



**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015



Dave Yost • Auditor of State

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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 Health District), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Health 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 Health 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 Health 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 Union County General Health District, Union County, Ohio, as of December 31, 2016 and 2015, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Public Health Nursing, and Public Health Infrastructure 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 2015 financial statements, the beginning budgetary basis fund balances of the General, Public Health Nursing, and Public Health Infrastructure funds have been restated to correct a misstatement. 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, on our consideration of the Health 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 Health District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

December 19, 2017

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
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, 2016, within the limitations of the Health 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 2016 are as follows:

- Net position of governmental activities increased \$115,159 or 4.50% as compared to 2015.
- 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 \$1,728,368 or 51.02% 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 \$1,659,326 or 48.98%.
- The Health District had \$3,272,535 in disbursements during 2016.
- In 2016, the general fund had receipts of \$1,999,676 and disbursements and other financing uses of \$2,081,267. The fund balance of the general fund decreased by \$81,591 from \$1,534,318 to \$1,452,727.
- The public health 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 \$1,486,226 represent an increase of \$20,245 from 2015. Disbursements of \$1,366,689 decreased \$127,457 as compared to 2015. The overall fund balance increased \$119,537 from 2015.
- The public health infrastructure fund, a major fund, accounts for federal grant monies to improve the emergency preparedness of the county. Receipts increased by \$46,162 and disbursements increased \$3,984 from 2015. Fund balance increased \$7,185 from \$410,345 to \$417,530 during 2016.

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 Health 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.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
UNAUDITED**

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 2016, 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, 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.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
UNAUDITED**

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 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, 2016 compared to December 31, 2015.

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

	Governmental Activities	
	2016	2015
Assets		
Equity in pooled cash and cash equivalents	\$ 2,671,874	\$ 2,556,715
 Total Assets	 \$ 2,671,874	 \$ 2,556,715
 Net Position		
Restricted for:		
Public health nursing	\$ 274,690	\$ 155,153
Public health infrastructure	417,530	410,345
Other public health programs	526,927	456,899
Unrestricted	1,452,727	1,534,318
 Total Net Position	 \$ 2,671,874	 \$ 2,556,715

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
UNAUDITED

Table 2 reflects the change in net position on a cash basis in 2016 as compared to 2015:

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

	Governmental Activities	
	2016	2015
Receipts		
Program cash receipts:		
Charges for services and sales	\$ 912,295	\$ 877,055
Operating grants and contributions	747,031	747,942
Total program cash receipts	<u>1,659,326</u>	<u>1,624,997</u>
General receipts:		
Property taxes	1,413,969	1,334,440
Grants and entitlements	304,807	338,361
Miscellaneous	9,592	15,798
Total general receipts	<u>1,728,368</u>	<u>1,688,599</u>
Total Receipts	<u>3,387,694</u>	<u>3,313,596</u>
Disbursements		
Environmental health:		
General environmental health	227,345	184,568
Food service	107,939	156,348
Plumbing	154,502	144,820
Water	42,520	56,504
Sewage	178,372	127,211
Pools/Spas	4,488	8,163
Camps/MHP	1,474	2,231
Solid waste	2,565	4,793
Radon	4,199	5,057
Rabies	1,180	285
Personal health:		
General nursing & ohio children's trust	517,961	502,953
Health education and partnerships	245,365	312,358
Injury prevention	121,071	114,904
Safe communities	21,132	127,836
Smoking prevention	120	113
Help me grow/LEADS/central intake	183,272	327,208
Prescription assistance	12,365	13,576
Child and family health services	28,566	32,918
Reproductive health & wellness	154,962	143,124
Clinics/BCMH	131,693	76,168
Public health infrastructure/MRC/Radiation	242,403	242,161
Vital statistics	85,412	89,593
Administration	586,026	456,339
General health district & LGIF	217,603	267,926
Total Disbursements	<u>3,272,535</u>	<u>3,397,157</u>
Change in net position	115,159	(83,561)
Net position at beginning of year	<u>2,556,715</u>	<u>2,640,276</u>
Net position at end of year	<u>\$ 2,671,874</u>	<u>\$ 2,556,715</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
UNAUDITED**

In 2016, 51.02 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 48.98 percent of the Health District's total receipts in year 2016. 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 2016 on page 10, 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 2016, the major program disbursements for governmental activities were: administration and general nursing, which accounted for 17.91% and 15.83% 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 2016 and 2015 is presented in Table 3, below.

**Table 3
Governmental Activities**

	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Environmental health:				
General environmental health	\$ 227,345	\$ 194,241	\$ 184,568	\$ 178,333
Food service	107,939	511	156,348	41,977
Plumbing	154,502	9,068	144,820	14,810
Water	42,520	(8,385)	56,504	8,224
Sewage	178,372	(28,838)	127,211	1,856
Pools/Spas	4,488	(5,432)	8,163	(5,507)
Camps/MHP	1,474	(356)	2,231	131
Solid waste	2,565	(2,325)	4,793	4,793
Radon	4,199	40	5,057	167
Rabies	1,180	1,180	285	(5,326)
Personal health:				
General nursing & ohio children's trust	517,961	423,849	502,953	390,528
Health education and partnerships	245,365	216,311	312,358	275,129
Injury prevention	121,071	(40,061)	114,904	6,111
Safe & drug freecommunities	21,132	(12,153)	127,836	6,224
Smoking prevention	120	120	113	113
Help me grow/LEADS/central intake	183,272	14,338	327,208	64,451
Prescription assistance	12,365	(5,135)	13,576	2,431
Child and family health services	28,566	(13,170)	32,918	(2,630)
Reproductive health & wellness	154,962	64,078	143,124	22,227
Clinics/BCMH	131,693	12,083	76,168	(11,566)
Public health infrastructure/MRC/Radiati	242,403	(7,184)	242,161	38,735
Vital statistics	85,412	11,839	89,593	16,719
Administration	586,026	570,987	456,339	456,304
General health district & LGIF	217,603	217,603	267,926	267,926
Totals	\$ 3,272,535	\$ 1,613,209	\$ 3,397,157	\$ 1,772,160

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
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 49.30% 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 \$4,192,694 and disbursements and other financing uses of \$4,077,535.

