



OHIO AUDITOR OF STATE
KEITH FABER



**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY
DECEMBER 31, 2019**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis – December 31, 2019	3
Statement of Activities – Cash Basis – For the Year Ended December 31, 2019.....	4
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis Governmental Funds – December 31, 2019.....	5
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis – Governmental Funds – For the Year Ended December 31, 2019	6
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2019	7
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Immunization Fund – For the Year Ended December 31, 2019	8
Statement of Fiduciary Assets and Liabilities – Cash Basis – Fiduciary Fund – December 31, 2019.....	9
Notes to the Basic Financial Statements	11
Supplementary Information:	
Schedule of Ohio Department of Health Federal Grants	24
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	25

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INDEPENDENT AUDITOR'S REPORT

Auglaize County General Health District
Auglaize County
813 Defiance Street
Wapakoneta, Ohio 45895

To the Members of the Board:

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 Auglaize County General Health District, Auglaize County, Ohio (the District), as of and for the year ended December 31, 2019, 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.

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 Auglaize County General Health District, Auglaize County, Ohio, as of December 31, 2019, and the respective changes in cash financial position and the respective budgetary comparison for the general and immunization funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 12 to the financial statements, during fiscal year 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Ohio Department of Health Federal Grants presents additional analysis as required by the Ohio Department of Health and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2020, 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.



Keith Faber
Auditor of State
Columbus, Ohio

September 9, 2020

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2019**

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$430,814</u>
Total Assets	<u><u>\$430,814</u></u>
Net Position	
Restricted for:	
Other Purposes	\$173,997
Unrestricted	<u>256,817</u>
Total Net Position	<u><u>\$430,814</u></u>

See accompanying notes to the basic financial statements

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Position</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Environmental Health:				
General Environmental Health	\$1,681,863	\$658,948		(\$1,022,915)
Food	83,628	98,974		15,346
Pools	9,417	8,884		(533)
Water	16,759	17,720		961
Sewers		1,500		1,500
Camps/Manufactured Homes	6,769	5,248		(1,521)
Community Health Services:				
WIC	200,198		197,601	(2,597)
Immunizations	8,394		30,124	21,730
Child and Family Health Services	7,706		21,561	13,855
Other Community Health Services		13,406		13,406
Early Intervention Services Coordination	65,376		67,316	1,940
Health Promotion and Planning:				
Public Health Emergency Preparedness	123,482		127,309	3,827
Total Governmental Activities	<u>\$2,203,592</u>	<u>\$804,680</u>	<u>\$443,911</u>	<u>(955,001)</u>
General Receipts				
Property Taxes Levied for:				
				739,813
				3,553
				102,470
				<u>71,941</u>
				<u>917,777</u>
				(37,224)
				<u>468,038</u>
				<u>\$430,814</u>

See accompanying notes to the basic financial statements

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	<u>General</u>	<u>Immunization</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$256,817	\$52,823	\$121,174	\$430,814
Total Assets	<u>256,817</u>	<u>52,823</u>	<u>121,174</u>	<u>430,814</u>
Fund Balances:				
Restricted		52,823	121,174	173,997
Committed	37,197			37,197
Assigned	25,708			25,708
Unassigned	193,912			193,912
Total Fund Balances	<u>\$256,817</u>	<u>\$52,823</u>	<u>\$121,174</u>	<u>\$430,814</u>

See accompanying notes to the basic financial statements

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General</u>	<u>Immunization</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:				
Intergovernmental Revenue	\$102,470	\$30,124	\$413,787	\$546,381
Property Taxes	739,813			739,813
Subdivisions	3,553			3,553
Licenses and Permits	24,806		130,786	155,592
Fees	645,147		1,540	646,687
Contract Services	2,401			2,401
Other Receipts	63,107	96	8,738	71,941
Total Receipts	<u>1,581,297</u>	<u>30,220</u>	<u>554,851</u>	<u>2,166,368</u>
Disbursements:				
Current:				
Environmental Health:				
General Environmental Health	1,681,863			1,681,863
Food			83,628	83,628
Pools			9,417	9,417
Water			16,759	16,759
Camps/Manufactured Home Parks			6,769	6,769
Community Health Services:				
WIC			200,198	200,198
Immunizations		8,394		8,394
Child and Family Health Services			7,706	7,706
Early Intervention Service Coordination			65,376	65,376
Health Promotion and Planning:				
Public Health Emergency Preparedness			123,482	123,482
Total Disbursements	<u>1,681,863</u>	<u>8,394</u>	<u>513,335</u>	<u>2,203,592</u>
Excess of Receipts Over/(Under) Disbursements	<u>(100,566)</u>	<u>21,826</u>	<u>41,516</u>	<u>(37,224)</u>
Other Financing Sources (Uses):				
Advance In	26,517		26,517	53,034
Advance Out	<u>(26,517)</u>		<u>(26,517)</u>	<u>(53,034)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(100,566)	21,826	41,516	(37,224)
Fund Balances Beginning of Year	<u>357,383</u>	<u>30,997</u>	<u>79,658</u>	<u>468,038</u>
Fund Balances End of Year	<u>\$256,817</u>	<u>\$52,823</u>	<u>\$121,174</u>	<u>\$430,814</u>

See accompanying notes to the basic financial statements.

