



Dave Yost • Auditor of State

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Union County General Health District
Union County
940 London Avenue, Suite 1100
Marysville, Ohio 43040

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County General Health District, Union County, Ohio (the District), as of and for the year ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Union County General Health District, Union County, Ohio, as of December 31, 2012 and 2011, and the respective changes in cash financial position and the respective budgetary comparisons for the General and Public Health Nursing and Public Health Infrastructure funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2011, the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

We audited to opine on the District's financial statements that collectively comprise its basic financial statements.

Management's Discussion & Analysis includes tables of net assets, changes in net assets, and governmental activities. These tables provide additional analysis and are not a required part of the basic financial statements.

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. We subjected this information 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2013, 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.

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

Dave Yost
Auditor of State
Columbus, Ohio

September 17, 2013

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**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
UNAUDITED**

The discussion and analysis of the Union County General Health District's, Union County, Ohio (the "Health District") financial performance provides an overall review of the Health District's financial activities for the years ended December 31, 2012, and December 31, 2011, within the limitations of the Health District's cash basis accounting. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Health District's financial performance.

Highlights

Key highlights for 2012 were as follows:

Net position of governmental activities increased \$108,026 or just over 4 percent as compared to 2011. The primary reason for the increase in cash balance was due to an increase in grant funds.

Program specific receipts in the form of charges for services and operating grants and contributions comprise just over 42 percent of all the dollars coming into the Health District. General receipts in the form of property taxes and unrestricted make up the other 58 percent.

The Health District had \$2,783,972 in disbursements during 2012.

Key highlights for 2011 were as follows:

Net position of governmental activities increased \$65,877 or just under 3 percent as compared to 2010. The primary reason for the increase in cash balance was due increased revenues from one of the district's property tax levies.

Program specific receipts in the form of charges for services and operating grants and contributions comprise slightly 40 percent of all the dollars coming into the Health District. General receipts in the form of property taxes and unrestricted make up the other 60 percent.

The Health District had \$2,801,978 in disbursements during 2011.

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 Health 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 Health District as a whole.

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

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
UNAUDITED
(Continued)**

Basis of Accounting

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

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

Reporting the Health District as a Whole

The statement of net position and the statement of activities reflect how the Health District did financially during 2012 and 2011, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental activities of the Health District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

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

The statement of net position and the statement of activities present governmental activities, which includes all the Health District's services. Charges for services and state and federal grants finance just under half of these activities. To a significant extent, benefits provided through the governmental activities are being paid for by the people receiving them. The Health District has no business-type activities.

Reporting the Health District's Most Significant Funds

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
UNAUDITED
(Continued)**

Governmental Fund — The Health District's activities are reported in a governmental fund. The governmental fund financial statements provide a detailed view of the Health District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Health District's health programs. The Health District's significant governmental funds are presented on the financial statements in separate column. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) The Health District's major governmental funds are the General, Public Health Nursing and Public Health Infrastructure Funds. The programs reported in the governmental funds are closely related to those reported in the governmental activities sections of the entity wide statements.

The Health District as a Whole

Table 1 provides a summary of the Health District's net position for 2012 compared to 2011 and 2010 on a cash basis:

(Table 1)

Net Position

	Governmental Activities		
	2012	2011	2010
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 2,675,262	\$ 2,567,236	\$ 2,501,359
Total Assets	2,675,262	2,567,236	2,501,359
Net Position			
Restricted for Other Purposes	935,261	867,278	968,416
Unrestricted	1,740,001	1,699,958	1,532,943
Total Net Position	\$ 2,675,262	\$ 2,567,236	\$ 2,501,359

