



***MEIGS COUNTY DISTRICT BOARD OF HEALTH***

---

**Regular Audit**

**For the Years Ended  
December 31, 2006 and 2005**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS







Mary Taylor, CPA  
Auditor of State

Board of Directors  
Meigs County Board of Health  
112 East Memorial Drive  
Pomeroy, Ohio 45769

We have reviewed the *Independent Auditor's Report* of the Meigs County Board of Health, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 29, 2007

**This Page is Intentionally Left Blank.**

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
*Table of Contents*  
*For the Years Ended December 31, 2006 and 2005*

---

Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	3

**BASIC FINANCIAL STATEMENTS:**

2006 Government-Wide Financial Statements:

Statement of Net Assets .....	9
Statement of Activities .....	10

2006 Fund Financial Statements:

Balance Sheet - Governmental Funds .....	11
Statement of Receipts, Disbursements and Changes in Fund Balances - Governmental Funds .....	13
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budget Basis)	
General Fund .....	15
Federal WIC Fund .....	16
2005 ARC Dental Clinic Fund .....	17
Prenatal Child Health Fund .....	18

2005 Government-Wide Financial Statements:

Statement of Net Assets .....	19
Statement of Activities .....	20

2005 Fund Financial Statements:

Balance Sheet - Governmental Funds .....	21
Statement of Receipts, Disbursements and Changes in Fund Balances - Governmental Funds .....	23
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual (Budget Basis)	
General Fund .....	25
Federal WIC Fund .....	26
2005 ARC Dental Clinic Fund .....	27
Prenatal Child Health Fund .....	28

Notes to the Basic Financial Statements .....	29
---	----

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards .....	38
---	----

## Independent Auditor's Report

Board of Directors  
Meigs County District Board of Health  
112 East Memorial Drive  
Pomeroy, OH 45769

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Meigs County District Board of Health (the District) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2006 and 2005, and the respective changes in financial position and the respective budgetary comparisons for the General, Federal WIC, 2005 ARC Dental Clinic, and Prenatal Child Health Funds for the years then ended in conformity with the cash basis of accounting presented in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2007 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. While we do not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report when considering the results of our audit.

Board of Directors  
Meigs County District Board of Health  
Independent Auditor's Report

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.

June 28, 2007

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2006 & 2005**  
**Unaudited**

---

This discussion and analysis of the District's financial performance provides an overall review of the District's financial activities for the years ended December 31, 2006 and 2005, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Highlights**

Key highlights for 2006 and 2005 are as follows:

The District's receipts are derived from three primary sources: Grant funding, charges for services, and property taxes. In 2006 grant funding accounted for 50.21% of receipts while other sources represented 49.79% of receipts. In 2005 grant funding accounted for 62.7% of receipts while other sources represented 32.8% of receipts.

Net cash assets increased from 2004 to 2005 by \$170,626. The increase was due primarily to a \$200,000 ARC dental grant. Net cash assets decreased from 2005 to 2006 by \$122,010. The decrease was due primarily to no further ARC grants, retirement payouts and staff salary increases.

**Using the Basic Financial Statements**

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

**Report Components**

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

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

The notes to the 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.

**Basis of Accounting**

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

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



**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2006 & 2005**  
**Unaudited**

---

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2006 / 2005 compared to 2004 on a cash basis:

Table 1  
Net Assets

	Governmental Activities		
	2006	2005	2004
<b>Assets</b>			
Equity in County Treasury	\$532,811	\$654,821	\$484,195
Total Assets	\$532,811	\$654,821	\$484,195
<b>Net Assets</b>			
<i>Restricted for:</i>			
Other Purposes	\$365,001	\$480,843	\$352,215
Unrestricted	167,810	173,978	131,980
Total Net Assets	\$532,811	\$654,821	\$484,195

Table 1 provides a summary of the District's net assets for 2006 compared to 2005 (with a baseline of 2004) on a cash basis:

- As mentioned previously, net cash assets increased from 2004 to 2005 by \$170,626. The increase was due primarily to a \$200,000 2005 ARC dental clinic grant. Net cash assets decreased 2005 to 2006 \$122,010. The decrease was due primarily to no further ARC grants, retirement payouts and staff salary increases.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2006 & 2005**  
**Unaudited**

---

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2006 and 2005, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. 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 District's general receipts.