In 2016, the general fund had receipts of \$1,999,676 and disbursements and other financing sources of \$2,081,267. The fund balance of the general fund decreased by \$81,591 due to an increase in intergovernmental receipts and a decrease in general environmental health disbursements. The general fund had an increase in revenues and a decrease in expenditures.

The public health nursing fund, a major special revenue 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 \$1,486,226 represent an increase of \$20,245 from 2015. Disbursements of \$1,366,689 decreased \$127,457 as compared to 2015. The overall fund balance increased \$119,537 from 2015.

The public health infrastructure fund, a major fund, accounts for federal grant monies to improve the emergency preparedness of the county. Receipts increased by \$46,162 and disbursements increased \$3,984 from 2015. Fund balance increased \$7,185 from \$410,345 to \$417,530 during 2016.

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 2016, 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 \$1,793,465 were equal to original budgeted receipts. Actual receipts were \$1,971,575, which were \$178,110 more than final budget estimates. Actual budgetary-basis disbursements and other financing uses of \$2,128,822 were \$853,511 less than final appropriated expenditures and other financing uses of \$2,982,333.

Capital Assets

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

Contacting the Health 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, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2016

	Governmental Activities
Assets	
Equity in pooled cash and cash equivalents with fiscal agent . . .	\$ 2,671,874
Total assets	\$ 2,671,874
 Net position	
Restricted for:	
Public health nursing	\$ 274,690
Public health infrastructure	417,530
Other public health programs	526,927
Unrestricted.	1,452,727
Total net position	\$ 2,671,874