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
UNAUDITED
(Continued)**

(Table 2)
Changes in Net Position

	Governmental Activities		
	2012	2011	2010
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$553,836	\$531,245	\$625,195
Operating Grants and Contributions	667,972	627,739	820,065
Total Program Receipts	<u>1,221,808</u>	<u>1,158,984</u>	<u>1,445,260</u>
General Receipts:			
Property Taxes	1,279,977	1,287,816	1,238,658
Grants and Entitlements	384,448	414,290	446,902
Miscellaneous	5,765	6,765	13,570
Total General Receipts	<u>1,670,190</u>	<u>1,708,871</u>	<u>1,699,130</u>
Total Receipts	<u>2,891,998</u>	<u>2,867,855</u>	<u>3,144,390</u>
Disbursements:			
Environmental Health:			
General Environmental Health	256,219	360,503	294,710
Food Service	56,966	101,994	121,149
Plumbing	101,167	93,087	94,704
Water	30,319	36,779	40,417
Sewage	71,336	58,304	56,607
Pools/Spas	6,897	6,376	7,033
Camps/MHP	6,524	5,596	5,370
Solid Waste	4,729	4,539	4,466
Radon	6,240	5,951	7,206
Rabies	210	610	545
Personal Health:			
General Nursing & Ohio Childrens Health	340,507	391,736	352,205
Health Education and Partnerships	292,122	258,061	319,590
Injury Prevention	59,005	71,314	0
Safe Communities	19,531	19,551	0
Smoking Prevention	7,558	8,788	0
Help Me Grow/LEADS/Speech Therapy	304,843	304,907	298,423
Prescription Assistance	25,860	27,440	0
Child and Family Health Services	46,903	47,615	52,132
Reproductive Health	133,379	0	0
Clinics/BCMH	32,155	56,642	81,427
Public Health Infrastructure	245,826	232,402	583,294
Vital Statistics	83,530	81,167	83,570
Administration	356,644	382,410	384,602
General Health District	295,502	246,206	223,970
Total General Government	<u>2,783,972</u>	<u>2,801,978</u>	<u>3,011,420</u>
Increase (Decrease) in Net Position	108,026	65,877	132,970
Net Position, Beginning of Year	<u>2,567,236</u>	<u>2,501,359</u>	<u>2,368,389</u>
Net Position, End of Year	<u><u>\$2,675,262</u></u>	<u><u>\$2,567,236</u></u>	<u><u>\$2,501,359</u></u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
UNAUDITED
(Continued)**

In 2012, 58 percent of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general Health District purposes. Program receipts accounted for 42 percent of the Health District's total receipts in year 2012. These receipts consist primarily of charges for services for birth and death certificates, food services licenses, trailer park permits, swimming pools permits, and water system permits and state and federal operating grants and donations.

In 2011, 60 percent of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general Health District purposes. Program receipts accounted for 40 percent of the Health District's total receipts in year 2011. These receipts consist primarily of charges for services for birth and death certificates, food services licenses, trailer park permits, swimming pools permits, and water system permits and state and federal operating grants and donations.

Governmental Activities

If you look at the Statement of Activities for 2012 on page 14 and for 2011 on page 21, you will see that the first column lists the major disbursements of the Health District. The next column identifies the amount of these disbursements. In 2012, the major program disbursements for governmental activities were: administration and nursing services, which accounted for 13 percent and 12 percent of total disbursements, respectively. In 2011, the major program disbursements for governmental activities were: general nursing and administration, which each accounted for 14 percent of all governmental disbursements. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants and contributions received by the Health District that must be used to provide a specific service. The Net (Disbursement) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers, state subsidies, and cash balances of grant and fee programs. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
UNAUDITED
(Continued)**

(Table 3)

	Governmental Activities			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2012	2012	2011	2011
Environmental Health:				
General Environmental Health	\$256,219	\$254,614	\$360,503	\$358,270
Food Service	56,966	(49,023)	101,994	(7,781)
Plumbing	101,167	34,177	93,087	45,757
Water	30,319	(8,970)	36,779	6,943
Sewage	71,336	(9,074)	58,304	(17,290)
Pools/Spas	6,897	(3,343)	6,376	(5,182)
Camps/MHP	6,524	4,587	5,596	(22)
Solid Waste	4,729	(311)	4,539	(501)
Radon	6,240	(1,229)	5,951	2,486
Rabies	210	210	610	610
Personal Health:				
General Nursing & Ohio Childrens Tru:	340,507	315,461	391,736	382,272
Health Education and Partnerships	292,122	292,122	258,061	250,429
Injury Prevention	59,005	(7,978)	71,314	12,592
Safe Communities	19,531	(1,178)	19,551	(7,726)
Smoking Cessation	7,558	7,558	8,788	(4,840)
Help Me Grow/LEADS/Speech Therap	304,843	101,643	304,907	90,067
Prescription Assistance	25,860	8,860	27,440	10,940
Child and Family Health Services	46,903	2,963	47,615	(11,549)
Reproductive Health	133,379	17,569	0	(67,500)
Clinics/BCMH	32,155	(32,779)	56,642	(39,963)
Public Health Infrastructure	245,826	(34,589)	232,402	(5,474)
Vital Statistics	83,530	19,738	81,167	22,478
Administration	356,644	355,654	382,410	381,772
General Health District	295,502	295,482	246,206	246,206
Total Expenses	<u>\$2,783,972</u>	<u>\$1,562,164</u>	<u>\$2,801,978</u>	<u>\$1,642,994</u>

In 2012, the Health District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charges rates for services that are closely related to costs. About 58 percent of the health district's costs are supported through property taxes, unrestricted grants, and other general receipts.