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<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	\$735,303	\$735,303	\$743,366	\$8,063
Intergovernmental	113,000	113,000	102,470	(10,530)
Fines, Licenses and Permits	30,000	30,000	24,806	(5,194)
Fees	745,750	745,750	645,147	(100,603)
Contract Services	1,500	1,500	2,401	901
Miscellaneous	41,000	41,000	64,473	23,473
Total Receipts	<u>1,666,553</u>	<u>1,666,553</u>	<u>1,582,663</u>	<u>(83,890)</u>
Disbursements:				
Current:				
Environmental Health:				
General Environmental Health	1,816,314	1,966,314	1,721,961	244,353
Total Disbursements	<u>1,816,314</u>	<u>1,966,314</u>	<u>1,721,961</u>	<u>244,353</u>
Excess of Receipts Over (Under) Disbursements	<u>(149,761)</u>	<u>(299,761)</u>	<u>(139,298)</u>	<u>160,463</u>
Other Financing Sources (Uses):				
Advance In			26,517	26,517
Advance Out			(26,517)	(26,517)
Transfers In	10,000	10,000	10,000	0
Transfers Out	(10,000)	(10,000)	(10,000)	0
Other Financing Sources	37,500	37,500	38,732	1,232
Total Other Financing Sources (Uses)	<u>37,500</u>	<u>37,500</u>	<u>38,732</u>	<u>1,232</u>
Net Change in Fund Balances	(112,261)	(262,261)	(100,566)	161,695
Prior Year Encumbrances Appropriated	36,839	36,839	36,839	0
Fund Balances Beginning of Year	320,544	320,544	320,544	0
Fund Balances End of Year	<u>\$245,122</u>	<u>\$95,122</u>	<u>\$256,817</u>	<u>\$161,695</u>

See accompanying notes to the basic financial statements

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
IMMUNIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$40,018	\$40,018	\$30,124	(\$9,894)
Miscellaneous			96	96
Total Receipts	<u>40,018</u>	<u>40,018</u>	<u>30,220</u>	<u>(9,798)</u>
Disbursements:				
Current:				
Environmental Health:				
Immunizations	<u>40,108</u>	<u>40,108</u>	<u>8,511</u>	<u>31,597</u>
Total Disbursements	<u>40,108</u>	<u>40,108</u>	<u>8,511</u>	<u>31,597</u>
Net Change in Fund Balances	(90)	(90)	21,709	21,799
Prior Year Encumbrances Appropriated	90	90	90	0
Fund Balances Beginning of Year	<u>30,906</u>	<u>30,906</u>	<u>30,906</u>	<u>0</u>
Fund Balances End of Year	<u><u>\$30,906</u></u>	<u><u>\$30,906</u></u>	<u><u>\$52,705</u></u>	<u><u>\$21,799</u></u>

See accompanying notes to the basic financial statements

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUND
DECEMBER 31, 2019**

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$6,841</u>
Liabilities:	
Undistributed Monies	<u>\$6,841</u>

See accompanying notes to the basic financial statements

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**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. REPORTING ENTITY

The Auglaize County General Health District (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A five-member Board of Health appointed by the District Advisory Council governs the District. The Board appoints a health commissioner and all employees of the District.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements of the District are not misleading. The District reports no component units or other organizations.

The District participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Primary Government

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

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 District's accounting policies.

A. Basis of Presentation

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

1. Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District except for fiduciary funds. Governmental activities are generally financed through taxes, intergovernmental receipts, or other non-exchange transactions.

The statement of net position presents the cash balance of the governmental activities at year-end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible.

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the District.

2. Fund Financial Statements

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

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the District are presented in two categories: governmental and fiduciary.

1. Governmental Funds

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

General Fund – The general fund accounts for and reports all financial resources except for restricted resources requiring a separate accounting. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Immunization Fund – The immunization fund is designed to improve and sustain vaccination coverage among children and adolescents, and to reduce vaccination coverage disparities in Ohio.

