts accounted for 51.44 percent of the Health District's total receipts in year 2017. These receipts consist primarily of charges for services for birth and death certificates, food services licenses, trailer park permits, swimming pools permits, and water system permits and state and federal operating grants and donations.

Governmental Activities

If you look at the Statement of Activities for 2017 on page 40, you will see that the first column lists the major disbursements of the Health District. The next column identifies the amount of these disbursements. In 2017, the major program disbursements for governmental activities were: administration and Clinics and BCMH, which accounted for 19.26% and 9.07% of all governmental disbursements, respectively. The next two columns of the statement entitled Program Receipts identify amounts paid by people who are directly charged for services and grants and contributions received by the Health District that must provide a specific service. The net (disbursements) receipts 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, state subsidies and cash balances of grant and fee programs. 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 2017 and 2016 is presented in Table 3, below.

**Table 3
Governmental Activities**

	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
Environmental health:				
General environmental health	\$ 221,850	\$ 199,044	\$ 227,345	\$ 194,241
Food service	104,793	1,798	107,939	511
Plumbing	152,745	(24,043)	154,502	9,068
Water	47,550	(4,165)	42,520	(8,385)
Sewage	249,864	(5,285)	178,372	(28,838)
Pools/Spas	5,391	(2,844)	4,488	(5,432)
Camps/MHP	1,561	(254)	1,474	(356)
Solid waste	3,954	(936)	2,565	(2,325)
Radon	50,187	(9,813)	4,199	40
Rabies	728	728	1,180	1,180
Personal health:				
General nursing & ohio children's tr	313,400	227,256	517,961	423,849
Health education and partnerships	221,132	186,222	245,365	216,311
Injury prevention	129,073	11,061	121,071	(40,061)
Safe & drug free communities	31,464	65	21,132	(12,153)
Smoking prevention	9,847	2,051	120	120
Help me grow/LEADS/central intake	63,781	(8,219)	183,272	14,338
Prescription assistance	12,029	(1,971)	12,365	(5,135)
Child and family health services	53,790	(2,550)	28,566	(13,170)
Reproductive health & wellness	263,035	12,660	154,962	64,078
Clinics/BCMh	324,428	133,819	131,693	12,083
Public health infrastructure/MRC/Rad	294,324	72,591	242,403	(7,184)
Vital statistics	103,425	26,756	85,412	11,839
Administration	689,182	688,782	586,026	570,987
General health district & LGIF	230,369	230,369	217,603	217,603
Totals	\$ 3,577,902	\$ 1,733,122	\$ 3,272,535	\$ 1,613,209

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
UNAUDITED**

The Health District has attempted 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. About 48.44% of the Health District's costs are supported through property taxes, unrestricted grants and other general receipts.

The Health District's Funds

Total governmental funds had receipts and other financing sources of \$4,286,533 and disbursements and other financing uses of \$4,277,902.

In 2017, the general fund had receipts of \$2,072,909 and disbursements and other financing sources of \$2,148,486. The fund balance of the general fund decreased by \$75,577 due mainly to increases in administration and vital statistics related expenses. The general fund had an increase in both revenues and expenditures.

The public nursing fund, a major fund, accounts for receipts collected from general nursing and other various personal health activities throughout the county. Receipts, primarily in the form of intergovernmental monies, charges for services and other miscellaneous sources, and other financing sources of \$1,476,414 represent a decrease of \$9,812 from 2016. Disbursements of \$1,336,725 decreased \$29,964 as compared to 2016. The overall fund balance increased \$139,689 from 2016.

The public health infrastructure fund, a major fund, accounts for federal grant monies to improve the emergency preparedness of the county. Receipts decreased by \$26,867 and disbursements increased \$51,921 from 2016. Fund balance decreased \$71,603 from \$417,530 to \$345,927 during 2017.

General Fund Budgeting Highlights

The Health 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. The most significant budgeted fund is the general fund.