In 2011, the Health District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charges rates for services that are closely related to costs. About 60 percent of the health district's costs are supported through property taxes, unrestricted grants, and other general receipts.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
UNAUDITED
(Continued)**

The Health District's General Fund

In 2012, the General Fund had receipts of \$1,815,055 and disbursements of \$1,100,012. The fund balance of the General Fund increased \$40,043 as a result of increased receipts from one of the District's two tax levies.

In 2011, the General Fund had receipts of \$1,836,847 and disbursements of \$1,169,834. The fund balance of the General Fund increased \$167,013 as a result of increased receipts from one of the District's two tax levies.

General Fund Budgeting Highlights

The Health District budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2012, the Health District amended its appropriations, and the budgetary statements reflect both the original and final appropriated amounts. There were no significant changes between the original and the final estimated receipts.

During the course of 2011, the Health District amended its appropriations, and the budgetary statements reflect both the original and final appropriated amounts. There were no significant changes between the original and the final estimated receipts.

Capital Assets

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

Debt Administration

As of December 31, 2012 and 2011, the District had no outstanding debt.

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health District's finances and to reflect the Health District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to James A. Damask, MBA, Fiscal Officer, Union County Health Department, 940 London Avenue, Suite 1100, Marysville, Ohio 43040.

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**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2012**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents with Fiscal Agent	\$ 2,675,262
<i>Total Assets</i>	<u>\$ 2,675,262</u>
Net Position	
Restricted for:	
Other Purposes	\$ 935,261
Unrestricted	<u>1,740,001</u>
<i>Total Net Position</i>	<u>\$ 2,675,262</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Environmental Health				
General Environmental Health	\$ 256,219	\$ 925	\$ 680	\$ (254,614)
Food Service	56,966	105,989	-	49,023
Plumbing	101,167	66,990	-	(34,177)
Water	30,319	39,289	-	8,970
Sewage	71,336	80,410	-	9,074
Pools/Spas	6,897	10,240	-	3,343
Camps/MHP	6,524	1,937	-	(4,587)
Solid Waste	4,729	-	5,040	311
Radon	6,240	-	7,469	1,229
Rabies	210	-	-	(210)
Personal Health				
General Nursing & Ohio Children's Trust	340,507	9,798	15,248	(315,461)
Health Education and Partnerships	292,122	-	-	(292,122)
Injury Prevention	59,005	-	66,983	7,978
Safe Communities	19,531	-	20,709	1,178
Smoking Cessation	7,558	-	-	(7,558)
Help Me Grow/LEADS/Speech Therapy	304,843	72,000	131,200	(101,643)
Prescription Assistance	25,860	-	17,000	(8,860)
Child and Family Health Services	46,903	-	43,940	(2,963)
Reproductive Health & Wellness	133,379	-	115,810	(17,569)
Clinics/BCMH	32,155	32,119	32,815	32,779
Public Health Infrastructure	245,826	70,147	210,268	34,589
Vital Statistics	83,530	62,982	810	(19,738)
Administration	356,644	990	-	(355,654)
General Health District & FQHC	295,502	20	-	(295,482)
Total Governmental Activities	\$ 2,783,972	\$ 553,836	\$ 667,972	(1,562,164)

General Receipts

Property Taxes Levied for General Health District Purposes	1,279,977
Grants and Entitlements not Restricted to Specific Programs	384,448
Miscellaneous	5,765
Total General Receipts	1,670,190
Change in Net Position	108,026
Net Position Beginning of Year	2,567,236
Net Position End of Year	\$ 2,675,262

UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General	Public Health Nursing Fund	Public Health Infrastructure Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents with Fiscal Agent	\$ 1,740,001	\$ 176,479	\$ 358,923	\$ 399,859	\$ 2,675,262
<i>Total Assets</i>	<u>\$ 1,740,001</u>	<u>\$ 176,479</u>	<u>\$ 358,923</u>	<u>\$ 399,859</u>	<u>\$ 2,675,262</u>
Fund Balances					
Restricted:	\$ -	\$ 176,479	\$ 358,923	\$ 399,859	\$ 935,261
Assigned	713,937	-	-	-	713,937
Unassigned (Deficit):	1,026,064	-	-	-	1,026,064
<i>Total Fund Balances</i>	<u>\$ 1,740,001</u>	<u>\$ 176,479</u>	<u>\$ 358,923</u>	<u>\$ 399,859</u>	<u>\$ 2,675,262</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General Fund	Public Health Nursing Fund	Public Health Infrastructure Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 1,279,977	\$ -	\$ -	\$ -	\$ 1,279,977
Intergovernmental	393,407	351,057	210,268	69,689	1,024,421
Fees, Licenses and Permits	71,917	-	-	233,864	305,781
Contractual Services	-	72,000	70,147	-	142,147
Charges for Services	62,982	36,264	-	-	99,246
Miscellaneous	6,772	33,654	-	-	40,426
<i>Total Receipts</i>	<u>1,815,055</u>	<u>492,975</u>	<u>280,415</u>	<u>303,553</u>	<u>2,891,998</u>
Disbursements					
Current:					
Environmental Health					
General Environmental Health	256,219	-	-	-	256,219
Food Service	-	-	-	56,966	56,966
Plumbing	101,167	-	-	-	101,167
Water	-	-	-	30,319	30,319
Sewage	500	-	-	70,836	71,336
Pools/Spas	-	-	-	6,897	6,897
Camps/MHP	-	-	-	6,524	6,524
Solid Waste	-	-	-	4,729	4,729
Radon	6,240	-	-	-	6,240
Rabies	210	-	-	-	210
Personal Health					
General Nursing & Ohio Children's Trust	-	340,507	-	-	340,507
Health Education and Partnerships	-	292,122	-	-	292,122
Injury Prevention	-	59,005	-	-	59,005
Safe Communities	-	-	-	19,531	19,531
Smoking Cessation	-	7,558	-	-	7,558
Help Me Grow/LEADS/Speech Therapy	-	304,843	-	-	304,843
Prescription Assistance	-	25,860	-	-	25,860
Child and Family Health Services	-	-	-	46,903	46,903
Reproductive Health & Wellness	-	133,379	-	-	133,379
Clinics/BCMH	-	32,155	-	-	32,155
Public Health Infrastructure	-	-	245,826	-	245,826
Vital Statistics	83,530	-	-	-	83,530
Administration	356,644	-	-	-	356,644
General Health District	295,502	-	-	-	295,502
<i>Total Disbursements</i>	<u>1,100,012</u>	<u>1,195,429</u>	<u>245,826</u>	<u>242,705</u>	<u>2,783,972</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>715,043</u>	<u>(702,454)</u>	<u>34,589</u>	<u>60,848</u>	<u>108,026</u>
Other Financing Sources (Uses)					
Transfers In	-	675,000	-	-	675,000
Transfers Out	(675,000)	-	-	-	(675,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(675,000)</u>	<u>675,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	40,043	(27,454)	34,589	60,848	108,026
<i>Fund Balances Beginning of Year</i>	<u>1,699,958</u>	<u>203,933</u>	<u>324,334</u>	<u>339,011</u>	<u>2,567,236</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,740,001</u>	<u>\$ 176,479</u>	<u>\$ 358,923</u>	<u>\$ 399,859</u>	<u>\$ 2,675,262</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 1,181,992	\$ 1,181,992	\$ 1,279,977	\$ 97,985
Intergovernmental	377,145	377,145	393,407	16,262
Fees, Licenses and Permits	52,019	52,019	71,917	19,898
Charges for Services	61,509	61,509	62,982	1,473
Miscellaneous	600	600	6,772	6,172
<i>Total Receipts</i>	<u>1,673,265</u>	<u>1,673,265</u>	<u>1,815,055</u>	<u>141,790</u>
Disbursements				
Current:				
Environmental Health				
General Environmental Health	473,232	392,978	278,171	114,807
Plumbing	116,584	117,676	101,167	16,509
Sewage	3,518	1,566	500	1,066
Radon	11,845	7,543	6,240	1,303
Rabies	670	650	210	440
Personal Health				
General Nursing	-	-	-	-
Health Education and Partnerships	-	-	-	-
Help Me Grow and Speech Therapy	-	-	-	-
Vital Statistics	92,798	92,008	83,530	8,478
Administration	493,664	468,402	356,644	111,758
General Health District	285,960	289,478	295,502	(6,024)
<i>Total Disbursements</i>	<u>1,478,271</u>	<u>1,370,301</u>	<u>1,121,964</u>	<u>248,337</u>
<i>Excess of Receipts Over Disbursements</i>	<u>194,994</u>	<u>302,964</u>	<u>693,091</u>	<u>390,127</u>
Other Financing Sources (Uses)				
Transfers Out	(675,000)	(675,000)	(675,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(675,000)</u>	<u>(675,000)</u>	<u>(675,000)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(480,006)	(372,036)	18,091	390,127