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

2. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds account for cash and investments where the District is acting as trustee or fiscal agent for other entities or individuals and the cash and investments is not available to support the District's own programs.. Fiduciary funds include agency funds. The following is the District's only fiduciary fund:

Flexible Spending Fund – The District's only agency fund is an employee funded flexible spending fund to pay for medical expenses that are not covered under the medical insurance plans.

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

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

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

D. Budgetary Process

All funds, except agency 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 District uses the object level within each fund and function as its legal level of control.

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

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

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

A budget versus actual statement for the general and immunization funds is presented as part of the basic financial statements.

E. Cash and Investments

The County Treasurer is custodian for the District's cash and investments. The County's cash and investment pool holds the 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 Auglaize County Auditor's office, 209 S Blackhoof St, Wapakoneta OH 45895, or 419-739-6705.

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 District did not have restricted assets.

G. Inventory and Prepaid Items

The 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. Inter-fund Receivables/Payables

The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Compensated Absences

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

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Employer Contributions to Cost-Sharing Pension Plans

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

L. Long-Term Obligations

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

M. 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. Net position restricted for other purposes include resources restricted for the various programs of the District. There was no net position restricted by enabling legislation at December 31, 2019.

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

N. Fund Balance

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

Non-Spendable – The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" 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 a 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. Committed fund balance in the General Fund represents money held for severance payments.

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the 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 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, unassigned classification is used only to report a deficit balance.

The 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.

O. Inter-fund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchasing funds. Subsidies from one fund to another without requirement for repayment are reported as inter-fund transfers. Governmental funds report inter-fund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

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 Statements of Receipts, Disbursements and Change in Fund Balance – Budget and Actual – Budget Basis presented for the general fund and the immunization 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 that outstanding year end encumbrances are treated as expenditures (budget basis) rather than as an assignment of fund balance (cash basis). The encumbrances outstanding at year end (budget basis) amounted to:

General Fund	\$4,697
Immunization Fund	\$118

The General Fund disbursements had an additional reconciling factor of \$40,098 as a result of an adjustment that was made on the cash basis to reduce Other Financing Sources in order to more appropriately report them as reductions of expenditures against General Environmental Health.

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

4. TAXES

A. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility property located in the District. Taxes collected on real property (other than public utility property) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date.

Assessed values are established by the Tax Commissioner at 35 percent of appraised market value. All property is required to be revalued every six years. The last triennial update was completed in tax year 2014 (Calendar year 2015). The last revaluation update was completed in tax year 2017 (calendar year 2018). Real property taxes are payable annually or semiannually. The first payment is due February 15, with the remainder payable by July 15.

Property tax revenues received in 2019 represents the collection of 2018 taxes for real and public utility property taxes. Real and public utility real and tangible personal property taxes received in 2019 became a lien on December 31, 2018, were levied after October 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Public utility real taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date.

Certain public utility tangible personal property currently is assessed at one hundred percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, and the County Auditor periodically remits to the taxing districts their portion of the taxes collected.

The full tax rate for all the District operations for the year ended December 31, 2019, was \$1.00 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2019 property tax receipts were based are as follows:

Real Property	\$1,066,221,420
Public Utility Property	461,150
Public Utility Personal Property	<u>35,152,980</u>
Total Assessed Values	<u><u>\$1,101,835,550</u></u>

B. TAX ABATEMENTS

The District is subject to tax abatements granted by (1) a Community Reinvestment Area-Tax Exemption Program created by the City of St. Marys, the Village of New Bremen and the Village of New Knoxville and (2) a Tax Incentive Review Council created by the City of St Marys and the Village of New Bremen.

The Community Reinvestment Area-Tax Exemption Program allows taxes to be abated on a new or improvements to, a tax payer's home. The terms range from five to fifteen years, with a seventy five to one hundred percent tax abatement.

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

4. TAXES (Continued)

The Tax Incentive Review Council allows taxes to be abated for the development of real property and the acquisition of personal property located in the area designated as an Enterprise Zone to create new jobs.

The gross amount of taxes abated during 2019 was \$165,715 for the County, the District's portion is \$12,992.

5. OUTSTANDING INTER-FUND ADVANCES

The advances outstanding due to the general fund at year end are as follows:

Home Visiting	\$5,727
---------------	---------

Inter-fund advances were made as a short-term loan to funds that needed operating money while grant funding or other revenue is expected to be received. The outstanding inter-fund loans are expected to be repaid within one year.

6. RISK MANAGEMENT

A. Risk Pool Membership

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

The District insures against injuries to employees through the County Commissioner Association of Ohio Workers' Compensation Group Rating Plan. (See Note 6.B)

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2019:

Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

6. RISK MANAGEMENT (Continued)

B. County Commissioner Association of Ohio Workers' Compensation Group Retro Rating Plan

For 2019, the District, through Auglaize County as their fiscal agent, participated in the County Commissioners Association of Ohio Workers' Compensation Group Retro Rating Plan ("the GRP"), an insurance purchasing pool. The intent of the GRP is to achieve a reduced premium for the District by virtue of its grouping with other participants in the GRP.