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Disbursements	Program Cash Receipts		Net (Disbursements)
		Charges for Services	Operating Grants and Contributions	Receipts and Changes in Net Position
				Governmental Activities
Governmental activities:				
Environmental health:				
General environmental health	\$ 227,345	\$ 17,869	\$ 15,235	\$ (194,241)
Food service	107,939	107,428	-	(511)
Plumbing	154,502	145,434	-	(9,068)
Water	42,520	50,905	-	8,385
Sewage.	178,372	207,210	-	28,838
Pools/spas	4,488	9,920	-	5,432
Camps/MHP.	1,474	1,830	-	356
Solid waste.	2,565	-	4,890	2,325
Radon	4,199	-	4,159	(40)
Rabies	1,180	-	-	(1,180)
Personal health:				
General nursing & ohio children's trust.	517,961	3,878	90,234	(423,849)
Health education and partnerships	245,365	21,644	7,410	(216,311)
Injury prevention	121,071	-	161,132	40,061
Safe & drug free communities	21,132	-	33,285	12,153
Smoking cessation	120	-	-	(120)
Help me grow/LEADS/central intake	183,272	79,069	89,865	(14,338)
Prescription assistance	12,365	-	17,500	5,135
Child and family health services	28,566	-	41,736	13,170
Reproductive health & wellness	154,962	24,676	66,208	(64,078)
Clinics/BCMH	131,693	65,947	53,663	(12,083)
Public health infrastructure/MRC/radiation	242,403	92,953	156,634	7,184
Vital statistics	85,412	68,493	5,080	(11,839)
Administration	586,026	15,039	-	(570,987)
General health district & LGIF	217,603	-	-	(217,603)
Total governmental activities	<u>\$ 3,272,535</u>	<u>\$ 912,295</u>	<u>\$ 747,031</u>	<u>(1,613,209)</u>
General Receipts:				
Property taxes and other local taxes				
levied for general health district purposes				1,413,969
Grants and entitlements not restricted to specific programs.				304,807
Miscellaneous				9,592
Total general receipts.				<u>1,728,368</u>
Change in net position				115,159
Net position at beginning of year.				<u>2,556,715</u>
Net position at end of year				<u>\$ 2,671,874</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	<u>General Fund</u>	<u>Public Health Nursing Fund</u>	<u>Public Health Infrastructure Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in pooled cash and cash equivalents with fiscal agent	\$ 1,452,727	\$ 274,690	\$ 417,530	\$ 526,927	\$ 2,671,874
Total assets	<u>\$ 1,452,727</u>	<u>\$ 274,690</u>	<u>\$ 417,530</u>	<u>\$ 526,927</u>	<u>\$ 2,671,874</u>
Fund Balances					
Restricted:					
Environmental health:					
Food service	\$ -	\$ -	\$ -	\$ 75,871	\$ 75,871
Water	-	-	-	23,589	23,589
Sewage.	-	-	-	193,790	193,790
Pools/spas	-	-	-	52,261	52,261
Camps/MHP.	-	-	-	4,131	4,131
Solid waste.	-	-	-	16,788	16,788
Personal health:					
Safe & drug free communities	-	-	-	81,530	81,530
Child and family health services	-	-	-	78,967	78,967
Public health nursing	-	274,690	-	-	274,690
Public health infrastructure/MRC/radiation	-	-	417,530	-	417,530
Assigned:					
Outstanding encumbrances.	75,656	-	-	-	75,656
Subsequent year appropriation	938,400	-	-	-	938,400
Unassigned	<u>438,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>438,671</u>
Total fund balances.	<u>\$ 1,452,727</u>	<u>\$ 274,690</u>	<u>\$ 417,530</u>	<u>\$ 526,927</u>	<u>\$ 2,671,874</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>General Fund</u>	<u>Public Health Nursing Fund</u>	<u>Public Health Infrastructure Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts					
Property and other local taxes	\$ 1,413,968	\$ -	\$ -	\$ -	\$ 1,413,968
Intergovernmental	326,147	501,205	156,635	79,911	1,063,898
Fees, licenses and permits	150,102	-	-	377,293	527,395
Contractual services	-	-	92,953	-	92,953
Charges for services	84,828	161,049	-	-	245,877
Miscellaneous	24,631	18,972	-	-	43,603
Total receipts	<u>1,999,676</u>	<u>681,226</u>	<u>249,588</u>	<u>457,204</u>	<u>3,387,694</u>
Disbursements					
Current:					
Environmental health:					
General environmental health	227,345	-	-	-	227,345
Food service	-	-	-	107,939	107,939
Plumbing	154,502	-	-	-	154,502
Water	-	-	-	42,520	42,520
Sewage	-	-	-	178,372	178,372
Pools/spas	-	-	-	4,488	4,488
Camps/MHP	-	-	-	1,474	1,474
Solid waste	-	-	-	2,565	2,565
Radon	4,199	-	-	-	4,199
Rabies	1,180	-	-	-	1,180
Personal health:					
General nursing & ohio children's trust	-	517,961	-	-	517,961
Health education and partnerships	-	245,365	-	-	245,365
Injury prevention	-	121,071	-	-	121,071
Safe & drug free communities	-	-	-	21,132	21,132
Smoking cessation	-	-	-	120	120
Help me grow/LEADS/central intake	-	183,272	-	-	183,272
Prescription assistance	-	12,365	-	-	12,365
Child and family health services	-	-	-	28,566	28,566
Reproductive health & wellness	-	154,962	-	-	154,962
Clinics/BCMH	-	131,693	-	-	131,693
Public health infrastructure/MRC/radiation	-	-	242,403	-	242,403
Vital statistics	85,412	-	-	-	85,412
Administration	586,026	-	-	-	586,026
General health district & LGIF	217,603	-	-	-	217,603
Total disbursements	<u>1,276,267</u>	<u>1,366,689</u>	<u>242,403</u>	<u>387,176</u>	<u>3,272,535</u>
Excess (deficiency) of receipts over (under) disbursements	<u>723,409</u>	<u>(685,463)</u>	<u>7,185</u>	<u>70,028</u>	<u>115,159</u>
Other financing sources (uses)					
Transfers in	-	805,000	-	-	805,000
Transfers (out)	(805,000)	-	-	-	(805,000)
Total other financing sources (uses)	<u>(805,000)</u>	<u>805,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(81,591)	119,537	7,185	70,028	115,159
Fund balances at beginning of year	1,534,318	155,153	410,345	456,899	2,556,715
Fund balances at end of year	<u>\$ 1,452,727</u>	<u>\$ 274,690</u>	<u>\$ 417,530</u>	<u>\$ 526,927</u>	<u>\$ 2,671,874</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and other local taxes	\$ 1,229,146	\$ 1,229,146	\$ 1,385,867	\$ 156,721
Fees, licenses and permits	132,686	132,686	150,102	17,416
Charges for services	83,572	83,572	84,828	1,256
Intergovernmental	309,407	309,407	326,147	16,740
Miscellaneous	38,654	38,654	24,631	(14,023)
Total receipts	<u>1,793,465</u>	<u>1,793,465</u>	<u>1,971,575</u>	<u>178,110</u>
Disbursements				
Current:				
Environmental health:				
General environmental health	256,321	297,954	231,340	66,614
Plumbing	148,113	176,910	164,585	12,325
Radon	6,750	24,002	21,999	2,003
Rabies	1,590	1,590	1,210	380
Vital statistics	107,835	109,970	87,643	22,327
Administration	1,113,981	1,041,947	615,107	426,840
General health district & LGIF	287,192	279,960	201,938	78,022
Total disbursements	<u>1,921,782</u>	<u>1,932,333</u>	<u>1,323,822</u>	<u>608,511</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(128,317)</u>	<u>(138,868)</u>	<u>647,753</u>	<u>786,621</u>
Other financing uses				
Transfers out	<u>(1,050,000)</u>	<u>(1,050,000)</u>	<u>(805,000)</u>	<u>245,000</u>
Net change in fund balance	<u>(1,178,317)</u>	<u>(1,188,868)</u>	<u>(157,247)</u>	<u>1,031,621</u>
Fund balance beginning of year	1,499,185	1,499,185	1,499,185	-
Prior year encumbrances appropriated	35,133	35,133	35,133	-
Fund balance end of year	<u>\$ 356,001</u>	<u>\$ 345,450</u>	<u>\$ 1,377,071</u>	<u>\$ 1,031,621</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 583,253	\$ 583,253	\$ 501,205	\$ (82,048)
Charges for services	242,923	242,923	161,049	(81,874)
Miscellaneous	470	470	18,972	18,502
	<u>826,646</u>	<u>826,646</u>	<u>681,226</u>	<u>(145,420)</u>
Disbursements				
Current:				
Personal health:				
General nursing & ohio children's trust	548,561	600,774	522,642	78,132
Health education and partnerships	275,091	308,821	257,233	51,588
Injury prevention	186,678	187,869	131,550	56,319
Help me grow/LEADS/central intake	314,891	239,152	186,104	53,048
Prescription assistance	23,974	25,111	15,953	9,158
Reproductive health & wellness	267,484	308,518	185,771	122,747
Clinics/BCMh	254,750	255,137	180,698	74,439
	<u>1,871,429</u>	<u>1,925,382</u>	<u>1,479,951</u>	<u>445,431</u>
Deficiency of receipts under disbursements	(1,044,783)	(1,098,736)	(798,725)	300,011
Other financing sources (uses):				
Transfers in	1,088,654	1,088,654	805,000	(283,654)
Transfers (out)	(30,454)	(30,454)	-	30,454
	<u>1,058,200</u>	<u>1,058,200</u>	<u>805,000</u>	<u>(253,200)</u>
Net change in fund balance	13,417	(40,536)	6,275	46,811
Fund balance beginning of year	73,583	73,583	73,583	-
Prior year encumbrances appropriated	81,570	81,570	81,570	-
	<u>\$ 168,570</u>	<u>\$ 114,617</u>	<u>\$ 161,428</u>	<u>\$ 46,811</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 132,324	\$ 132,324	\$ 156,635	\$ 24,311
Contractual services	110,991	110,991	92,953	(18,038)
Total receipts	<u>243,315</u>	<u>243,315</u>	<u>249,588</u>	<u>6,273</u>
Disbursements				
Current:				
Public health infrastructure.	254,554	264,127	244,185	19,942
Excess of receipts over (under) disbursements	<u>(11,239)</u>	<u>(20,812)</u>	<u>5,403</u>	<u>26,215</u>
Other financing uses:				
Transfers out	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>6,000</u>
Total other financing (uses)	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>6,000</u>
Net change in fund balance	(17,239)	(26,812)	5,403	32,215
Fund balance beginning of year	408,264	408,264	408,264	-
Prior year encumbrances appropriated	2,081	2,081	2,081	-
Fund balance end of year	<u>\$ 393,106</u>	<u>\$ 383,533</u>	<u>\$ 415,748</u>	<u>\$ 32,215</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016