During the course of 2017, the Health District amended its appropriations, and the budgetary statements reflect both the original and final appropriated amounts. The general fund's final budgeted receipts of \$1,943,168 were equal to original budgeted receipts. Actual receipts were \$2,045,392, which were \$102,224 more than final budget estimates. Actual budgetary-basis disbursements and other financing uses of \$2,203,751 were \$602,316 less than final appropriated expenditures and other financing uses of \$2,806,067.

Capital Assets

The Health District does not currently keep track of its capital assets and infrastructure.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health 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 Jason E. Orcena, PhD, Health Commissioner, Union County Health Department, 940 London Avenue, Suite 1100, Marysville, Ohio 43040.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2017**

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash and cash equivalents with fiscal agent	<u>\$ 2,680,505</u>
Net position	
Restricted for:	
Public health nursing	\$ 414,379
Public health infrastructure	345,927
Other public health programs	543,049
Unrestricted	<u>1,377,150</u>
Total net position	<u>\$ 2,680,505</u>

The notes to the financial statements are an integral part of this statement.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Governmental Activities:				
Environmental health:				
General environmental health	\$ 221,850	\$ 18,006	\$ 4,800	\$ (199,044)
Food service	104,793	102,995	-	(1,798)
Plumbing	152,745	176,788	-	24,043
Water	47,550	51,715	-	4,165
Sewage	249,864	228,318	26,831	5,285
Pools / spas	5,391	8,235	-	2,844
Camps / MHP	1,561	1,815	-	254
Solid waste	3,954	-	4,890	936
Radon	50,187	-	60,000	9,813
Rabies	728	-	-	(728)
Personal health:				
General nursing & Ohio Children's Trust	313,400	12,655	73,489	(227,256)
Health education and partnerships	221,132	24,993	9,917	(186,222)
Injury prevention	129,073	-	118,012	(11,061)
Safe & drug free communities	31,464	-	31,399	(65)
Immunization action plan	9,847	-	7,796	(2,051)
Help me grow/LEADS/central intake	63,781	72,000	-	8,219
Prescription assistance	12,029	-	14,000	1,971
Child and family health services	53,790	-	56,340	2,550
Reproductive health & wellness	263,035	26,812	223,563	(12,660)
Clinics / BCMH	324,428	85,051	105,558	(133,819)
Public health infrastructure/MRC/radiation	294,324	69,157	152,576	(72,591)
Vital statistics	103,425	72,483	4,186	(26,756)
Administration	689,182	400	-	(688,782)
General health district & LGIF	230,369	-	-	(230,369)
Total governmental activities	<u>\$ 3,577,902</u>	<u>\$ 951,423</u>	<u>\$ 893,357</u>	<u>(1,733,122)</u>
General Receipts:				
Property taxes and other local taxes				1,447,550
levied for general health district purposes				271,346
Grants and entitlements not restricted to specific programs				22,857
Miscellaneous				-
Total general receipts				<u>1,741,753</u>
Change in net position				8,631
Net position at beginning of year				<u>2,671,874</u>
Net position at end of year				<u>\$ 2,680,505</u>

The notes to the financial statements are an integral part of this statement.

UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUNDS BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General Fund	Public Health Nursing Fund	Public Health Infrastructure Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and cash equivalents with fiscal agent	\$ 1,377,150	\$ 414,379	\$ 345,927	\$ 543,049	\$ 2,680,505
Fund Balances					
Restricted:					
Environmental health:					
Food service	-	-	-	74,632	74,632
Water	-	-	-	27,895	27,895
Sewage	-	-	-	200,037	200,037
Pools / spas	-	-	-	55,118	55,118
Camps / MHP	-	-	-	4,394	4,394
Solid Waste	-	-	-	17,742	17,742
Personal health:					
Safe & drug fee communities	-	-	-	81,599	81,599
Child and family health services	-	-	-	81,632	81,632
Public health nursing	-	414,379	-	-	414,379
Public health infrastructure / MRC / radiation	-	-	345,927	-	345,927
Assigned:					
Outstanding encumbrances	82,782	-	-	-	82,782
Unassigned:	1,294,368	-	-	-	1,294,368
Total fund balances	\$ 1,377,150	\$ 414,379	\$ 345,927	\$ 543,049	\$ 2,680,505

The notes to the financial statements are an integral part of this statement.

UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY

STATEMENT OF CASH RECEIPTS, DIBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Public Health Nursing Fund	Public Health Infrastructure Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receipts					
Property and other local taxes	\$ 1,447,550	\$ -	\$ -	\$ -	\$ 1,447,550
Intergovernmental	335,532	624,334	152,576	119,460	1,231,902
Fees, licenses and permits	182,876	-	-	393,078	575,954
Contractual services	-	-	69,157	-	69,157
Charges for services	89,200	114,784	-	-	203,984
Miscellaneous	17,751	37,296	988	1,951	57,986
	<u>2,072,909</u>	<u>776,414</u>	<u>222,721</u>	<u>514,489</u>	<u>3,586,533</u>
Total Receipts					
Disbursements					
Environmental health:					
General environmental health	221,850	-	-	-	221,850
Food service	-	-	-	104,793	104,793
Plumbing	152,745	-	-	-	152,745
Water	-	-	-	47,550	47,550
Sewage	-	-	-	249,864	249,864
Pools / spas	-	-	-	5,391	5,391
Camps / MHP	-	-	-	1,561	1,561
Solid waste	-	-	-	3,954	3,954
Radon	50,187	-	-	-	50,187
Rabies	728	-	-	-	728
Personal health:					
General nursing & ohio children's trust	-	313,400	-	-	313,400
Health education and partnerships	-	221,132	-	-	221,132
Injury prevention	-	129,073	-	-	129,073
Safe & drug free communities	-	-	-	31,464	31,464
Immunization action plan	-	9,847	-	-	9,847
Help me grow / LEADS / central intake	-	63,781	-	-	63,781
Prescription assistance	-	12,029	-	-	12,029
Child and family health services	-	-	-	53,790	53,790
Reproductive health & wellness	-	263,035	-	-	263,035
Clinics / BCMH	-	324,428	-	-	324,428
Public health infrastructure / MRC / radiation	-	-	294,324	-	294,324
Vital Statistics	103,425	-	-	-	103,425
Administration	689,182	-	-	-	689,182
General health district & LGIF	230,369	-	-	-	230,369
	<u>1,448,486</u>	<u>1,336,725</u>	<u>294,324</u>	<u>498,367</u>	<u>3,577,902</u>
Total Disbursements					
Excess (deficiency) of receipts over (under) disbursements	<u>624,423</u>	<u>(560,311)</u>	<u>(71,603)</u>	<u>16,122</u>	<u>8,631</u>
Other financing sources (uses)					
Transfers in	-	700,000	-	-	700,000
Transfers out	(700,000)	-	-	-	(700,000)
	<u>(700,000)</u>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)					
Net change in fund balances	(75,577)	139,689	(71,603)	16,122	8,631
Fund balances at beginning of year	1,452,727	274,690	417,530	526,927	2,671,874
Fund balances at end of year	<u>\$ 1,377,150</u>	<u>\$ 414,379</u>	<u>\$ 345,927</u>	<u>\$ 543,049</u>	<u>\$ 2,680,505</u>