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

In the statement of net assets and the statement of activities, all of the District's activities are reported as governmental. State and Federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

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

All of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the fund financial statements in separate columns. The District's major governmental funds are the: General Fund, the Federal (State pass-through) WIC Fund, the 2005 ARC Dental Clinic Fund, and the Prenatal Child Health Fund. The programs reported in governmental funds are those reported in the Governmental Activities section of the entity-wide statements.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio Law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the years 2005 and 2006 the District amended its general fund budget to reflect changing circumstances.

- 2005: Final General Fund disbursements were budgeted at \$430,846 while actual disbursements were \$415,768. The District kept spending very close to budgeted amounts.
- 2006: Final General Fund disbursements were budgeted at \$485,651 while actual disbursements were \$440,822. The District kept spending very close to budgeted amounts.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2006 & 2005**  
**Unaudited**

Table 2 reflects the changes in net assets in 2006 / 2005 with 2004 baseline data. Note: 2004 was the first year the District prepared financial statements in this format

Table 2  
Change in Net Assets

	Governmental Activities		
	2006	2005	2004
<i>Receipts:</i>			
Program Receipts:			
Charges for Service	\$222,729	\$237,498	\$154,420
Operating Grants and Contributions	561,954	863,317	915,408
Total Program Receipts	784,683	1,100,815	1,069,828
General Receipts:			
Property and Other Local Taxes	234,495	232,108	230,406
Miscellaneous	99,964	43,109	31,210
Total General Receipts	334,459	275,217	261,616
Total Receipts	1,119,142	1,376,032	1,331,444
<i>Disbursements:</i>			
Health	1,241,152	1,205,406	1,335,396
Total Disbursements	1,241,152	1,205,406	1,355,396
Increase (Decrease) in Net Assets	(122,010)	170,626	(23,952)
Net Assets at January 1	654,821	484,195	508,147
Net Assets at December 31	<u>\$532,811</u>	<u>\$654,821</u>	<u>\$484,195</u>

Program receipts represent 70.1 percent of total receipts during 2006, while these receipts represented about 80 percent in 2005 and 2004. Program receipts are primarily comprised of state and federal grants, which make up 71.6 percent of total program receipts in 2006 and 78.4 percent in 2005; with the remaining portion being made up of licenses, permits and fees for various services.

General receipts represent 29.9 percent of the District's total receipts in 2006, while about 20 percent represented general receipts in 2005 and 2004. Of this amount, 70 percent are local taxes during 2006 and 84 percent are local taxes during 2005. Other receipts are insignificant and somewhat unpredictable revenue sources. The net asset increase in 2005 and subsequent decrease in 2006 is due largely to an ARC dental grant of \$200,000 in 2005 and no subsequent grant being received in 2006.

Disbursements consist primarily of salaries and wages, fringe benefits, and other disbursements related to public health services.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2006 & 2005**  
**Unaudited**

---

**Governmental Activities**

Looking at the statement of activities, as referenced in the table of contents, the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The subsequent column of the Statement, entitled Program Cash Receipts, identifies amounts paid by people who are directly charged for services as well as grants received by the District that must be used to provide a specific purpose. The "Net (Disbursements) Receipts and Changes in Net Assets" column compares the program receipts to the cost of service. This "net cost" amount represents the cost of the service which ends up being paid from money provided from local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3  
Governmental Activities

---

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2006</u>	<u>2006</u>	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>
Health	<u>\$1,241,153</u>	<u>\$456,469</u>	<u>\$1,205,406</u>	<u>\$104,591</u>	<u>\$1,355,396</u>	<u>\$285,568</u>
Total Disbursements	<u><u>\$1,241,153</u></u>	<u><u>\$456,759</u></u>	<u><u>\$1,205,406</u></u>	<u><u>\$104,591</u></u>	<u><u>\$1,355,396</u></u>	<u><u>\$285,568</u></u>