<i>Unencumbered Fund Balance Beginning of Year</i>	1,674,344	1,674,344	1,674,344	-
Prior Year Encumbrances Appropriated	25,614	25,614	25,614	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 1,219,952</u>	<u>\$ 1,327,922</u>	<u>\$ 1,718,049</u>	<u>\$ 390,127</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 241,700	\$ 241,700	\$ 351,057	\$ 109,357
Contractual Services	131,000	131,000	72,000	(59,000)
Charges for Services	31,500	31,500	36,264	4,764
Miscellaneous	30,000	30,000	33,654	3,654
<i>Total Receipts</i>	<u>434,200</u>	<u>434,200</u>	<u>492,975</u>	<u>58,775</u>
Disbursements				
Current:				
Personal Health				
General Nursing & Ohio Children's Trust	439,338	406,144	340,507	65,637
Health Education and Partnerships	330,152	397,737	292,122	105,615
Injury Prevention	73,970	67,350	59,005	8,345
Safe Communities	-	-	-	-
Smoking Cessation	12,870	17,600	7,558	10,042
Help Me Grow/LEADS/Speech Therapy	398,514	340,502	304,843	35,659
Prescription Assistance	20,582	27,022	25,860	1,162
Child and Family Health Services	-	-	-	-
Reproductive Health & Wellness	-	260,230	231,905	28,325
Clinics/BCMH	119,114	63,877	32,155	31,722
Public Health Infrastructure	-	11,340	-	11,340
General Health District	26,780	-	-	-
<i>Total Disbursements</i>	<u>1,421,320</u>	<u>1,591,802</u>	<u>1,293,955</u>	<u>297,847</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(987,120)</u>	<u>(1,157,602)</u>	<u>(800,980)</u>	<u>356,622</u>
Other Financing Sources				
Transfers In	800,000	1,733,150	675,000	(1,058,150)
<i>Total Other Financing Sources</i>	<u>800,000</u>	<u>1,733,150</u>	<u>675,000</u>	<u>(1,058,150)</u>
<i>Net Change in Fund Balances</i>	(187,120)	575,548	(125,980)	(701,528)
<i>Unencumbered Fund Balance Beginning of Year</i>	150,485	150,485	150,485	-
Prior Year Encumbrances Appropriated	53,448	53,448	53,448	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 16,813</u>	<u>\$ 779,481</u>	<u>\$ 77,953</u>	<u>\$ (701,528)</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 144,921	\$ 184,643	\$ 210,268	\$ 25,625
Contractual Services	51,281	51,281	70,147	18,866
<i>Total Receipts</i>	<u>196,202</u>	<u>235,924</u>	<u>280,415</u>	<u>44,491</u>
Disbursements				
Current:				
Public Health Infrastructure	181,131	251,853	249,608	2,245
<i>Total Disbursements</i>	<u>181,131</u>	<u>251,853</u>	<u>249,608</u>	<u>2,245</u>
<i>Net Change in Fund Balances</i>	<u>15,071</u>	<u>(15,929)</u>	<u>30,807</u>	<u>46,736</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	318,957	318,957	319,361	(404)
Prior Year Encumbrances Appropriated	4,973	4,973	4,973	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 339,001</u>	<u>\$ 308,001</u>	<u>\$ 355,141</u>	<u>\$ 46,332</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2011**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents with Fiscal Agent	\$ 2,567,236
<i>Total Assets</i>	<u>\$ 2,567,236</u>
Net Position	
Restricted for:	
Other Purposes	\$ 867,278
Unrestricted	<u>1,699,958</u>
<i>Total Net Position</i>	<u>\$ 2,567,236</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Environmental Health				
General Environmental Health	\$ 360,503	\$ 983	\$ 1,250	\$ (358,270)
Food Service	101,994	109,775	-	7,781
Plumbing	93,087	47,330	-	(45,757)
Water	36,779	29,836	-	(6,943)
Sewage	58,304	75,594	-	17,290
Pools/Spas	6,376	11,558	-	5,182
Camps/MHP	5,596	5,618	-	22
Solid Waste	4,539	-	5,040	501
Radon	5,951	-	3,465	(2,486)
Rabies	610	-	-	(610)
Personal Health				
General Nursing & Ohio Children's Trust	391,736	5,098	4,366	(382,272)
Health Education and Partnerships	258,061	1,254	6,378	(250,429)
Injury Prevention	71,314	-	58,722	(12,592)
Safe Communities	19,551	-	27,277	7,726
Smoking Cessation	8,788	-	13,628	4,840
Help Me Grow/LEADS/Speech Therapy	304,907	61,941	152,899	(90,067)
Prescription Assistance	27,440	-	16,500	(10,940)
Child and Family Health Services	47,615	-	59,164	11,549
Reproductive Health & Wellness Clinics/BCMH	56,642	55,918	40,687	39,963
Public Health Infrastructure	232,402	67,863	170,013	5,474
Vital Statistics	81,167	57,839	850	(22,478)
Administration	382,410	638	-	(381,772)
General Health District & FQHC	246,206	-	-	(246,206)
<i>Total Governmental Activities</i>	<u>\$ 2,801,978</u>	<u>\$ 531,245</u>	<u>\$ 627,739</u>	<u>(1,642,994)</u>