The notes to the financial statements are an integral part of this statement.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DIBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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	\$ 1,385,079	\$ 1,385,079	\$ 1,420,032	\$ 34,953
Fees, licenses and permits	129,851	129,851	182,876	53,025
Charges for services	87,930	87,930	89,200	1,270
Intergovernmental	335,308	335,308	335,532	224
Miscellaneous	5,000	5,000	17,752	12,752
Total Receipts	<u>1,943,168</u>	<u>1,943,168</u>	<u>2,045,392</u>	<u>102,224</u>
Disbursements				
Current:				
Environmental health:				
General environmental health	228,875	259,163	232,469	26,694
Plumbing	158,537	187,019	158,802	28,217
Radon	84,547	88,222	60,922	27,300
Rabies	1,620	1,620	728	892
Vital Statistics	124,610	125,303	117,731	7,572
Administration	1,201,013	1,136,994	720,180	416,814
General health district & LGIF	308,022	307,746	212,919	94,827
Total Disbursements	<u>2,107,224</u>	<u>2,106,067</u>	<u>1,503,751</u>	<u>602,316</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(164,056)</u>	<u>(162,899)</u>	<u>541,641</u>	<u>704,540</u>
Other financing (uses)				
Transfers out	<u>(850,000)</u>	<u>(850,000)</u>	<u>(700,000)</u>	<u>150,000</u>
Total other financing (uses)	<u>(850,000)</u>	<u>(850,000)</u>	<u>(700,000)</u>	<u>150,000</u>
Net change in fund balance	<u>(1,014,056)</u>	<u>(1,012,899)</u>	<u>(158,359)</u>	<u>854,540</u>
Fund balance beginning of year	1,377,071	1,377,071	1,377,071	-
Prior year encumbrances appropriated	75,656	75,656	75,656	-
Fund balance end of year	<u>\$ 438,671</u>	<u>\$ 439,828</u>	<u>\$ 1,294,368</u>	<u>\$ 854,540</u>

The notes to the financial statements are an integral part of this statement.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DIBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 683,500	\$ 729,365	\$ 624,334	\$ (105,031)
Charges for services	209,357	209,357	114,784	(94,573)
Miscellaneous	10,090	10,090	37,296	27,206
Total Receipts	<u>902,947</u>	<u>948,812</u>	<u>776,414</u>	<u>(172,398)</u>
Disbursements				
Current:				
Personal health:				
General nursing & ohio children's trust	357,582	356,223	319,804	36,419
Health education and partnerships	268,605	275,451	228,638	46,813
Injury prevention	158,100	163,653	129,575	34,078
Immunization action plan	-	45,063	23,322	21,741
Help me grow / LEADS / central intake	76,546	78,076	64,978	13,098
Prescription assistance	19,588	19,588	15,529	4,059
Reproductive health & wellness Clinics / BCMH	354,876	360,193	282,203	77,990
	474,931	481,709	352,208	129,501
Total Disbursements	<u>1,710,228</u>	<u>1,779,956</u>	<u>1,416,257</u>	<u>363,699</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(807,281)</u>	<u>(831,144)</u>	<u>(639,843)</u>	<u>191,301</u>
Other financing sources				
Transfers in	<u>850,000</u>	<u>850,000</u>	<u>700,000</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>850,000</u>	<u>850,000</u>	<u>700,000</u>	<u>(150,000)</u>
Net change in fund balance	<u>42,719</u>	<u>18,856</u>	<u>60,157</u>	<u>41,301</u>
Fund balances beginning of year	161,428	161,428	161,428	-
Prior year encumbrances appropriated	113,262	113,262	113,262	-
Fund balance end of year	<u>\$ 317,409</u>	<u>\$ 293,546</u>	<u>\$ 334,847</u>	<u>\$ 41,301</u>

The notes to the financial statements are an integral part of this statement.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DIBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 136,529	\$ 167,476	\$ 152,576	\$ (14,900)
Contractual services	70,000	70,000	69,157	(843)
Miscellaneous	-	-	988	988
	<u>206,529</u>	<u>237,476</u>	<u>222,721</u>	<u>(14,755)</u>
Total Receipts				
Disbursements				
Current:				
Public health infrastructure	265,729	304,983	295,465	9,518
	<u>(59,200)</u>	<u>(67,507)</u>	<u>(72,744)</u>	<u>(5,237)</u>
Excess (deficiency) of receipts over (under) disbursements				
Other financing sources				
Transfers in	6,000	6,000	-	(6,000)
	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Total other financing sources				
Net change in fund balance	(53,200)	(61,507)	(72,744)	(11,237)
Fund balances beginning of year	415,748	415,748	415,748	-
Prior year encumbrances appropriated	1,782	1,782	1,782	-
	<u>364,330</u>	<u>356,023</u>	<u>344,786</u>	<u>(11,237)</u>
Fund balance end of year				