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 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, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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.

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 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, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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 Smarra, Union County Treasurer, 233 West Sixth Street, Marysville, Ohio 43040. The phone number is (937) 645-3085.

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.

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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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 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, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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 – Budget 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)	2016
General fund	\$ 75,656
Major Special Revenue Funds	
Public health nursing fund	113,262
Public health infrastructure fund	1,782

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES

Change in Accounting Principles

For 2016, the Health District has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the Health District.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the Health District.

GASB Statement No. 76 identifies in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the Health District.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the Health District.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the Health District.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The specific criteria address: (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the Health District.

UNION COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 2016 for real and public utility property taxes represents collections of 2015 taxes.

Real property taxes received in 2016 were levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes received in 2015 were collected in and intended to finance 2016. Real property taxes received in 2016 were collected in and intended to finance 2017.

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. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2016 was \$1.25 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2016 property tax receipts were based are as follows:

	<u>Tax Year 2015</u>
Real property:	
Agriculture	\$ 274,517,390
Residential	794,700,740
Commercial/Industrial/Mineral	213,813,260
Public utility personal property:	
Real	960,240
Personal	<u>88,233,090</u>
Total assessed valuation	<u><u>\$ 1,372,224,720</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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 2016, 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.

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 2016, which reviews and pays the medical claims. The Health District provided dental insurance through Delta Dental directly in 2016, which reviews and pays the dental claims. The monthly medical premiums in 2016 for January through November were \$1,143.42, \$844.78, \$723.60, \$994.10, and \$424.96 for, 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 medical premiums in 2016 for December were \$1,236.61, \$913.57, \$782.40, \$1,075.09, and \$459.36 for, 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 2016 were \$119.04, \$62.35, and \$31.97 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 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.

UNION COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (Continued)

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):

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 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.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (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 3% 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>
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0 %</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 both the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$208,883 for 2016.

UNION COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 2016, 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 2016 was 2.00%.

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, 2016, 2015, and 2014 were \$34,814, \$35,618, and \$27,903, respectively.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - INTERFUND TRANSACTIONS

Transfers

During 2016, the following transfers were made:

<u>Transfers To</u>	<u>Transfers From General</u>
Public Health Nursing Fund	<u>\$ 805,000</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, 2016, 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, 2016

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, 2015 and 2014 (the latest information available):

	<u>2016</u>
Assets	\$42,182,281
Liabilities	<u>(13,396,700)</u>
Net Position	<u>\$28,785,581</u>

At December 31, 2016 the liabilities above include approximately 12.0 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed. The Pool's membership increased to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the District's share of these unpaid claims collectible in future years is approximately \$13,573.

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

	<u>2016</u>
\$	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
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
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, 2015, within the limitations of the Health 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 2015 are as follows:

- Net position of governmental activities decreased \$83,561 or 3.16% as compared to 2014.
- General receipts in the form of property taxes, unrestricted grants and entitlements, and miscellaneous receipts comprise the largest percentage of the District's receipts, accounting for \$1,688,599 or 50.96% 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 \$1,624,997 or 49.04%.
- The Health District had \$3,397,157 in disbursements during 2015.
- In 2015, the general fund had receipts of \$1,919,000 and disbursements and other financing uses of \$1,873,588. The fund balance of the general fund increased by \$45,412 from \$1,488,906 to \$1,534,318.
- The public health 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 \$1,465,981 represent an increase of \$182,111 from 2014. Disbursements of \$1,494,146 decreased \$158,211 as compared to 2014. The overall fund balance decreased \$28,165 from 2014.
- The public health infrastructure fund, a major fund, accounts for federal grant monies to improve the emergency preparedness of the county. Receipts decreased by \$65,593 and disbursements decreased \$4,794 from 2014. Fund balance decreased \$34,993 from \$445,338 to \$410,345 during 2015.

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 Health 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.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED**

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 2015, 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, 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.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED**

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 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, 2015 compared to December 31, 2014.

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

	Governmental Activities	
	2015	2014
Assets		
Equity in pooled cash and cash equivalents	\$ 2,556,715	\$ 2,640,276
 Total Assets	 \$ 2,556,715	 \$ 2,640,276
 Net Position		
Restricted for:		
Public health nursing	\$ 155,153	\$ 183,318
Public health infrastructure	410,345	445,338
Other public health programs	456,899	522,714
Unrestricted	1,534,318	1,488,906
 Total Net Position	 \$ 2,556,715	 \$ 2,640,276

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED

Table 2 reflects the change in net position on a cash basis in 2015 as compared to 2014:

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

	Governmental Activities	
	2015	2014
Receipts		
Program cash receipts:		
Charges for services and sales	\$ 877,055	\$ 695,494
Operating grants and contributions	747,942	728,911
Total program cash receipts	<u>1,624,997</u>	<u>1,424,405</u>
General receipts:		
Property taxes	1,334,440	1,369,050
Grants and entitlements	338,361	281,011
Miscellaneous	15,798	14,477
Total general receipts	<u>1,688,599</u>	<u>1,664,538</u>
Total Receipts	<u>3,313,596</u>	<u>3,088,943</u>
Disbursements		
Environmental health:		
General environmental health	184,568	268,386
Food service	156,348	154,499
Plumbing	144,820	125,497
Water	56,504	40,440
Sewage	127,211	81,268
Pools/Spas	8,163	3,953
Camps/MHP	2,231	1,132
Solid waste	4,793	2,384
Radon	5,057	3,515
Rabies	285	558
Personal health:		
General nursing & ohio children's trust	502,953	368,228
Health education and partnerships	312,358	334,632
Injury prevention	114,904	94,113
Safe communities	127,836	21,525
Smoking prevention	113	2,762
Help me grow/LEADS/central intake	327,208	310,184
Prescription assistance	13,576	20,058
Child and family health services	32,918	43,044
Reproductive health & wellness	143,124	141,763
Clinics/BCMH	76,168	43,228
Public health infrastructure/MRC/Radiation	242,161	252,451
Vital statistics	89,593	88,630
Administration	456,339	403,492
General health district & LGIF	267,926	287,452
Total Disbursements	<u>3,397,157</u>	<u>3,093,194</u>
Change in net position	(83,561)	(4,251)
Net position at beginning of year	<u>2,640,276</u>	<u>2,644,527</u>
Net position at end of year	<u>\$ 2,556,715</u>	<u>\$ 2,640,276</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED**

In 2015, 50.96 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 49.04 percent of the Health District's total receipts in year 2015. 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 2015 on page 38, 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 2015, the major program disbursements for governmental activities were: administration and general nursing, which accounted for 13.43% and 14.81% 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 2015 and 2014 is presented in Table 3, below.

**Table 3
Governmental Activities**

	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
Environmental health:				
General environmental health	\$ 184,568	\$ 178,333	\$ 268,386	\$ 262,778
Food service	156,348	41,977	154,499	42,674
Plumbing	144,820	14,810	125,497	19,222
Water	56,504	8,224	40,440	(2,138)
Sewage	127,211	1,856	81,268	(50,607)
Pools/Spas	8,163	(5,507)	3,953	(7,902)
Camps/MHP	2,231	131	1,132	(563)
Solid waste	4,793	4,793	2,384	(2,506)
Radon	5,057	167	3,515	(345)
Rabies	285	(5,326)	558	558
Personal health:				
General nursing & ohio children's trust	502,953	390,528	368,228	364,991
Health education and partnerships	312,358	275,129	334,632	334,590
Injury prevention	114,904	6,111	94,113	24,363
Safe & drug freecommunities	127,836	6,224	21,525	(12,541)
Smoking prevention	113	113	2,762	2,762
Help me grow/LEADS/central intake	327,208	64,451	310,184	106,329
Prescription assistance	13,576	2,431	20,058	4,058
Child and family health services	32,918	(2,630)	43,044	1,141
Reproductive health & wellness	143,124	22,227	141,763	(9,179)
Clinics/BCMH	76,168	(11,566)	43,228	(30,781)
Public health infrastructure/MRC/Radiati	242,161	38,735	252,451	(26,566)
Vital statistics	89,593	16,719	88,630	21,585
Administration	456,339	456,304	403,492	347,414
General health district & LGIF	267,926	267,926	287,452	279,452
Totals	\$ 3,397,157	\$ 1,772,160	\$ 3,093,194	\$ 1,668,789

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
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 50.96% 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 \$4,038,596 and disbursements and other financing uses of \$4,122,157.

In 2015, the general fund had receipts of \$1,919,000 and disbursements and other financing sources of \$1,873,588. The fund balance of the general fund increased by \$45,412 due to an increase in intergovernmental receipts and a decrease in general environmental health disbursements. The general fund had an increase in revenues and a decrease in expenditures.

The public health nursing fund, a major special revenue 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 \$1,465,981 represent an increase of \$182,111 from 2014. Disbursements of \$1,494,146 decreased \$158,211 as compared to 2014. The overall fund balance decreased \$28,165 from 2014.

The public health infrastructure grant fund, a major special revenue fund, accounts for federal grant monies for the improve the emergency preparedness of the county. Receipts decreased by \$65,593 and disbursements decreased \$4,794 from 2014, respectively, due to lower grant receipts during the year. Fund balance decreased \$34,993 from \$445,338 to \$410,345 during 2015.

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 2015, 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 \$1,770,005 were equal to original budgeted receipts. Actual receipts were \$1,919,000, which were \$148,995 more than final budget estimates. Actual budgetary-basis disbursements and other financing uses of \$1,908,719 were \$614,167 less than final appropriated expenditures and other financing uses of \$2,522,886.