The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than the individual rate. The GRP then calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from, or pays rate equalization rebates to the various participants. Participation in the plan is limited to counties that can meet the Plans' selection criteria.

C. Employee Medical Benefits

The District participated in a health insurance plan through United Health Care for all employees. This is a fully insured plan which includes health, vision, and prescription benefits. In addition, the District has established a "Flexible Spending Account" to supplement the services provided under the health insurance plan. The plan is funded solely through voluntary employee payroll deductions, and employees file their own claims. This plan is administered by Wage Works.

The plan account activity was:

	<u>Beginning Of the Year</u>	<u>Deposits</u>	<u>Claims Paid</u>	<u>Balance at Year End</u>
2019	\$5,621	\$19,491	(\$18,271)	\$6,841
2018	\$5,401	\$21,725	(\$21,505)	\$5,621

7. DEFINED BENEFIT PENSION PLANS

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of the traditional 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 OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 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 yrs of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 yrs of service credit	Age and Service Requirements: Age 57 with 25 yrs of service credit or Age 62 with 5 yrs service credit
Formula: 2.2% of FAS multiplied by yrs of service for the first 30 yrs & 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by yrs of service for the first 30 yrs & 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by yrs of service for the first 35 yrs & 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 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 percent 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 percent.

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
2019 Actual Contribution Rates	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	0%
	<hr style="border-top: 1px solid black;"/>
	14.0%
Employee	<hr style="border-top: 1px solid black;"/>
	10.0%

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

7. DEFINED BENEFIT PENSION PLANS (Continued)

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

The District's contractually required contribution was \$141,786 for year 2019.

8. POSTEMPLOYMENT BENEFITS

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.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 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 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 OH 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 post-employment health care through 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 2019 local government employer units contributed at 14 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

8. POSTEMPLOYMENT BENEFITS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contributions 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 2019 was 4.0 percent.

Substantially all of the District's contributions allocated to fund post-employment healthcare benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2019, 2018 and 2017 were \$0, \$0, and \$11,033, respectively.

9. FUND BALANCES

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Immunization Fund	Other Governmental Funds	Total
Restricted for				
Pools			\$1,565	\$1,565
Water			8,146	8,146
Emergency Preparedness			23,041	23,041
Food			39,307	39,307
Trailer Parks			3,462	3,462
WIC Donations			4	4
CHA Project			15,375	15,375
Immunizations		\$52,823		52,823
Mom's Quit for 2			13,855	13,855
WIC			4,197	4,197
Sewers			4,685	4,685
Home Visiting			7,537	7,537
Total Restricted		52,823	121,174	173,997
Committed to				
Sick/Vacation Leave Payout	\$37,197			37,197
Assigned				
Encumbrances	4,697			4,697
Subsequent Year Budget	21,011			21,011
	25,708			25,708
Unassigned				
General	193,912			193,912
Total Fund Balances	\$256,817	\$52,823	\$121,174	\$430,814

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

10. OPERATING LEASE

The District is a party to a five year lease for rental of office space. This lease was effective August 1, 2019, and terminates July 31, 2024. This lease requires the District to remit monthly payments of \$6,500 the first day of each month.

11. CONTINGENT LIABILITIES

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

12. SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**GENERAL HEALTH DISTRICT
AUGLAIZE COUNTY**

**SCHEDULE OF OHIO DEPARTMENT OF HEALTH FEDERAL GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal Grantor Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through the Ohio Department of Health</i>			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	00610011WA1219	10.557	\$143,851
Total WIC	00610011WA1320		<u>56,330</u>
			\$200,181
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through the Ohio Department of Health</i>			
Immunization Cooperative Agreements	00610012GV0119	93.268	\$ 4,154
Total Immunization Cooperative Agreements	00610012GV0220		<u>4,239</u>
			\$ 8,393
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	00610012PH1019	93.074	\$75,724
Public Health Emergency Preparedness	00610012PH1120	93.069	\$47,759
Total Ohio Department of Health Federal Grants Disbursements			\$332,057

OHIO AUDITOR OF STATE KEITH FABER



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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*

Auglaize County General Health District
Auglaize County
813 Defiance Street
Wapakoneta, Ohio 45895

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Auglaize County General Health District, Auglaize County, (the District) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 9, 2020, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures impact on subsequent periods of the District.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 9, 2020

OHIO AUDITOR OF STATE KEITH FABER



AUGLAIZE COUNTY GENERAL HEALTH DISTRICT

AUGLAIZE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/1/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov