



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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MERCER COUNTY GENERAL HEALTH DISTRICT  
MERCER COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 430-0590 • FAX (614) 448-4519  
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319  
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

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



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Board  
Mercer County General Health District  
220 W. Livingston Room B152  
Celina, Ohio 45822

We have reviewed the *Independent Auditor's Report* of Mercer County General Health District, Mercer County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 through December 31, 2020. 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. Mercer County General Health District is responsible for compliance with these laws and regulations.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 08, 2021

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**MERCER COUNTY GENERAL HEALTH DISTRICT**  
**MERCER COUNTY**  
*For the Years Ended December 31, 2020 and 2019*  
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**INDEPENDENT AUDITOR'S REPORT**

Mercer County General Health District  
Mercer County  
220 West Livingston Street, Room B152  
Celina, Ohio 45822

To the Board:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Mercer County General Health District, Mercer County, Ohio (the District).

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the District, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*BHM CPA Group*

BHM CPA Group, Inc.  
Piketon, Ohio  
July 26, 2021



**MERCER COUNTY GENERAL HEALTH DISTRICT  
MERCER COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

|  | <u>Governmental Fund Types</u> |                            | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|--------------------------------|----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>                            |                                |                            |   |
| Charges for Services                             | \$ 838,624                     | \$ 60,941                  | \$ 899,565                              |
| Fines, Licenses and Permits                      | -                              | 134,977                    | 134,977                                 |
| Intergovernmental                                | 637,765                        | 113,397                    | 751,162                                 |
| Subdivision Share                                | -                              | -                          | -                                       |
| BWC Refund                                       | 11,554                         | 20,417                     | 31,971                                  |
| Rewards, Vaccine Rebates & Reimbursements        | 19,615                         | -                          | 19,615                                  |
| Miscellaneous                                    | 4,000                          | 11                         | 4,011                                   |
|  | <u>1,511,558</u>               | <u>329,743</u>             | <u>1,841,301</u>                        |
| Total Cash Receipts                              |                                |                            |   |
| <b>Cash Disbursements:</b>                       |                                |                            |   |
| Current:   |                                |                            |   |
| Health:  |                                |                            |   |
| Salaries   | 578,472                        | 237,308                    | 815,780                                 |
| Fringe Benefits                                  | 236,106                        | 80,469                     | 316,575                                 |
| Purchased/Contracted Services                    | 46,703                         | 11,073                     | 57,776                                  |
| Supplies/Materials                               | 440,135                        | 589                        | 440,724                                 |
| Other  | 28,181                         | 3,662                      | 31,843                                  |
| Remittance to State                              | 57,882                         | 24,203                     | 82,085                                  |
| Dept of Ag Share                                 | -                              | 2,030                      | 2,030                                   |
| Township Share                                   | -                              | 592                        | 592                                     |
|  | <u>1,387,479</u>               | <u>359,926</u>             | <u>1,747,405</u>                        |
| Total Cash Disbursements                         |                                |                            |   |
| Excess of Receipts Over/(Under) Disbursements    | <u>124,079</u>                 | <u>(30,183)</u>            | <u>93,896</u>                           |
| <b>Other Financing Receipts (Disbursements):</b> |                                |                            |   |
| Transfer In                                      | -                              | 168,354                    | 168,354                                 |
| Transfers Out                                    | (142,092)                      | (26,262)                   | (168,354)                               |
|  | <u>(142,092)</u>               | <u>142,092</u>             | <u>-</u>                                |
| Total Other Financing<br>Receipts(Disbursements) |                                |                            |   |
| Net Change in Fund Cash Balances                 | <u>(18,013)</u>                | <u>111,909</u>             | <u>93,896</u>                           |
| Fund Cash Balances, January 1                    | <u>401,635</u>                 | <u>318,433</u>             | <u>720,068</u>                          |
| Fund Cash Balances, December 31                  | <u>\$ 383,622</u>              | <u>\$ 430,342</u>          | <u>\$ 813,964</u>                       |

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

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Mercer County General Health District, Mercer County, (The District) as a body corporate and politic. A seven-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

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

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 governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

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

***Basis of Presentation***

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

***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 below:

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

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

***Food Service Fund*** The food service fund accounts for the sale of food service licenses.

***Parks and Camps Fund*** The parks and camps fund accounts for the sale of campground and trailer park licenses.

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

***Swimming Pool Fund*** The swimming pool fund accounts for the sale of public pool and spa licenses.

***Construction and Demo Debris (C&DD) Fund*** The C&DD fund accounts for tipping fees and licenses.

***Water System Fund*** The water system fund receives money for permits and fees of well and water testing.

***Solid Waste Fund*** This fund receives money for licenses and tipping fees from solid waste facilities in Mercer County. This has been combined into the General Fund.

***Environmental Miscellaneous Fund*** This fund receives money for sewage permit fees in within Mercer County.

***Public Health Emergency Preparedness (PHEP) Grant Fund*** This fund receives Federal grant money to provide for the development of public health infrastructure.

***NACCHO Grant Fund*** This fund receives Federal grant money to provide for the development of the Medical Reserve Corps (MRC).

***Strategic Teen Immunization Rate Grant (STIR) Fund*** This fund receives grant money on a subgrantee basis from Allen County Health District for the purpose of increasing immunization rates for children ages 13-15.

***Immunization Action Plan Grant (IAP) Fund*** This fund receives Federal grant money on a subgrantee basis to provide for the purpose of increasing immunization rates for children.

***Ebola Grant*** This fund receive grant money on a subgrantee basis from Toledo-Lucas County Health District for the purpose of creating Ebola/Zika/Communicable Disease response plans.

***Community Health Improvement Plan (CHIP)*** This fund receives Federal grant money to provide for the development of a Community Health Improvement Plan

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

***Budgetary Process***

The Ohio Revised Code requires the District to budget each fund annually

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

***Nonspendable*** The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *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 Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

***Fund Balance***

*Assigned* Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

*Unassigned* Unassigned fund balance is the residual classification for the general fund and includes amounts not included 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2020, follows:

| 2020 Budgeted vs. Actual Receipts |                      |                    |             |
|-----------------------------------|----------------------|--------------------|-------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance    |
| General                           | \$1,711,323          | \$1,511,558        | (\$199,765) |
| Special Revenue                   | 602,965              | 498,097            | (104,868)   |
| Total                             | \$2,314,288          | \$2,009,655        | (\$304,633) |

| 2020 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |           |
|---|----------------------------|---------------------------|-----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
| General   | \$1,775,326                | \$1,598,117               | \$177,209 |
| Special Revenue                                       | 629,042                    | 386,188                   | 242,854   |
| Total   | \$2,404,368                | \$1,984,305               | \$420,063 |

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 4 - Deposits and Investments**

As required by the Ohio Revised Code, the Mercer County Treasurer is custodian of the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

**Note 5 - Intergovernmental Funding and Property Taxes**

***Intergovernmental Funding***

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

**Note 6 - Risk Management**

**Risk Pool Membership**

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

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

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

|                       | <u>2020</u>   |
|-----------------------|---------------|
| Cash and investments  | \$ 40,318,971 |
| Actuarial liabilities | \$14,111,510  |

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Several of the District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2020.

***Social Security***

Several of the District's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2020.

**Note 8 - Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

**Note 9 - Contingent Liabilities**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor 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.

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 10 – Fund Balances**

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

| <u>Fund Balances</u>     | <u>General</u>   |
|--------------------------|------------------|
| Outstanding Encumbrances | <u>\$ 68,546</u> |
| Total                    | <u>\$ 68,546</u> |

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 11 – Change in Accounting Principle**

For 2020, the District has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

The effect of this change had no effect on the District’s cash balances.

**Note 12 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The District’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



**Mercer County General Health District**

*Mercer County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

**Note 13 – ODH Federal Grants**

|   |  |
|---|--|
| Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Get Vaccinated Ohio-Public Health Initiative<br>CFDA# 93.268<br>Project Number: 05410012GV0321<br>\$1,892.00 (2020)  | Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Public Health Emergency Preparedness<br>CFDA# 93.069<br>Project Number: 05410012PH1120<br>\$45,565.93 (2020)        |
| Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Coronavirus Response Supplemental<br>CFDA# 21.019<br>Project Number: 05410012CO0121<br>\$219,081.07 (2020)           | Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Public Health Emergency Preparedness<br>CFDA# 93.069<br>Project Number: 05410012PH1221<br>\$34,798.27 (2020)        |
| Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Coronavirus Response<br>CFDA# 93.354<br>Project Number: 05410012CO0120<br>\$18,538.75 (2020)                         | Centers for Disease Control and Prevention<br>Ohio Department of Health<br>COVID-19 Contact Tracing<br>CFDA# 21.019<br>Project Number: 05410012CT0120<br>\$32,386.05 (2020)                    |
| Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Get Vaccinated Ohio-Public Health Initiative<br>CFDA# 93.268<br>Project Number: 05410012GV0220<br>\$15,557.00 (2020) | Bureau of Enviro. Health & Radiation Protection<br>Union County General Health District (contract)<br>Indoor Radon<br>CFDA# 66.032<br>Project Number: 08010012IR0420<br>\$6,000.00 (2020)      |
| Centers for Disease Control and Prevention<br>Auglaize County Health Department<br>Public Health Emergency Preparedness<br>CFDA# 93.069<br>Project Number: 00610012PH1120<br>\$3,889.88 (2020)  | Centers for Disease Control and Prevention<br>Auglaize County Health Department<br>Public Health Emergency Preparedness<br>CFDA# 93.069<br>Project Number: 00610012PH1221<br>\$1,258.37 (2020) |

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**MERCER COUNTY GENERAL HEALTH DISTRICT  
MERCER COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

|  | <u>Governmental Fund Types</u> |                            | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|--------------------------------|----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>                            |                                |                            |   |
| Charges for Services                             | \$ 1,231,533                   | \$ 72,221                  | \$ 1,303,754                            |
| Fines, Licenses and Permits                      | 1,477                          | 142,577                    | 144,054                                 |
| Intergovernmental                                | 366,868                        | 120,443                    | 487,311                                 |
| BWC Refund                                       | 6,801                          | 1,649                      | 8,450                                   |
| Rewards, Vaccine Rebates & Reimbursements        | 6,546                          | -                          | 6,546                                   |
| Miscellaneous                                    | -                              | 20                         | 20                                      |
|  | <u>1,613,225</u>               | <u>336,910</u>             | <u>1,950,135</u>                        |
| Total Cash Receipts                              |                                |                            |   |
| <b>Cash Disbursements:</b>                       |                                |                            |   |
| Current:   |                                |                            |   |
| Health:  |                                |                            |   |
| Salaries   | 505,012                        | 174,541                    | 679,553                                 |
| Fringe Benefits                                  | 269,966                        | 64,901                     | 334,867                                 |
| Purchased/Contracted Services                    | 47,321                         | 5,598                      | 52,919                                  |
| Supplies/Materials                               | 773,903                        | 574                        | 774,477                                 |
| Other  | 31,244                         | -                          | 31,244                                  |
| Remittance to State                              | 50,938                         | 60,037                     | 110,975                                 |
| Dept of Ag Share                                 | -                              | 2,086                      | 2,086                                   |
| Township Share                                   | -                              | 884                        | 884                                     |
|  | <u>1,678,384</u>               | <u>308,621</u>             | <u>1,987,005</u>                        |
| Total Cash Disbursements                         |                                |                            |   |
| Excess of Receipts Over/(Under) Disbursements    | <u>(65,159)</u>                | <u>28,289</u>              | <u>(36,870)</u>                         |
| <b>Other Financing Receipts (Disbursements):</b> |                                |                            |   |
| Transfer In                                      | 42,253                         | 26,351                     | 68,604                                  |
| Transfers Out                                    | <u>(26,351)</u>                | <u>(42,253)</u>            | <u>(68,604)</u>                         |
|  |                                |                            |   |
| Total Other Financing<br>Receipts(Disbursements) | <u>15,902</u>                  | <u>(15,902)</u>            | <u>-</u>                                |
| Net Change in Fund Cash Balances                 | <u>(49,257)</u>                | <u>12,387</u>              | <u>(36,870)</u>                         |
| Fund Cash Balances, January 1                    | <u>450,892</u>                 | <u>306,046</u>             | <u>756,938</u>                          |
| <b>Fund Cash Balances, December 31</b>           |                                |                            |   |
| Restricted                                       | -                              | 318,433                    | 318,433                                 |
| Assigned   | 19,144                         | -                          | 19,144                                  |
| Unassigned                                       | <u>382,491</u>                 | <u>-</u>                   | <u>382,491</u>                          |
| Fund Cash Balances, December 31                  | <u>\$ 401,635</u>              | <u>\$ 318,433</u>          | <u>\$ 720,068</u>                       |

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

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Mercer County General Health District, Mercer County, (The District) as a body corporate and politic. A seven-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

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

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 governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

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

***Basis of Presentation***

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

***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 below:

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

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

***Food Service Fund*** The food service fund accounts for the sale of food service licenses.

***Parks and Camps Fund*** The parks and camps fund accounts for the sale of campground and trailer park licenses.

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

***Fund Accounting (Continued)***

***Swimming Pool Fund*** The swimming pool fund accounts for the sale of public pool and spa licenses.

***Construction and Demo Debris (C&DD) Fund*** The C&DD fund accounts for tipping fees and licenses.

***Water System Fund*** The water system fund receives money for permits and fees of well and water testing.

***Solid Waste Fund*** This fund receives money for licenses and tipping fees from solid waste facilities in Mercer County. This has been combined into the General Fund.

***Environmental Miscellaneous Fund*** This fund receives money for sewage permit fees in within Mercer County.

***Public Health Emergency Preparedness (PHEP) Grant Fund*** This fund receives Federal grant money to provide for the development of public health infrastructure.

***NACCHO Grant Fund*** This fund receives Federal grant money to provide for the development of the Medical Reserve Corps (MRC).

***Strategic Teen Immunization Rate Grant (STIR) Fund*** This fund receives grant money on a subgrantee basis from Allen County Health District for the purpose of increasing immunization rates for children ages 13-15.

***Immunization Action Plan Grant (IPA) Fund*** This fund receives Federal grant money on a subgrantee basis to provide for the purpose of increasing immunization rates for children.

***Ebola Grant*** This fund receive grant money on a subgrantee basis from Toledo-Lucas County Health District for the purpose of creating Ebola/Zika/Communicable Disease response plans.

***Community Health Improvement Plan (CHIP)*** This fund receives Federal grant money to provide for the development of a Community Health Improvement Plan.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

***Basis of Presentation (Continued)***

***Budgetary Process***

The Ohio Revised Code requires the District to budget each fund annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated..

A summary of 2019 budgetary activity appears in Note 3.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

***Nonspendable*** The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *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 Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

***Fund Balance (Continued)***

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board 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 included 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.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019, follows:

| 2019 Budgeted vs. Actual Receipts |                      |                    |             |
|-----------------------------------|----------------------|--------------------|-------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance    |
| General                           | \$1,657,558          | \$1,655,478        | (\$2,080)   |
| Special Revenue                   | 485,550              | 363,261            | (122,289)   |
| Total                             | \$2,143,108          | \$2,018,739        | (\$124,369) |

| 2019 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |           |
|---|----------------------------|---------------------------|-----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
| General   | \$2,028,086                | \$1,704,735               | \$323,351 |
| Special Revenue                                       | 502,159                    | 350,874                   | 151,285   |
| Total   | \$2,530,245                | \$2,055,609               | \$474,636 |

**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Mercer County Treasurer is custodian for the District’s deposits. The County’s deposit and investment pool holds the District’s assets, valued at the Treasurer’s reported carrying amount.

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 5 – Intergovernmental Funding and Property Taxes**

***Intergovernmental Funding***

The County apportions the excess of the District’s appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

**Note 6 – 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 District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District’s policy. The Pool covers the following risks:

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

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

|                       | <u>2019</u>   |
|-----------------------|---------------|
| Cash and investments  | \$ 38,432,610 |
| Actuarial liabilities | \$14,705,917  |

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Several of the District’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2019.



**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 7 – Defined Benefit Pension Plans (Continued)**

***Social Security***

Several of the District’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2019.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor 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.

**Mercer County General Health District**  
*Mercer County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 10 – ODH Federal Grants**

|   |  |
|---|--|
| Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Public Health Emergency Preparedness<br>CFDA# 93.074<br>Project Number: 05410012PH1019<br>\$52,097.30 (2019)         | Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Public Health Emergency Preparedness<br>CFDA# 93.069<br>Project Number: 05410012PH1120<br>\$14,851.07 (2019)        |
| Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Get Vaccinated Ohio-Public Health Initiative<br>CFDA# 93.268<br>Project Number: 05410012GV0119<br>\$31,452.00 (2019) | Bureau of Enviro. Health & Radiation Protection<br>Union County General Health District (contract)<br>Indoor Radon<br>CFDA# 66.032<br>Project Number: 08010012IR0319<br>\$6,000.00 (2019)      |
| Centers for Disease Control and Prevention<br>Ohio Department of Health<br>Get Vaccinated Ohio-Public Health Initiative<br>CFDA# 93.268<br>Project Number: 05410012GV0220<br>\$6,734.00 (2019)  | Centers for Disease Control and Prevention<br>Auglaize County Health Department<br>Public Health Emergency Preparedness<br>CFDA# 93.074<br>Project Number: 00610012PH1019<br>\$4,217.06 (2019) |
| Centers for Disease Control and Prevention<br>Auglaize County Health Department<br>Public Health Emergency Preparedness<br>CFDA# 93.069<br>Project Number: 00610012PH1120<br>\$3,889.88 (2019)  |  |



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

Mercer County General Health District  
Mercer County  
220 West Livingston Street, Room B152  
Celina, Ohio 45822

To the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Mercer County General Health District, Mercer County, (the District) and have issued our report thereon dated July 26, 2021, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measure will impact subsequent periods of the District.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

***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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*BHM CPA Group*

BHM CPA Group, Inc.  
Piketon, Ohio  
July 26, 2021

MERCER COUNTY GENERAL HEALTH DISTRICT  
MERCER COUNTY

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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**FINDING NUMBER 2020-001**

**Material Weakness –Financial Reporting**

Sound financial reporting is the responsibility of the fiscal officer and the Board and is essential to ensure information provided to the readers of the financial statements is complete and accurate.

Misstatements were identified during the course of the audit which have not been prevented or detected by the District's internal controls over financial reporting. Misstatements were identified in the following areas:

- Subdivision Share Revenue;
- Intergovernmental Revenue

All of the above noted adjustments have been posted to the District's financial statements and accounting system.

We recommend the District's Fiscal Officer take steps to ensure the accurate posting of all transactions to the ledgers. By exercising accuracy in recording financial activity, the District in reduce posting errors and increase the reliability of the financial data throughout the year.

**Officials' Response:** We did not receive a response to this finding.

MERCER COUNTY HEALTH DISTRICT  
MERCER COUNTY  
DECEMBER 31, 2020 AND 2019

SCHEDULE OF PRIOR AUDIT FINDINGS

| Finding Number | Finding Summary                         | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: |
|----------------|---|------------------|---|
| 2018-001       | Noncompliance Citation – ORC 5705.41(D) | Yes              |   |
| 2018-002       | Material Weakness – Financial Reporting | No               | Reissued as Finding 2020-001  |

# OHIO AUDITOR OF STATE KEITH FABER



**MERCER COUNTY GENERAL HEALTH DISTRICT**

**MERCER COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/21/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)