The notes to the financial statements are an integral part of this statement.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - REPORTING ENTITY

The Union County General Health District (the "Health 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. A seven-member Board of Health (the "Board") governs the Health District. Three members are appointed by the District Advisory Council on behalf of the townships, two members are appointed by the City of Marysville, one member is appointed by the District Advisory Council as a medical representative, and one member is appointed by the Licensing Council that represents vendors who are inspected or certified by the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health related licenses and permits, and emergency response planning.

B. Public Entity Risk Pool

The Health District participates in the Public Entities Pool of Ohio, a public entity risk pool. This organization is presented in Note 11 to the financial statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a 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 Health District's accounting policies.

A. Basis of Presentation

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

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

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

A. Basis of Presentation (Continued)

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The statement of net position presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health 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 Health District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Health 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 cash basis or draws from the general receipts of the Health District.

Fund Financial Statements

During the year, the Health District segregates transactions related to certain Health 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 Health 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. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Health 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. The funds of the Health District are presented in a single category (governmental).

Governmental Funds

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

General Health Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

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

B. Fund Accounting (Continued)

Public Health Nursing Fund - This fund receives grants and patient fees to provide for and make disbursements toward health planning, health promotion, health education, and various public health and clinical nursing services.

Public Health Infrastructure Fund - This fund accounts for and reports federal grants received from the Ohio Department of Health and the City of Columbus restricted for public health infrastructure (preparedness and education) for the Health District.

The other governmental funds of the Health District account for grants and other resources that are restricted or committed for a particular purpose.

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health 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. Any such modifications made by the Health District are described in the appropriate section in this note.

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 expenses and liabilities) 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 Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health 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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

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

D. Budgetary Process (Continued)

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health District must adopt an itemized appropriation measure. The appropriation 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 Board of Health 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 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 Board of Health.

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 amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

E. Cash and Investments

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County, Andrew J. Smarra, CPA, Union County Treasurer, 233 West Sixth Street, Marysville, Ohio 43040. The phone number is (937) 645-3035.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. 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. Inventory and Prepaid Items

The Health District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

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

I. 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 Health District's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Health 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.

K. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Health 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.

M. Fund Cash Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as 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.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

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

M. Fund Cash Balance (Continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a Health District official delegated that authority by resolution, or by State statute.

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

The Health District applies restricted resources first when expenditures 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 expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. 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 and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular 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, public health nursing fund, and public health infrastructure 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 cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

The encumbrances outstanding at year end (budgetary basis) amounted to:

Outstanding Encumbrances by Fund (Year-End)	2017
General fund	\$ 82,782
Major Special Revenue Funds	
Public health nursing fund	79,532
Public health infrastructure fund	1,141

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2017, the Health District has implemented GASB Statement No. 80, *“Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14”*, GASB Statement No. 81 *“Irrevocable Split-Interest Agreements”*, and GASB Statement No. 82, *“Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73”*.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the Health District.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Health District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the Health District.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

Real property taxes received in 2017 were levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes received in 2016 were collected in and intended to finance 2017. Real property taxes received in 2017 were collected in and intended to finance 2018.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

NOTE 5 - PROPERTY TAXES - (Continued)

The full tax rate for all Health District operations for the year ended December 31, 2017 was \$1.25 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

	<u>Tax Year 2017</u>
Real property:	
Agriculture	\$ 310,487,240
Residential	954,458,510
Commercial/Industrial/Mineral	219,920,550
Public utility personal property:	
Real	933,210
Personal	<u>136,178,860</u>
Total assessed valuation	<u><u>\$1,621,978,370</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the County. The County Auditor periodically remits to the Health District its portion of the taxes collected.