Capital Assets

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

Contacting the Health 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, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2015

	Governmental Activities
Assets	
Equity in pooled cash and cash equivalents with fiscal agent . . .	\$ 2,556,715
Total assets	\$ 2,556,715
 Net position	
Restricted for:	
Public health nursing	\$ 155,153
Public health infrastructure	410,345
Other public health programs	456,899
Unrestricted.	1,534,318
Total net position	\$ 2,556,715

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	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.	\$ 184,568	\$ 1,065	\$ 5,170	\$ (178,333)
Food service	156,348	114,371	-	(41,977)
Plumbing	144,820	130,010	-	(14,810)
Water	56,504	48,280	-	(8,224)
Sewage.	127,211	125,355	-	(1,856)
Pools/spas	8,163	13,670	-	5,507
Camps/MHP.	2,231	2,100	-	(131)
Solid waste.	4,793	-	-	(4,793)
Radon	5,057	-	4,890	(167)
Rabies	285	-	5,611	5,326
Personal health:				
General nursing & ohio children's trust.	502,953	11,975	100,450	(390,528)
Health education and partnerships	312,358	34,629	2,600	(275,129)
Injury prevention	114,904	-	108,793	(6,111)
Safe & drug free communities	127,836	-	121,612	(6,224)
Smoking cessation	113	-	-	(113)
Help me grow/LEADS/central intake	327,208	209,255	53,502	(64,451)
Prescription assistance	13,576	-	11,145	(2,431)
Child and family health services	32,918	-	35,548	2,630
Reproductive health & wellness	143,124	16,316	104,581	(22,227)
Clinics/BCMH	76,168	18,100	69,634	11,566
Public health infrastructure/MRC/radiation	242,161	83,913	119,513	(38,735)
Vital statistics	89,593	67,981	4,893	(16,719)
Administration	456,339	35	-	(456,304)
General health district & LGIF	267,926	-	-	(267,926)
	<u>\$ 3,397,157</u>	<u>\$ 877,055</u>	<u>\$ 747,942</u>	<u>(1,772,160)</u>
General Receipts:				
Property taxes and other local taxes				
levied for general health district purposes				1,334,440
Grants and entitlements not restricted to specific programs.				338,361
Miscellaneous				15,798
Total general receipts.				1,688,599
Change in net position				(83,561)
Net position at beginning of year.				2,640,276
Net position at end of year				\$ 2,556,715

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	<u>General Fund</u>	<u>Public Health Nursing Fund</u>	<u>Public Health Infrastructure Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in pooled cash and cash equivalents with fiscal agent	\$ 1,534,318	\$ 155,153	\$ 410,345	\$ 456,899	\$ 2,556,715
Total assets	<u>\$ 1,534,318</u>	<u>\$ 155,153</u>	<u>\$ 410,345</u>	<u>\$ 456,899</u>	<u>\$ 2,556,715</u>
Fund Balances					
Restricted:					
Environmental health:					
Food service	\$ -	\$ -	\$ -	\$ 76,382	\$ 76,382
Water	-	-	-	15,204	15,204
Sewage.	-	-	-	164,952	164,952
Pools/spas	-	-	-	46,829	46,829
Camps/MHP.	-	-	-	3,775	3,775
Solid waste.	-	-	-	14,463	14,463
Personal health:					
Safe & drug free communities	-	-	-	69,497	69,497
Child and family health services	-	-	-	65,797	65,797
Public health nursing	-	155,153	-	-	155,153
Public health infrastructure/MRC/radiation	-	-	410,345	-	410,345
Assigned:					
Outstanding encumbrances.	35,133	-	-	-	35,133
Subsequent year appropriation	1,143,184	-	-	-	1,143,184
Unassigned	<u>356,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,001</u>
Total fund balances.	<u>\$ 1,534,318</u>	<u>\$ 155,153</u>	<u>\$ 410,345</u>	<u>\$ 456,899</u>	<u>\$ 2,556,715</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>General Fund</u>	<u>Public Health Nursing Fund</u>	<u>Public Health Infrastructure Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts					
Property and other local taxes	\$ 1,334,440	\$ -	\$ -	\$ -	\$ 1,334,440
Intergovernmental	352,834	516,706	119,513	162,050	1,151,103
Fees, licenses and permits	132,716	-	-	288,139	420,855
Contractual services	-	-	83,913	-	83,913
Charges for services	83,177	212,877	-	-	296,054
Miscellaneous	15,833	11,398	-	-	27,231
Total receipts	<u>1,919,000</u>	<u>740,981</u>	<u>203,426</u>	<u>450,189</u>	<u>3,313,596</u>
Disbursements					
Current:					
Environmental health:					
General environmental health	184,568	-	-	-	184,568
Food service	-	-	-	156,348	156,348
Plumbing	144,820	-	-	-	144,820
Water	-	-	-	56,504	56,504
Sewage	-	-	-	127,211	127,211
Pools/spas	-	-	-	8,163	8,163
Camps/MHP	-	-	-	2,231	2,231
Solid waste	-	-	-	4,793	4,793
Radon	5,057	-	-	-	5,057
Rabies	285	-	-	-	285
Personal health:					
General nursing & ohio children's trust	-	502,953	-	-	502,953
Health education and partnerships	-	312,358	-	-	312,358
Injury prevention	-	114,904	-	-	114,904
Safe & drug free communities	-	-	-	127,836	127,836
Smoking cessation	-	113	-	-	113
Help me grow/LEADS/central intake	-	327,208	-	-	327,208
Prescription assistance	-	13,576	-	-	13,576
Child and family health services	-	-	-	32,918	32,918
Reproductive health & wellness	-	143,124	-	-	143,124
Clinics/BCMH	-	76,168	-	-	76,168
Public health infrastructure/MRC/radiation	-	3,742	238,419	-	242,161
Vital statistics	89,593	-	-	-	89,593
Administration	456,339	-	-	-	456,339
General health district & LGIF	267,926	-	-	-	267,926
Total disbursements	<u>1,148,588</u>	<u>1,494,146</u>	<u>238,419</u>	<u>516,004</u>	<u>3,397,157</u>
Excess (deficiency) of receipts over (under) disbursements	<u>770,412</u>	<u>(753,165)</u>	<u>(34,993)</u>	<u>(65,815)</u>	<u>(83,561)</u>
Other financing sources (uses)					
Transfers in	-	725,000	-	-	725,000
Transfers (out)	<u>(725,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(725,000)</u>
Total other financing sources (uses)	<u>(725,000)</u>	<u>725,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	45,412	(28,165)	(34,993)	(65,815)	(83,561)
Fund balances at beginning of year	<u>1,488,906</u>	<u>183,318</u>	<u>445,338</u>	<u>522,714</u>	<u>2,640,276</u>
Fund balances at end of year	<u>\$ 1,534,318</u>	<u>\$ 155,153</u>	<u>\$ 410,345</u>	<u>\$ 456,899</u>	<u>\$ 2,556,715</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and other local taxes	\$ 1,230,831	\$ 1,230,831	\$ 1,334,440	\$ 103,609
Fees, licenses and permits	122,412	122,412	132,716	10,304
Charges for services	76,719	76,719	83,177	6,458
Intergovernmental	325,439	325,439	352,834	27,395
Miscellaneous	14,604	14,604	15,833	1,229
	<u>1,770,005</u>	<u>1,770,005</u>	<u>1,919,000</u>	<u>148,995</u>
Disbursements				
Current:				
Environmental health:				
General environmental health	230,355	230,355	188,985	41,370
Plumbing	174,619	174,619	145,023	29,596
Radon	6,084	6,084	5,057	1,027
Rabies	343	343	285	58
Vital statistics	108,055	108,055	89,733	18,322
Administration	575,152	575,152	470,243	104,909
General health district & LGIF	353,278	353,278	284,393	68,885
	<u>1,447,886</u>	<u>1,447,886</u>	<u>1,183,719</u>	<u>264,167</u>
Total disbursements	<u>1,447,886</u>	<u>1,447,886</u>	<u>1,183,719</u>	<u>264,167</u>
Excess of receipts over disbursements	<u>322,119</u>	<u>322,119</u>	<u>735,281</u>	<u>413,162</u>
Other financing uses				
Transfers out	<u>(1,075,000)</u>	<u>(1,075,000)</u>	<u>(725,000)</u>	<u>350,000</u>
Net change in fund balance	(752,881)	(752,881)	10,281	763,162
Fund balance beginning of year (restated)	1,465,191	1,465,191	1,465,191	-
Prior year encumbrances appropriated	23,713	23,713	23,713	-
	<u>1,488,904</u>	<u>1,488,904</u>	<u>1,488,904</u>	<u>-</u>
Fund balance end of year	<u>\$ 736,023</u>	<u>\$ 736,023</u>	<u>\$ 1,499,185</u>	<u>\$ 763,162</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 643,619	\$ 710,202	\$ 516,706	\$ (193,496)
Charges for services	97,818	107,937	212,877	104,940
Miscellaneous	11,583	12,781	11,398	(1,383)
	<u>753,020</u>	<u>830,920</u>	<u>740,981</u>	<u>(89,939)</u>
Disbursements				
Current:				
Personal health:				
General nursing & ohio children's trust	724,026	751,425	520,112	231,313
Health education and partnerships	427,446	444,117	316,464	127,653
Injury prevention	173,446	179,830	121,195	58,635
Smoking cessation	150	156	113	43
Help me grow/LEADS/central intake	441,936	459,309	329,789	129,520
Prescription assistance	45,072	46,209	21,570	24,639
Reproductive health & wellness	288,078	297,150	172,210	124,940
Clinics/BCMH	149,483	154,251	90,518	63,733
Public health infrastructure/MRC/ radiation	4,954	5,151	3,742	1,409
	<u>2,254,591</u>	<u>2,337,598</u>	<u>1,575,713</u>	<u>761,885</u>
Deficiency of receipts under disbursements	<u>(1,501,571)</u>	<u>(1,506,678)</u>	<u>(834,732)</u>	<u>671,946</u>
Other financing sources:				
Transfers in	<u>1,075,000</u>	<u>1,075,000</u>	<u>725,000</u>	<u>(350,000)</u>
Net change in fund balance	(426,571)	(431,678)	(109,732)	321,946
Fund balance beginning of year (restated)	14,792	14,792	14,792	-
Prior year encumbrances appropriated	<u>168,523</u>	<u>168,523</u>	<u>168,523</u>	<u>-</u>
Fund balance (deficit) end of year	<u>\$ (243,256)</u>	<u>\$ (248,363)</u>	<u>\$ 73,583</u>	<u>\$ 321,946</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 131,620	\$ 131,620	\$ 119,513	\$ (12,107)
Contractual services	92,414	92,414	83,913	(8,501)
Total receipts	<u>224,034</u>	<u>224,034</u>	<u>203,426</u>	<u>(20,608)</u>
Disbursements				
Current:				
Public health infrastructure.	232,103	232,103	240,500	(8,397)
Net change in fund balance	(8,069)	(8,069)	(37,074)	(29,005)
Fund balance beginning of year (restated) . . .	<u>445,338</u>	<u>445,338</u>	<u>445,338</u>	<u>-</u>
Fund balance end of year	<u>\$ 437,269</u>	<u>\$ 437,269</u>	<u>\$ 408,264</u>	<u>\$ (29,005)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

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 12 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, 2015

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 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, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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.

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 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, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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 Smarra, Union County Treasurer, 233 West Sixth Street, Maysville, Ohio 43040. The phone number is (937) 645-3085.

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.

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 8 and 9, 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, 2015

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 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.