**The District's Funds**

For 2006 and 2005, the General Fund had total cash receipts of \$431,522 and \$416,500 respectively. For 2006 and 2005, cash disbursements were \$386,745 and \$366,602 respectively. Occasional transfers out of the General Fund were necessary to subsidize programs whose grant funding have decreased or are no longer available. The Federal WIC Fund had little change in cash basis fund balances as the result of aggressive budgeting practices to ensure disbursements did not exceed revenue. The 2005 ARC Dental Clinic fund is no longer federally funded and is being used to defray costs associated with the dental clinic not covered by State grants or client revenue. The Prenatal Child Health Fund has been replaced by the Child and Family Health Service (CFHS) Fund. Balances in the Child Health Fund is now used to offset declining grant revenue experienced in the CFHS Fund.

**Current Issues**

The challenge for all Health Districts is to provide high quality preventive health services to the public while staying within the restrictions imposed by limited, and in some cases, dwindling funding. Grant funding and local taxes are relied heavily upon. The District, with conservative spending, should be able to continue current stability but will probably not be able to realize any financial growth; a cautionary note: it cannot be assumed that basic service provision can continue with shrinkage of grant funding.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2006 & 2005**  
**Unaudited**

---

**Capital Assets**

The District does not currently keep track of its capital assets and infrastructure, as these assets do not represent a significant dollar amount for the District. The District has not made plans to track this, as it is not required by current law.

**Debt**

The District had no outstanding debt as of December 31, 2006 or December 31, 2005.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mr. Larry Marshall, Health Commissioner, 112 East Memorial Drive, Suite A, Pomeroy, Ohio 45769.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Net Assets*

*December 31, 2006*

---

	<u>Governmental Activities</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$532,811</u>
<i>Total Assets</i>	<u>532,811</u>
<b><u>Net Assets:</u></b>	
Restricted for:	
Other Purposes	365,001
Unrestricted	<u>167,810</u>
<i>Total Net Assets</i>	<u><u>\$532,811</u></u>

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Activities*

*For the Year Ended December 31, 2006*

	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
			<u>Governmental Activities</u>
<b><u>Governmental Activities:</u></b>			
Health	\$1,241,152	\$222,729	\$561,954
			(\$456,469)
<i>Total Governmental Activities</i>	<u>\$1,241,152</u>	<u>\$222,729</u>	<u>\$561,954</u>
			(456,469)
<b><u>General Receipts:</u></b>			
Property Taxes			234,495
Miscellaneous			99,964
			<u>334,459</u>
<i>Total General Receipts</i>			334,459
Change in Net Assets			(122,010)
<i>Net Assets at Beginning of Year</i>			<u>654,821</u>
<i>Net Assets at End of Year</i>			<u><u>\$532,811</u></u>

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Balance Sheet*

*Governmental Funds*

*December 31, 2006*

---

	<u>General</u>	<u>WIC</u>	<u>2005 ARC Dental Clinic</u>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$167,810	\$11,201	\$59,341
<i>Total Assets</i>	<u>\$167,810</u>	<u>\$11,201</u>	<u>\$59,341</u>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	\$3,132	\$0	\$1,870
<i>Unreserved:</i>			
General Fund	164,678	0	0
Special Revenue Funds	0	11,201	57,471
<i>Total Cash Fund Balances</i>	<u>\$167,810</u>	<u>\$11,201</u>	<u>\$59,341</u>

See accompanying notes to the basic financial statements.



Prenatal Child Health	Other Governmental Funds	Total Governmental Funds
\$60,484	\$233,975	\$532,811
\$60,484	\$233,975	\$532,811
\$443	\$9,796	\$15,241
0	0	164,678
60,041	224,179	352,892
\$60,484	\$233,975	\$532,811

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
*Statement of Receipts, Disbursements and Changes in Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2006

	General	WIC	2005 ARC Dental Clinic
<b><u>Receipts:</u></b>			
Property Taxes	\$234,495	\$0	\$0
Charges for Services	41,066	0	36,324
Licenses, Permits and Fees	74,561	0	0
Intergovernmental	74,654	143,009	0
Miscellaneous	6,746	0	0
<i>Total Receipts</i>	<u>431,522</u>	<u>143,009</u>	<u>36,324</u>
<b><u>Disbursements:</u></b>			
<i>Current:</i>			
Health	386,745	137,075	117,389
<i>Total Disbursements</i>	<u>386,745</u>	<u>137,075</u>	<u>117,389</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	44,777	5,934	(81,065)
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	0	0	0
Transfers Out	(20,273)	0	0
Advances In	0	1,700	0
Advances Out	(30,672)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(50,945)</u>	<u>1,700</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(6,168)	7,634	(81,065)
<i>Cash Fund Balances at Beginning of Year</i>	<u>173,978</u>	<u>3,567</u>	<u>140,406</u>
<i>Cash Fund Balances at End of Year</i>	<u><u>\$167,810</u></u>	<u><u>\$11,201</u></u>	<u><u>\$59,341</u></u>

See accompanying notes to the basic financial statements.

Prenatal Child Health	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$234,495
0	44,010	121,400
0	26,768	101,329
0	344,291	561,954
0	93,218	99,964
0	508,287	1,119,142
1,553	598,390	1,241,152
1,553	598,390	1,241,152
(1,553)	(90,103)	(122,010)
0	20,273	20,273
0	0	(20,273)
0	28,972	30,672
0	0	(30,672)
0	49,245	0
(1,553)	(40,858)	(122,010)
62,037	274,833	654,821
<u>\$60,484</u>	<u>\$233,975</u>	<u>\$532,811</u>

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund*

*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b><u>Receipts:</u></b>				
Property Taxes	\$230,000	\$230,000	\$234,495	\$4,495
Charges for Services	30,000	30,000	41,066	11,066
Licenses, Permits, and Fees	60,000	60,000	74,561	14,561
Intergovernmental	70,000	70,000	74,654	4,654
Miscellaneous	6,200	6,200	6,746	546
<i>Total Receipts</i>	<u>396,200</u>	<u>396,200</u>	<u>431,522</u>	<u>35,322</u>
<b><u>Disbursements:</u></b>				
<i>Current:</i>				
Health	<u>466,392</u>	<u>485,651</u>	<u>389,877</u>	<u>95,774</u>
<i>Total Disbursements</i>	<u>466,392</u>	<u>485,651</u>	<u>389,877</u>	<u>95,774</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(70,192)</u>	<u>(89,451)</u>	<u>41,645</u>	<u>131,096</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Advances Out	0	0	(30,672)	(30,672)
Transfers Out	<u>0</u>	<u>0</u>	<u>(20,273)</u>	<u>(20,273)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(50,945)</u>	<u>(50,945)</u>
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	<u>(70,192)</u>	<u>(89,451)</u>	<u>(9,300)</u>	<u>80,151</u>
<i>Fund Balance at Beginning of Year</i>	163,546	163,546	163,546	0
<i>Prior Year Encumbrances Appropriated</i>	<u>10,432</u>	<u>10,432</u>	<u>10,432</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$103,786</u>	<u>\$84,527</u>	<u>\$164,678</u>	<u>\$80,151</u>

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Federal WIC Fund*

*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Intergovernmental	\$98,000	\$138,000	\$143,009	\$5,009
<i>Total Receipts</i>	98,000	138,000	143,009	5,009
<b><u>Disbursements:</u></b>				
Health	101,498	137,318	137,075	243
<i>Total Disbursements</i>	101,498	137,318	137,075	243
<i>Excess of Receipts Over (Under) Disbursements</i>	(3,498)	682	5,934	5,252
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	0	0	1,700	1,700
<i>Total Other Financing Sources (Uses)</i>	0	0	1,700	1,700
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(3,498)	682	7,634	6,952
<i>Fund Balance at Beginning of Year</i>	2,954	2,954	2,954	0
<i>Prior Year Encumbrances Appropriated</i>	613	613	613	0
<i>Fund Balance at End of Year</i>	\$69	\$4,249	\$11,201	\$6,952

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
*Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
2005 ARC Dental Clinic Fund  
For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Charges for Services	\$50,000	\$36,324	\$36,324	\$0
<i>Total Receipts</i>	50,000	36,324	36,324	0
<b><u>Disbursements:</u></b>				
Health	149,625	135,949	119,259	16,690
<i>Total Disbursements</i>	149,625	135,949	119,259	16,690
<i>Excess of Receipts Over (Under) Disbursements</i>	(99,625)	(99,625)	(82,935)	16,690
<i>Fund Balance at Beginning of Year</i>	140,406	140,406	140,406	0
<i>Fund Balance at End of Year</i>	\$40,781	\$40,781	\$57,471	\$16,690

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Receipts , Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Prenatal Child Health Fund  
For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>	\$0	\$0	\$0	\$0
<i>Total Receipts</i>	0	0	0	0
<b><u>Disbursements:</u></b>				
Health	62,037	62,037	1,996	60,041
<i>Total Disbursements</i>	62,037	62,037	1,996	60,041
<i>Excess of Receipts Over (Under) Disbursements</i>	(62,037)	(62,037)	(1,996)	60,041
<i>Fund Balance at Beginning of Year</i>	61,571	61,571	61,571	0
<i>Prior Year Encumbrances Appropriated</i>	466	466	466	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$60,041</u>	<u>\$60,041</u>

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Net Assets*

*December 31, 2005*

---

	<u>Governmental Activities</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$654,821</u>
<i>Total Assets</i>	<u>654,821</u>
<b><u>Net Assets:</u></b>	
Restricted for:	
Other Purposes	480,843
Unrestricted	<u>173,978</u>
<i>Total Net Assets</i>	<u><u>\$654,821</u></u>

See accompanying notes to the basic financial statements.



**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Activities*

*For the Year Ended December 31, 2005*

	<u>Program Receipts</u>			Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b><u>Governmental Activities:</u></b>				
Health	\$1,205,406	\$237,498	\$863,317	(\$104,591)
<i>Total Governmental Activities</i>	<u>\$1,205,406</u>	<u>\$237,498</u>	<u>\$863,317</u>	<u>(104,591)</u>
<b><u>General Receipts:</u></b>				
Property Taxes				232,108
Miscellaneous				43,109
<i>Total General Receipts</i>				<u>275,217</u>
Change in Net Assets				170,626
<i>Net Assets at Beginning of Year</i>				<u>484,195</u>
<i>Net Assets at End of Year</i>				<u>\$654,821</u>

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Balance Sheet*

*Governmental Funds*

*December 31, 2005*

---

	<u>General</u>	<u>WIC</u>	<u>2005 ARC Dental Clinic</u>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$173,978	\$3,567	\$140,406
<i>Total Assets</i>	<u>\$173,978</u>	<u>\$3,567</u>	<u>\$140,406</u>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	\$10,432	\$613	\$0
<i>Unreserved:</i>			
General Fund	163,546	0	0
Special Revenue Funds	0	2,954	140,406
<i>Total Fund Balances</i>	<u>\$173,978</u>	<u>\$3,567</u>	<u>\$140,406</u>

See accompanying notes to the basic financial statements.

Prenatal Child Health	Other Governmental Funds	Total Governmental Funds
\$62,037	\$274,833	\$654,821
\$62,037	\$274,833	\$654,821
\$466	\$10,460	\$21,971
0	0	163,546
61,571	264,373	469,304
\$62,037	\$274,833	\$654,821

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
*Statement of Receipts, Disbursements and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2005*

	General	WIC	2005 ARC Dental Clinic
<b><u>Receipts:</u></b>			
Property Taxes	\$232,108	\$0	\$0
Charges for Services	61,090	0	84,149
Licenses, Permits and Fees	34,857	0	0
Intergovernmental	72,427	160,772	200,000
Miscellaneous	16,018	0	0
<i>Total Receipts</i>	<u>416,500</u>	<u>160,772</u>	<u>284,149</u>
<b><u>Disbursements:</u></b>			
<i>Current:</i>			
Health	366,602	153,418	143,743
<i>Total Disbursements</i>	<u>366,602</u>	<u>153,418</u>	<u>143,743</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	49,898	7,354	140,406
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	0	0	0
Transfers Out	(18,900)	0	0
Advances In	30,834	19,834	0
Advances Out	(19,834)	(30,834)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(7,900)</u>	<u>(11,000)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	41,998	(3,646)	140,406
<i>Cash Fund Balances at Beginning of Year</i>	<u>131,980</u>	<u>7,213</u>	<u>0</u>
<i>Cash Fund Balances at End of Year</i>	<u><u>\$173,978</u></u>	<u><u>\$3,567</u></u>	<u><u>\$140,406</u></u>

See accompanying notes to the basic financial statements.

Prenatal Child Health	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$232,108
0	33,863	179,102
0	23,539	58,396
0	430,118	863,317
0	27,091	43,109
0	514,611	1,376,032
12,045	529,598	1,205,406
12,045	529,598	1,205,406
(12,045)	(14,987)	170,626
0	18,900	18,900
0	0	(18,900)
0	0	50,668
0	0	(50,668)
0	18,900	0
(12,045)	3,913	170,626
74,082	270,920	484,195
<u>\$62,037</u>	<u>\$274,833</u>	<u>\$654,821</u>

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund*

*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Property Taxes	\$230,000	\$230,000	\$232,108	\$2,108
Charges for Services	60,000	60,000	61,090	1,090
Licenses, Permits, and Fees	30,000	30,000	34,857	4,857
Intergovernmental	70,000	70,000	72,427	2,427
Miscellaneous	10,200	12,679	16,018	3,339
<i>Total Receipts</i>	<u>400,200</u>	<u>402,679</u>	<u>416,500</u>	<u>13,821</u>
<b><u>Disbursements:</u></b>				
<i>Current:</i>				
Health	<u>427,446</u>	<u>430,846</u>	<u>377,034</u>	<u>53,812</u>
<i>Total Disbursements</i>	<u>427,446</u>	<u>430,846</u>	<u>377,034</u>	<u>53,812</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(27,246)</u>	<u>(28,167)</u>	<u>39,466</u>	<u>67,633</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	0	0	30,834	30,834
Advances Out	0	0	(19,834)	(19,834)
Transfers Out	<u>0</u>	<u>0</u>	<u>(18,900)</u>	<u>(18,900)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(7,900)</u>	<u>(7,900)</u>
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	<u>(27,246)</u>	<u>(28,167)</u>	<u>31,566</u>	<u>59,733</u>
<i>Fund Balance at Beginning of Year</i>	126,428	126,428	126,428	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,552</u>	<u>5,552</u>	<u>5,552</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$104,734</u>	<u>\$103,813</u>	<u>\$163,546</u>	<u>\$59,733</u>

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Federal WIC Fund*

*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Intergovernmental	\$106,631	\$160,772	\$160,772	\$0
<i>Total Receipts</i>	106,631	160,772	160,772	0
<b><u>Disbursements:</u></b>				
Health	106,631	167,985	154,031	13,954
<i>Total Disbursements</i>	106,631	167,985	154,031	13,954
<i>Excess of Receipts Over (Under) Disbursements</i>	0	(7,213)	6,741	13,954
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	0	0	19,834	19,834
Advances Out	0	0	(30,834)	(30,834)
<i>Total Other Financing Sources (Uses)</i>	0	0	(11,000)	(11,000)
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	0	(7,213)	(4,259)	2,954
<i>Fund Balance at Beginning of Year</i>	7,213	7,213	7,213	0
<i>Fund Balance at End of Year</i>	\$7,213	\$0	\$2,954	\$2,954

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
*Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
2005 ARC Dental Clinic Fund  
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts:</u></b>				
Charges for Services	\$0	\$0	\$84,149	\$84,149
Intergovernmental	200,000	200,000	200,000	0
<i>Total Receipts</i>	200,000	200,000	284,149	84,149
<b><u>Disbursements:</u></b>				
Health	200,000	200,000	143,743	56,257
<i>Total Disbursements</i>	200,000	200,000	143,743	56,257
<i>Excess of Receipts Over (Under) Disbursements</i>	0	0	140,406	140,406
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$140,406	\$140,406

See accompanying notes to the basic financial statements.