NOTE 6 - RISK MANAGEMENT

The Health District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2017, the Health District contracted with the Public Entities Pool of Ohio for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
<u>Public Entities Pool of Ohio</u>		
Blanket Property and Contents, Replacement	\$ 178,500	\$ 500
General Liability	5,000,000	1,000
Automobile Liability	5,000,000	1,000
Wrongful Acts	5,000,000	1,000
Employment Practice Liability	5,000,000	1,000
Computer – Hardware and Software	366,000	500
Public Employee and Dishonesty	5,000	0
Money and Securities	10,000	0

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

NOTE 6 - RISK MANAGEMENT – (Continued)

The Health District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

The Health District manages employee health benefits on a fully-insured basis. The employee health benefit plan provided basic health coverage through Medical Mutual of Ohio in 2017, which reviews and pays the medical claims. The Health District provided dental insurance through Delta Dental directly in 2017, which reviews and pays the dental claims. The monthly medical premiums in 2017 were \$1,462.57, \$1,236.61, \$913.57, \$782.40, \$1,075.09, and \$459.36 for, employee plus spouse and more than two children, employee plus spouse and two children, employee plus spouse, employee plus two children, employee plus spouse and one child, and single coverage, respectively. The monthly premiums for dental in 2017 were \$123.05, \$63.85, and \$32.74 for, employee plus two or more dependents, employee plus one, and single coverage, respectively. Medical Mutual of Ohio charged the Health District a medical administration fee of \$25.00 per month to administer the respective medical plans.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Health District employees, other than full-time police and firefighters, participate 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 and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health District employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	<u>1.0 %</u>
 Total Employer	<u><u>14.0 %</u></u>
 Employee	<u><u>10.0 %</u></u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Health District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$236,605 for 2017.

UNION COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)**

NOTE 8 - POSTRETIREMENT BENEFIT PLANS

Ohio Public Employees Retirement System

Plan Description - 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 members of both the Traditional Pension Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB 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 visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans 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 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

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 healthcare plan.

The Health District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$18,200, \$34,814, and \$35,618, respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

NOTE 9 - INTERFUND TRANSACTIONS

Transfers

During 2017, the following transfers were made:

<u>Transfers To</u>	<u>Transfers From General</u>
Public Health Nursing Fund	<u>\$ 700,000</u>

Transfers represent the allocation of unrestricted receipts collected in the general fund to finance current operations accounted for in other funds in accordance with budgetary authorizations. The above transfer was made to provide additional resources for current public health nursing operations.

NOTE 10 - CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs.

Management cannot presently determine amounts grantors may disallow. However, based on prior cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

NOTE 11 - PUBLIC ENTITY RISK POOL

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 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, 2017, 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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 (CONTINUED)

NOTE 11 - PUBLIC ENTITY RISK POOL - (Continued)

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, 2017 and 2016:

	2017	2016
Assets	\$ 44,452,326	\$ 42,182,281
Liabilities	(13,004,011)	(13,396,700)
Net position	\$ 31,448,315	\$ 28,785,581

At December 31, 2017 and 2016, respectively, the liabilities above include approximately \$11.8 million and \$12 million of estimated incurred claims payable. The assets above also include approximately \$11.3 million and 11.5 million of unpaid claims to be billed. The Pool's membership increased from 520 members in 2016 to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the District's share of these unpaid claims collectible in future years is approximately \$13,353.

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 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		
2017	2016	2015
\$ 13,573	\$ 13,696	\$ 19,269

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 was incurred or reported prior to the withdrawal.

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

June 14, 2019

Union County General Health District
Union County
940 London Avenue, Suite 1100
Marysville, Ohio 43040

To the Board of Health:

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 cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Union County General Health District**, Union County, (the District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 14, 2019, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. Additionally, we noted the District implemented GASB Statement No. 75 in 2018.

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 opinion 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.

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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*.

We noted a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter date June 14, 2019.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

OHIO AUDITOR OF STATE KEITH FABER



UNION COUNTY GENERAL HEALTH DISTRICT

UNION 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 16, 2019**