

**MEIGS COUNTY DISTRICT BOARD OF HEALTH  
MEIGS COUNTY  
Regular Audit  
For the Year Ended December 31, 2011**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Meigs County District Board of Health, Meigs County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2011 through December 31, 2011. 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 District Board of Health is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

July 23, 2012

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

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***Perry & Associates***  
Certified Public Accountants, A.C.

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**INDEPENDENT ACCOUNTANTS' REPORT**

May 25, 2012

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

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Meigs County District Board of Health**, Meigs County, Ohio (the District), as of and for the year ended December 31, 2011, 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 opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. 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 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 Meigs County District Board of Health, Meigs County, Ohio, as of December 31, 2011, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General, Federal WIC and 2005 ARC Dental Clinic Funds thereof for the year then ended in conformity with the accounting basis Note 1 describes.

As described in Note 3, during 2011 the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did 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*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the District's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.



**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2011**  
(Unaudited)

This discussion and analysis of the District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2011, 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 2011 are as follows:

The District's receipts are derived from three primary sources: grant funding, charges for services, and property taxes. A smaller amount is derived from miscellaneous sources. In 2011, grant funding accounted for 41% of receipts while other sources represented 59% of receipts. The decrease in grant funding percentage vs. other sources was primarily due to decreases in Public Health Infrastructure funding. Other sources of grant funding include: Title X Reproductive Health & Wellness Program (formerly Family Planning), Creating Healthy Communities Program (formerly Cardiovascular Health), and Child and Family Health Services.

The Appalachian Dental Clinic is a Safety Net Dental Clinic which is a self-sustaining clinic accounted for \$297,121 in charges for services. This clinic closed and merged operations with Family Healthcare, Inc. March 31, 2012.

Net cash assets decreased from 2010 to 2011 by \$26,747. The decrease was due primarily to increased operating costs, staff salary increases including increased health insurance costs.

**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. Because 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 Year Ended December 31, 2011**  
(Unaudited)

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2011, 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, one 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, one 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 for better management of 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 WIC Fund, and the 2005 ARC Dental Clinic 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 year 2011, the District amended its general fund budget to reflect changing circumstances.

- Final General Fund disbursements were budgeted at \$489,629 while actual disbursements were \$474,732; final budgeted revenue was \$426,760 while actual revenue was \$470,909, allowing for a \$44,149 carryover, necessary to cover expenses from the beginning of the year until first-half tax collections that are generally received in April. The District kept spending very close to budgeted amounts.

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2011**  
(Unaudited)

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2011 compared to 2010 on a cash basis:

Table 1 – Net Assets

|                                     | Governmental Activities |                  |
|-------------------------------------|-------------------------|------------------|
|                                     | 2011                    | 2010             |
| <b>Assets</b>                       |                         |                  |
| Equity in Cash and Cash Equivalents | \$364,387               | \$391,134        |
| Total Assets                        | <u>\$364,387</u>        | <u>\$391,134</u> |
| <b>Net Assets</b>                   |                         |                  |
| <i>Restricted for:</i>              |                         |                  |
| Other Purposes                      | 167,251                 | 242,807          |
| Unrestricted                        | <u>197,136</u>          | <u>148,327</u>   |
| Total Net Assets                    | <u>\$364,387</u>        | <u>\$391,134</u> |

Net cash assets decreased from 2010 to 2011 by \$26,747. The decrease was due primarily to disbursements exceeding receipts.

Table 2 reflects the changes in net assets in 2011 compared to 2010 on a cash basis:

Table 2 – Change in Net Assets

|                                    | Governmental Activities |                  |
|------------------------------------|-------------------------|------------------|
|                                    | 2011                    | 2010             |
| <b>Program Receipts:</b>           |                         |                  |
| Charges for Services               | \$360,840               | \$369,068        |
| Operating Grants and Contributions | <u>541,740</u>          | <u>621,280</u>   |
| Total Program Receipts             | 902,580                 | 990,348          |
| <b>General Receipts:</b>           |                         |                  |
| Property Taxes                     | 239,574                 | 217,146          |
| Fees, Licenses and Permits         | 95,270                  | 116,821          |
| Miscellaneous                      | <u>95,894</u>           | <u>168,857</u>   |
| Total General Receipts             | <u>430,738</u>          | <u>502,824</u>   |
| Total Receipts                     | <u>1,333,318</u>        | <u>1,493,172</u> |
| <b>Disbursements:</b>              |                         |                  |
| Health                             | <u>1,360,065</u>        | <u>1,540,076</u> |
| Total Health Disbursements         | <u>1,360,065</u>        | <u>1,540,076</u> |
| Increase/(Decrease) in Net Assets  | (26,747)                | (46,904)         |
| Net Assets – January 1             | <u>391,134</u>          | <u>438,038</u>   |
| Net Assets – December 31           | <u>\$364,387</u>        | <u>\$391,134</u> |

Program receipts represent 68% of total receipts during 2011, while these receipts represented 66% in 2010. Program receipts are primarily comprised of state and federal grants, which make up 60% of total program receipts in 2011 with the remaining portion being made up of charges for services.

General receipts represent 32% of total receipts in 2011, while these receipts represented 34% in 2010. Of this amount, 56% are local taxes during 2011. Miscellaneous receipts are a somewhat unpredictable revenue source and represents 22% of the general receipts for 2011.

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

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2011**  
(Unaudited)

**Governmental Activities**

Looking at the statement of activities, as referenced in the table of contents, the first column lists the major service 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 service, which ends up being paid from money provided from local taxpayers. These net costs are paid from the general receipts that 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<br>of Services<br>2011 | Net Cost of<br>Services<br>2011 | Total Cost<br>of Services<br>2010 | Net Cost of<br>Services<br>2010 |
|---------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Health              | \$1,360,065                       | \$457,485                       | \$1,540,076                       | \$549,728                       |
| Total Disbursements | \$1,360,065                       | \$457,485                       | \$1,540,076                       | \$549,728                       |

**The District's Funds**

For 2011, the General Fund had cash receipts of \$470,909, and cash disbursements of \$474,732. 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 ARC Dental Clinic Fund is no longer federally funded; the fund is being used to defray the costs associated with the dental clinic not covered by State grants or client revenue.

**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 property taxes are heavily relied upon. The District, with conservative spending, should be able to continue current stability but will probably not be able to realize any financial growth and in fact in the face of declining resources, basic services will have to be cut back, if not eliminated to meet budgetary constraints.

**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 has no outstanding debt as of December 31, 2011.

**Contacting the District'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-Cash Basis**  
**As of December 31, 2011**

|                                     | <i>Governmental<br/>Activities</i> |
|-------------------------------------|------------------------------------|
| <b>Assets:</b>                      |                                    |
| Equity in Cash and Cash Equivalents | \$ 364,387                         |
| <i>Total Assets</i>                 | 364,387                            |
| <b>Net Assets:</b>                  |                                    |
| Restricted for:                     |                                    |
| Other Purposes                      | 167,251                            |
| Unrestricted                        | 197,136                            |
| <i>Total Net Assets</i>             | \$ 364,387                         |

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

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Statement of Activities-Cash Basis**  
**For the Year Ended December 31, 2011**

|  | Disbursements       | Program Receipts                     |  | Net (Disbursements)                   |
|--|---------------------|--------------------------------------|--|---------------------------------------|
|  |                     | Charges for<br>Services<br>and Sales | Operating<br>Grants and<br>Contributions | Receipts and Changes<br>in Net Assets |
|  |                     |                                      |  | Governmental<br>Activities            |
| <b>Governmental Activities:</b>        |                     |                                      |  |                                       |
| Health                                 | \$ 1,360,065        | \$ 360,840                           | \$ 541,740                               | \$ (457,485)                          |
| <i>Total Governmental Activities</i>   | <u>\$ 1,360,065</u> | <u>\$ 360,840</u>                    | <u>\$ 541,740</u>                        | <u>(457,485)</u>                      |
| <b>General Receipts:</b>               |                     |                                      |  |                                       |
|  |                     |                                      |  | 239,574                               |
| Property Taxes                         |                     |                                      |  | 95,270                                |
| Fees, Licenses, and Permits            |                     |                                      |  | 95,894                                |
| Miscellaneous                          |                     |                                      |  | <u>95,894</u>                         |
| <i>Total General Receipts</i>          |                     |                                      |  | <u>430,738</u>                        |
| <b>Change in Net Assets</b>            |                     |                                      |  | (26,747)                              |
| <i>Net Assets at Beginning of Year</i> |                     |                                      |  | <u>391,134</u>                        |
| <i>Net Assets at End of Year</i>       |                     |                                      |  | <u><u>\$ 364,387</u></u>              |

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

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Statement of Assets and Fund Balances-Cash Basis**  
**As of December 31, 2011**

|                                     | General           | Federal<br>WIC   | 2005 ARC<br>Dental Clinic | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------|-------------------|------------------|---------------------------|--------------------------------|--------------------------------|
| <b>Assets:</b>                      |                   |                  |                           |                                |                                |
| Equity in Cash and Cash Equivalents | \$ 144,504        | \$ 51,888        | \$ 22,833                 | \$ 92,530                      | \$ 311,755                     |
| Restricted Cash                     | -                 | -                | -                         | 52,632                         | 52,632                         |
| <i>Total Assets</i>                 | <u>\$ 144,504</u> | <u>\$ 51,888</u> | <u>\$ 22,833</u>          | <u>\$ 145,162</u>              | <u>\$ 364,387</u>              |
| <b>Fund Balances:</b>               |                   |                  |                           |                                |                                |
| Restricted                          | \$ -              | \$ 51,888        | \$ 22,833                 | \$ 92,530                      | \$ 167,251                     |
| Committed                           | -                 | -                | -                         | 52,632                         | 52,632                         |
| Unassigned                          | 144,504           | -                | -                         | -                              | 144,504                        |
| <i>Total Cash Fund Balances</i>     | <u>\$ 144,504</u> | <u>\$ 51,888</u> | <u>\$ 22,833</u>          | <u>\$ 145,162</u>              | <u>\$ 364,387</u>              |

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

**MEIGS COUNTY DISTRICT BOARD OF HEALTH**  
**Statement of Receipts, Disbursements and Changes**  
**in Fund Balances-Cash Basis**  
**For the Year Ended December 31, 2011**

|   | General           | Federal<br>WIC   | 2005 ARC<br>Dental Clinic | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-------------------|------------------|---------------------------|--------------------------------|--------------------------------|
| <b>Receipts:</b>  |                   |                  |                           |                                |                                |
| Property Taxes  | \$ 239,574        | \$ -             | \$ -                      | \$ -                           | \$ 239,574                     |
| Charges for Services                                      | 23,501            | -                | 297,121                   | 40,218                         | 360,840                        |
| Licenses, Permits and Fees                                | 60,037            | -                | -                         | 35,233                         | 95,270                         |
| Intergovernmental   | 78,141            | 221,390          | -                         | 242,209                        | 541,740                        |
| Miscellaneous   | 69,656            | -                | -                         | 26,238                         | 95,894                         |
| <i>Total Receipts</i>                                     | <u>470,909</u>    | <u>221,390</u>   | <u>297,121</u>            | <u>343,898</u>                 | <u>1,333,318</u>               |
| <b>Disbursements:</b>                                     |                   |                  |                           |                                |                                |
| <i>Current:</i>   |                   |                  |                           |                                |                                |
| Health  | 474,732           | 217,830          | 312,010                   | 355,493                        | 1,360,065                      |
| <i>Total Disbursements</i>                                | <u>474,732</u>    | <u>217,830</u>   | <u>312,010</u>            | <u>355,493</u>                 | <u>1,360,065</u>               |
| <i>Excess of Receipts Over/<br/>(Under) Disbursements</i> | <u>(3,823)</u>    | <u>3,560</u>     | <u>(14,889)</u>           | <u>(11,595)</u>                | <u>(26,747)</u>                |
| <b>Other Financing Sources/(Uses)</b>                     |                   |                  |                           |                                |                                |
| Advances In   | 7,500             | -                | -                         | 7,500                          | 15,000                         |
| Advances Out  | (7,500)           | -                | -                         | (7,500)                        | (15,000)                       |
| <i>Total Other Financing Sources/(Uses)</i>               | <u>-</u>          | <u>-</u>         | <u>-</u>                  | <u>-</u>                       | <u>-</u>                       |
| <i>Net Change in Fund Balances</i>                        | (3,823)           | 3,560            | (14,889)                  | (11,595)                       | (26,747)                       |
| Cash Fund Balances at Beginning of Year                   | <u>148,327</u>    | <u>48,328</u>    | <u>37,722</u>             | <u>156,757</u>                 | <u>391,134</u>                 |
| Cash Fund Balances at End of Year                         | <u>\$ 144,504</u> | <u>\$ 51,888</u> | <u>\$ 22,833</u>          | <u>\$ 145,162</u>              | <u>\$ 364,387</u>              |

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



**MEIGS COUNTY 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, 2011**

|  | Budgeted Amounts |                  |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|---|
|  | Original         | Final            | Actual            |   |
| <b>Receipts</b>                                      |                  |                  |                   |   |
| Property Taxes                                       | \$ 235,000       | \$ 235,000       | \$ 239,574        | \$ 4,574  |
| Charges for Services                                 | 25,000           | 25,000           | 23,501            | (1,499)   |
| Licenses, Permits and Fees                           | 70,000           | 70,000           | 60,037            | (9,963)   |
| Intergovernmental                                    | 84,000           | 84,000           | 78,141            | (5,859)   |
| Miscellaneous  | 12,760           | 12,760           | 69,656            | 56,896  |
| <i>Total Receipts</i>                                | <u>426,760</u>   | <u>426,760</u>   | <u>470,909</u>    | <u>44,149</u>   |
| <b>Disbursements</b>                                 |                  |                  |                   |   |
| Current:   |                  |                  |                   |   |
| Health   | 489,629          | 489,629          | 474,732           | 14,897  |
| <i>Total Disbursements</i>                           | <u>489,629</u>   | <u>489,629</u>   | <u>474,732</u>    | <u>14,897</u>   |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(62,869)</u>  | <u>(62,869)</u>  | <u>(3,823)</u>    | <u>59,046</u>   |
| <b>Other Financing Sources (Uses)</b>                |                  |                  |                   |   |
| Advances In  | -                | -                | 7,500             | 7,500   |
| Advances Out   | -                | -                | (7,500)           | (7,500)   |
| <i>Total Other Financing Sources (Uses)</i>          | <u>-</u>         | <u>-</u>         | <u>-</u>          | <u>-</u>  |
| <i>Net Change in Fund Balance</i>                    | (62,869)         | (62,869)         | (3,823)           | 59,046  |
| <i>Unencumbered Fund Balance Beginning of Year</i>   | <u>148,327</u>   | <u>148,327</u>   | <u>148,327</u>    | <u>-</u>  |
| <i>Unencumbered Fund Balance End of Year</i>         | <u>\$ 85,458</u> | <u>\$ 85,458</u> | <u>\$ 144,504</u> | <u>\$ 59,046</u>  |

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

**MEIGS COUNTY 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, 2011**

|  | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------|------------------|---|
|  | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Receipts</b>                                    |                         |                  |                  |   |
| Intergovernmental:                                 | \$ 221,390              | \$ 221,390       | \$ 221,390       | \$ -  |
| <i>Total Receipts</i>                              | <u>221,390</u>          | <u>221,390</u>   | <u>221,390</u>   | <u>-</u>  |
| <b>Disbursements</b>                               |                         |                  |                  |   |
| Current:   |                         |                  |                  |   |
| Health   | 235,000                 | 235,000          | 217,830          | 17,170  |
| <i>Total Disbursements</i>                         | <u>235,000</u>          | <u>235,000</u>   | <u>217,830</u>   | <u>17,170</u>   |
| <i>Net Change in Fund Balance</i>                  | (13,610)                | (13,610)         | 3,560            | 17,170  |
| <i>Unencumbered Fund Balance Beginning of Year</i> | <u>48,328</u>           | <u>48,328</u>    | <u>48,328</u>    | <u>-</u>  |
| <i>Unencumbered Fund Balance End of Year</i>       | <u>\$ 34,718</u>        | <u>\$ 34,718</u> | <u>\$ 51,888</u> | <u>\$ 17,170</u>  |

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

**MEIGS COUNTY 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, 2011**

|  | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------|------------------|---|
|  | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Receipts</b>                                    |                         |                  |                  |   |
| Charges for Services                               | \$ 265,000              | \$ 337,483       | \$ 297,121       | \$ (40,362)   |
| <i>Total Receipts</i>                              | <u>265,000</u>          | <u>337,483</u>   | <u>297,121</u>   | <u>(40,362)</u>   |
| <b>Disbursements</b>                               |                         |                  |                  |   |
| Current:   |                         |                  |                  |   |
| Health:  | 312,483                 | 312,483          | 312,010          | 473   |
| <i>Total Disbursements</i>                         | <u>312,483</u>          | <u>312,483</u>   | <u>312,010</u>   | <u>473</u>  |
| <i>Net Change in Fund Balance</i>                  | (47,483)                | 25,000           | (14,889)         | (39,889)  |
| <i>Unencumbered Fund Balance Beginning of Year</i> | <u>37,722</u>           | <u>37,722</u>    | <u>37,722</u>    | <u>-</u>  |
| <i>Unencumbered Fund Balance End of Year</i>       | <u>\$ (9,761)</u>       | <u>\$ 62,722</u> | <u>\$ 22,833</u> | <u>\$ (39,889)</u>                                      |

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

**Meigs County District Board of Health**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2011*

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**Note 1 - Reporting Entity**

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

***Primary Government***

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

The District's management believes these financial statements present all activities for which the 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 District's accounting policies.

***Basis of Presentation***

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

***Government-Wide Financial Statements*** The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the 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 District has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. 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, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the District.

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

**Meigs County District Board of Health**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2011*

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

***Fund Accounting***

The 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 District are presented in two categories: governmental and fiduciary.

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

***General*** 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 District for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Federal WIC Fund*** This fund accounts for and reports federal grant monies restricted to the Women, Infants and Children program.

***2005 ARC Dental Clinic Fund*** This fund accounts for and reports charges for services to operate the dental clinic.

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

***Basis of Accounting***

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the 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.

***Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The 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 District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the district if the filing has not been made.

**Meigs County District Board of Health**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2011*

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

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

The amounts reported as the original budgeted amounts on the budgetary 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.

***Cash and Investments***

The County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County.

***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.

***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.

***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 District's cash basis of accounting.

***Employer Contributions to Cost-Sharing Pension Plans***

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

**Meigs County District Board of Health**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2011*

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

***Net Assets***

Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for federal grants.

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

***Fund Balance***

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

***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. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Health, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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 District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a District official delegated that authority by resolution, or by State Statute.

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

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

**Meigs County District Board of Health**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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

***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 – Change in Basis of Accounting**

For 2011, the District implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had the following effect on fund balances of the major governmental funds and all other governmental funds as previously reported:

|   | General    | Federal WIC | 2005 ARC<br>Dental Clinic | Other<br>Governmental<br>Funds | Total      |
|---|------------|-------------|---------------------------|--------------------------------|------------|
| Fund Balance at<br>December 31, 2010          | \$ 148,327 | \$ 48,328   | \$ 37,722                 | \$ 156,757                     | \$ 391,134 |
| GASB 54 Change in<br>in Fund Structure        | -          | -           | -                         | -                              | -          |
| Adjusted Fund Balance at<br>December 31, 2010 | \$ 148,327 | \$ 48,328   | \$ 37,722                 | \$ 156,757                     | \$ 391,134 |

**Note 4 - Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Federal WIC Fund and 2005 ARC Dental Clinic Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

**Note 5 - Property Taxes**

The Board of County Commissioners serves as a special taxing authority for the purposes of levying a special levy outside the ten-mill limitations 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.

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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.



**Meigs County District Board of Health**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2011*

**Note 5 - Property Taxes (Continued)**

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 6 - Risk Management**

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

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

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local Districts. 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 Districts 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, 2011, PEP retained \$350,000 for casualty claims and \$150,000 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 District.

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, 2010 and 2009.

|             | <u>2010</u>         | <u>2009</u>         |
|-------------|---------------------|---------------------|
| Assets      | \$34,952,010        | \$36,374,898        |
| Liabilities | <u>(14,320,812)</u> | <u>(15,256,862)</u> |
| Net Assets  | <u>\$20,631,198</u> | <u>\$21,118,036</u> |

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member Districts in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the District's share of these unpaid claims collectible in future years is approximately \$5,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

**Meigs County District Board of Health**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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

| <b><u>Contribution to PEP</u></b> |         |
|-----------------------------------|---------|
| <b><u>2011</u></b>                | \$5,000 |
| <b><u>2010</u></b>                | \$5,575 |
| <b><u>2009</u></b>                | \$5,000 |

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 - Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

Plan Description - The District participates 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 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 the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and contribution rates were consistent across all three plans. The 2011 member contribution rates were 10.00% for members in State and local classifications. The District's contribution rate for 2011 was 14.00%.

The District's contribution rate for pension benefits for members in the Traditional Plan for 2011 was 10.00%. The District's contribution rate for pension benefits for members in the Combined Plan for 2011 was 7.95%. The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$99,889, \$82,559, and \$82,277, respectively; 100% has been contributed for 2011, 2010 and 2009.

**Meigs County District Board of Health**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2011*

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**Note 8 - Postemployment Benefits**

**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 and the Combined Plans. 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/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administrated 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 2011, 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 for 2011 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2011 was 6.05%.

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 District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$49,945, \$41,280, and \$41,139, respectively; 100% has been contributed for 2011, 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008.

**Meigs County District Board of Health**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2011*

**Note 9 – Fund Balances**

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

| <u>Fund Balances</u>        | <u>General Fund</u> | <u>Federal<br/>WIC</u> | <u>2005 ARC<br/>Dental Clinic</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>      |
|-----------------------------|---------------------|------------------------|-----------------------------------|---|-------------------|
| <b>Restricted for</b>       |                     |                        |                                   |   |                   |
| Women, Infants and Children | \$ -                | \$ 51,888              | \$ -                              | \$ -                                    | \$ 51,888         |
| 2005 ARC Dental Clinic      | -                   | -                      | 22,833                            | -                                       | 22,833            |
| Other Purposes              | -                   | -                      | -                                 | 92,530                                  | 92,530            |
| <i>Total Restricted</i>     | <u>-</u>            | <u>51,888</u>          | <u>22,833</u>                     | <u>92,530</u>                           | <u>167,251</u>    |
| <b>Committed to</b>         |                     |                        |                                   |   |                   |
| Insurance                   | -                   | -                      | -                                 | 52,632                                  | 52,632            |
| <i>Total Committed</i>      | <u>-</u>            | <u>-</u>               | <u>-</u>                          | <u>52,632</u>                           | <u>52,632</u>     |
| Unassigned (deficits):      | 144,504             | -                      | -                                 | -                                       | 144,504           |
| <i>Total Fund Balances</i>  | <u>\$ 144,504</u>   | <u>\$ 51,888</u>       | <u>\$ 22,833</u>                  | <u>\$ 145,162</u>                       | <u>\$ 364,387</u> |

**Note 10 – Contingent Liabilities**

Amounts grantor agencies pay to the 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 experience, management believes any refunds would be immaterial.

**Note 11 – Subsequent Events**

The District has evaluated events subsequent to the date of the statement of net assets through the date of this report. The 2005 ARC Dental Clinic closed and merged operations with Family Healthcare, Inc. on March 31, 2012.

***Perry & Associates***  
Certified Public Accountants, A.C.

[www.perrycpas.com](http://www.perrycpas.com)

MARIETTA

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(740) 373-2402 Fax

PARKERSBURG

1035 Murdoch Avenue  
Parkersburg, WV 26101  
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ST. CLAIRSVILLE

121 E. Main Street  
St. Clairsville, OH 43950  
(740) 695-1569  
(740) 695-5775 Fax

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

May 25, 2012

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

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Meigs County District Board of Health**, Meigs County, Ohio (the District) as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 25, 2012, wherein we noted 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, and has adopted Governmental Accounting Standards Board Statement No. 54. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Meigs County District Board of Health  
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Independent Accountants' Report on Internal Control Over  
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### **Compliance and Other Matters**

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

We intend this report solely for the information and use of management, the Board, and others within the District. We intend it for no one other than these specified parties.

Respectfully Submitted,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

**Perry and Associates**  
Certified Public Accountants, A.C.



# Dave Yost • Auditor of State

**MEIGS COUNTY 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  
AUGUST 02, 2012**