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, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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 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 – Budget 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)	2015
General fund	\$ 35,133
Major Special Revenue Funds	
Public health nursing fund	81,570
Public health infrastructure fund	2,081

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF BUDGETARY FUND BALANCE

A. Change in Accounting Principles

For fiscal year 2015, the Health District has implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68”.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF BUDGETARY FUND BALANCE (Continued)

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 effected the Health District’s pension plan disclosures, as presented in Note 7 to the financial statements.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The implementation of GASB Statement No. 71 did not have an effect on the financial statements of the Health District.

B. Budgetary Prior Period Adjustment

A prior period adjustment is required to the budgetary basis fund balances as previously reported in the Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual for the general fund, the public health nursing fund and the public health infrastructure fund to properly report the budgetary basis fund balances at December 31, 2014. The prior period adjustment had the following effect on budgetary basis fund balances as previously reported:

Budgetary Basis

	General Fund	Public Health Nursing Fund	Public Health Infrastructure Fund
	<u> </u>	<u> </u>	<u> </u>
Fund balance as previously reported at December 31, 2014	\$ 1,414,836	\$ (118,169)	\$ 460,650
Correction to properly report	50,355	132,961	(15,312)
Restated balance at January 1, 2015	<u>\$ 1,465,191</u>	<u>\$ 14,792</u>	<u>\$ 445,338</u>

NOTE 5 – COMPLIANCE

For the year ended December 31, 2015, the Public Health Infrastructure fund had expenditures exceeding final appropriations in the amount of \$8,397. The Health District will review budget versus actual information to ensure expenditures are within approved appropriations.

For the year ended December 31, 2015, the Public Health Nursing Fund had final appropriations in excess of estimated resources plus available balances, in the amounts of \$248,363. The Health District will review appropriations to ensure they are within amounts available.

UNION COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

Real property taxes received in 2015 were levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes received in 2014 were collected in and intended to finance 2015. Real property taxes received in 2015 were collected in and intended to finance 2016.

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. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2015 was \$1.25 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

	<u>Tax Year 2014</u>
Real property:	
Agriculture	\$ 271,617,440
Residential	766,481,780
Commercial/Industrial/Mineral	211,183,140
Public utility personal property:	
Real	668,640
Personal	<u>87,363,380</u>
Total assessed valuation	<u><u>\$ 1,337,314,380</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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - 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 2015, 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	0
Wrongful Acts	5,000,000	1,000
Employment Practice Liability	2,000,000	0
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.

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 2015, which reviews and pays the medical claims. The Health District provided dental insurance through Delta Dental directly in 2015, which reviews and pays the dental claims. The monthly medical premiums in 2015 were \$1,204.50, \$875.36, \$769.40, \$604.83, and \$440.26 for, Employee plus spouse and two children, employee plus spouse, employee plus two children, employee plus child, and single coverage, respectively. The monthly premiums for dental in 2015 were \$114.96, \$60.89, and \$31.22 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 8 - DEFINED BENEFIT PENSION PLAN

Plan Description - Ohio Public Employees Retirement System (OPERS)

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 plan; therefore, the following disclosure focuses on the traditional pension plan.

UNION COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 8 - DEFINED BENEFIT PENSION PLAN - (Continued)

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 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 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 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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 8 - DEFINED BENEFIT PENSION PLAN - (Continued)

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

	State and Local	
2015 Statutory Maximum Contribution Rates		
Employer	14.00	%
Employee	10.00	%
2015 Actual Contribution Rates		
Employer:		
Pension	12.00	%
Post-employment Health Care Benefits	2.00	
Total Employer	14.00	%
Employee	10.00	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution for pensions was \$213,631 for year 2015.

NOTE 9 - POSTEMPLOYMENT BENEFITS

OPERS - Plan Description

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

In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and combined Plan must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority for the Health District to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

OPERS - Funding Policy

The Ohio Revised Code provides the statutory Health District requiring public employers to fund postretirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, state and local employees contributed at a rate of 10% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employers units. Active members do not make contributions to the OPEB Plan.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)

OPERS' Postemployment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 2% during calendar year 2015.

The OPERS Board of Trustees 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. The Health District's contributions allocated to postemployment health care for the years ended December 31, 2015, 2014, and 2013 were \$35,618, \$27,903 and \$26,083, respectively.

NOTE 10 - INTERFUND TRANSACTIONS

Transfers

During 2015, the following transfers were made:

<u>Transfers To</u>	<u>Transfers From General</u>
Public health nursing fund	<u>\$ 725,000</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 11 - 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 12 - 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.

UNION COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - PUBLIC ENTITY RISK POOL- (Continued)

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, 2015, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2015:

	2015
Assets	\$ 38,307,677
Liabilities	(12,759,127)
Net position	\$ 25,548,550

At December 31, 2014 and 2015, respectively, the liabilities above include approximately 11.1 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.0 million of unpaid claims to be billed. The Pool's membership increased from 488 members in 2014 to 499 members in 2015. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the District's share of these unpaid claims collectible in future years is approximately \$13,700.

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

	2015
\$	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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Dave Yost • Auditor of State

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

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, Ohio, (the Health District) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2017, wherein we noted the Health District uses a special purpose framework other than generally accepted accounting principles. Additionally, we noted the beginning budgetary basis fund balances of the General, Public Health Nursing, and Public Health Infrastructure funds have been restated to correct a misstatement.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Health 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 Health 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 Health 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 Health 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 Health District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Health District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 19, 2017

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Mr. Mark Smith

Our mission is to protect the health, safety and well-being of all Union County by providing quality public health services.

An equal opportunity employer/ provider



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2016 AND 2015

Finding Number	Finding Summary	Status	Additional Information
2014-001 2012-001	Financial Statement Adjustments	Partially Corrected	Partially corrected and repeated in the management letter. The General Health District is continuing to work with the County to improve financial reporting.

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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
JANUARY 18, 2018