**MEIGS COUNTY DISTRICT BOARD OF HEALTH**

*Statement of Receipts , Disbursements and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*

*Prenatal Child Health Fund*

*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>	\$0	\$0	\$0	\$0
<i>Total Receipts</i>	0	0	0	0
<b><u>Disbursements:</u></b>				
Health	74,082	74,082	12,511	61,571
<i>Total Disbursements</i>	74,082	74,082	12,511	61,571
<i>Excess of Receipts Over (Under) Disbursements</i>	(74,082)	(74,082)	(12,511)	61,571
<i>Fund Balance at Beginning of Year</i>	73,712	73,712	73,712	0
<i>Prior Year Encumbrances Appropriated</i>	370	370	370	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$61,571</u>	<u>\$61,571</u>

See accompanying notes to the basic financial statements.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2006 & 2005**

---

**Note 1 – Reporting Entity**

The District Board of Health, Meigs County (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a five-member Board, including a Medical Director. By law, a Health Commissioner is appointed by the Board to serve as the Board's Chief Executive Officer. The District's services include communicable disease investigations, immunization clinics, inspections, dental services, public health nursing services and issuing health-related licenses and permits.

A reporting entity is comprised of the primary government, component units and other organizations ensuring that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, immunizations, vital statistics, health related licenses and permits, disease prevention and control, public health nursing and other public health grant activities that may be granted by grant making agencies. The District has no component units.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

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

These financial statements follow the cash basis of accounting. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

**A. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District classifies all funds as governmental.

**B. Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The difference between governmental fund cash basis assets and cash disbursements is reported as fund balance. The following are the District's major governmental funds:

*General Fund* – The General Fund is the general operation fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2006 & 2005*

---

**Note 2 – Summary of Significant Accounting Policies –** (Continued)

*Federal WIC (Women, Infants, and Children) Fund* – This is a Federal grant fund used to account for the Special Supplemental Nutrition Program.

*2005 Appalachian Regional Commission (ARC) Dental Clinic Fund* – This fund receives Federal grant money to operate a dental clinic.

*Prenatal Child Health* – This fund receives grant money to administer prenatal child health programs.

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

**C. Basis of Presentation**

The District follows the cash basis of accounting for financial reporting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The District's basic financial statements consist of district-wide statements, including a statement of net assets-cash basis and a statement of activities-cash basis, and fund financial statements that provide a more detailed level of financial information.

**D. Government-wide Financial Statements**

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

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

**E. Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise 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.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2006 & 2005**

---

**Note 2 – Summary of Significant Accounting Policies** (continued)

**F. Cash Receipts – Exchange and Non-exchange Transactions**

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

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

**G. Cash Disbursements**

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

**H. Cash**

As required by Ohio Revised Code, the County Treasure is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

**I. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.
2. Estimated Resources – Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.
3. Encumbrances – The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

**J. Capital Assets**

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

**K. Accumulated Leave**

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

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2006 & 2005**

**Note 2 – Summary of Significant Accounting Policies** (continued)

**L. Fund Balance Reserves**

The District reserves those portions of fund equity legally segregated for a specific future use or which are not available for appropriation or disbursement. The District has reserved fund equity for encumbrances.

**M. Interfund Activity**

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financings sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds”.

In the government-wide financial statements transfers and advances within governmental activities are eliminated.

**Note 3 – Budgetary Basis Fund Balances**

Differences between the budgetary basis fund balances and fund cash balances are due to encumbrances. The table below presents these differences for the District’s major funds:

	<b><u>2005</u></b>			
	<u>General Fund</u>	<u>Federal WIC</u>	<u>2005 ARC Dental Clinic</u>	<u>Prenatal Child Health</u>
Budgetary Basis Fund Balances	\$163,546	\$2,954	\$140,406	\$61,571
Encumbrances	10,432	613	0	466
Fund Cash Balances	<u>\$173,978</u>	<u>\$3,567</u>	<u>\$140,406</u>	<u>\$62,037</u>

	<b><u>2006</u></b>			
	<u>General Fund</u>	<u>Federal WIC</u>	<u>2005ARC Dental Clinic</u>	<u>Prenatal Child Health</u>
Budgetary Basis Fund Balances	\$164,678	\$11,201	\$57,471	\$60,041
Encumbrances	3,132	0	1,870	443
Fund Cash Balances	<u>\$167,810</u>	<u>\$11,201</u>	<u>\$59,341</u>	<u>\$60,484</u>

**Note 4 – Taxes**

The Board of County Commissioners serves as a special taxing authority for the purposes of levying a special levy outside the ten-mill limitation to provide the District Board of Health with sufficient funds to carry out public health programs. The District has a 1 mill levy to relieve the townships and villages of the costs of operating the District.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2006 & 2005**

---

**Note 4 – Taxes** – (Continued)

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by District. The State Board of Tax and Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

**Note 5 – Retirement System**

The District's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio.

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.

The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.

The Combine Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provide retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

The 2006 / 2005 member contribution rates were 9.0%. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Ohio Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The 2006 / 2005 employer contribution rate for local government employer units was 13.70% and 13.55% respectively of covered payroll. The District's contributions to OPERS for all employees for the years ended December 31, 2006, 2005, and 2004 were \$91,128, \$94,868 and \$102,052 respectively; 100 percent has been contributed for 2006, 2005, and 2004.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2006 & 2005**

---

**Note 5 – Retirement System** – (Continued)

**Postemployment Benefits**

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

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional 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 post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered to be an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12.

The latest information available to the District indicates a portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employers' units, the rate was 13.55% and 13.70% (respectively) of covered payroll for both fiscal years 2005 and 2006; 5% was used to fund health care for the year 2005 and 4.5% was used to fund health care for the year 2006.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

Summary of Assumptions:

Actuarial Review – The assumptions and calculations below were based on OPERS' latest Actuarial Reviews performed as of December 31, 2005.

Funding Method – An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

Investment Return – The investment assumption rate for 2005 was 6.5%.

Active Employee Total Payroll – An annual increase of 4.0%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from .50% to 6.30%.

Health Care – Health care cost were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 6% for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2006 & 2005**

---

**Note 5 – Retirement System** – (Continued)

OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participants in the Traditional Pension and Combined Plans totaled 369,214 for 2006. The employer contributions that were used to fund postemployment benefits were \$358,804 for 2006. \$11.1 billion represents the actuarial value of OPERS' net assets available for OPEBs at December 31, 2005.

The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$31.3 billion and \$20.2 billion, respectively.

OPERS Retirement Board adopts a Health Care Preservation Plan:

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Prevention Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their financial individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

**Note 6 – Risk Management**

The District belongs to the Public Entities Pool of Ohio ("PEP"), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). 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 Coverage

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000 up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Risk Management

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

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

The Government 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. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.



**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2006 & 2005**

**Note 6 – Risk Management** - (Continued)

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP’s retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 or \$3,000,000 as noted above.

Property Coverage

Through 2006, PEP retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members’ total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

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

Financial Position

PEP’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005 (the latest information available)

<b>Casualty Coverage</b>	<b>2006</b>	<b>2005</b>
Assets	\$30,997,868	\$29,719,675
Liabilities	(15,875,741)	(15,994,168)
Retained earnings	<u>\$15,122,127</u>	<u>\$13,725,507</u>
<b>Property Coverage</b>	<b>2006</b>	<b>2005</b>
Assets	\$5,125,326	\$4,443,332
Liabilities	(863,163)	(1,068,245)
Retained earnings	<u>\$4,262,163</u>	<u>\$3,378,087</u>

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2006 & 2005*

---

**Note 7 – Contingent Liabilities**

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

**Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Required by  
Government Auditing Standards**

Board of Directors  
Meigs County District Board of Health  
112 East Memorail Drive  
Pomeroy, OH 45769

We have audited the accompanying financial statements of Meigs County District Board of Health (District) , as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated June 28, 2007. As discussed in Note 2, the District followed the cash basis of accounting, which is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**Internal Control over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

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

Board of Directors  
Meigs County District Board of Health  
Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Required by  
Government Auditing Standards

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Districts's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Board of Directors, management, and is not intended to be and should not be used by anyone other than these specified parties.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.

June 28, 2007



**Mary Taylor, CPA**  
Auditor of State

**DISTRICT BOARD OF HEALTH**

**MEIGS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 11, 2007**