General Receipts

Property Taxes Levied for General Health District Purposes	1,287,816
Grants and Entitlements not Restricted to Specific Programs	414,290
Miscellaneous	6,765
<i>Total General Receipts</i>	<u>1,708,871</u>
Change in Net Position	65,877
<i>Net Position Beginning of Year</i>	<u>2,501,359</u>
<i>Net Position End of Year</i>	<u>\$ 2,567,236</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	General	Public Health Nursing Fund	Public Health Infrastructure Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents with Fiscal Agent	\$ 1,699,958	\$ 203,933	\$ 324,334	\$ 339,011	\$ 2,567,236
<i>Total Assets</i>	<u>\$ 1,699,958</u>	<u>\$ 203,933</u>	<u>\$ 324,334</u>	<u>\$ 339,011</u>	<u>\$ 2,567,236</u>
Fund Balances					
Restricted:	\$ -	\$ 203,933	\$ 324,334	\$ 339,011	\$ 867,278
Assigned	522,650	-	-	-	522,650
Unassigned (Deficit):	1,177,308	-	-	-	1,177,308
<i>Total Fund Balances</i>	<u>\$ 1,699,958</u>	<u>\$ 203,933</u>	<u>\$ 324,334</u>	<u>\$ 339,011</u>	<u>\$ 2,567,236</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General Fund	Public Health Nursing Fund	Public Health Infrastructure Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 1,287,816	\$ -	\$ -	\$ -	\$ 1,287,816
Intergovernmental	419,856	342,424	170,013	91,481	1,023,774
Fees, Licenses and Permits	63,875	-	-	216,758	280,633
Contractual Services	-	66,689	67,863	-	134,552
Charges for Services	57,897	40,149	-	-	98,046
Miscellaneous	7,403	35,629	-	2	43,034
<i>Total Receipts</i>	<u>1,836,847</u>	<u>484,891</u>	<u>237,876</u>	<u>308,241</u>	<u>2,867,855</u>
Disbursements					
Current:					
Environmental Health					
General Environmental Health	360,503	-	-	-	360,503
Food Service	-	-	-	101,994	101,994
Plumbing	93,087	-	-	-	93,087
Water	-	-	-	36,779	36,779
Sewage	-	-	-	58,304	58,304
Pools/Spas	-	-	-	6,376	6,376
Camps/MHP	-	-	-	5,596	5,596
Solid Waste	-	-	-	4,539	4,539
Radon	5,951	-	-	-	5,951
Rabies	610	-	-	-	610
Personal Health					
General Nursing & Ohio Children's Trust	-	391,736	-	-	391,736
Health Education and Partnerships	-	258,061	-	-	258,061
Injury Prevention	-	71,314	-	-	71,314
Safe Communities	-	-	-	19,551	19,551
Smoking Cessation	-	8,788	-	-	8,788
Help Me Grow/LEADS/Speech Therapy	-	304,907	-	-	304,907
Prescription Assistance	-	27,440	-	-	27,440
Child and Family Health Services	-	6	-	47,609	47,615
Reproductive Health & Wellness	-	-	-	-	-
Clinics/BCMH	-	56,642	-	-	56,642
Public Health Infrastructure	-	90	232,312	-	232,402
Vital Statistics	81,167	-	-	-	81,167
Administration	382,410	-	-	-	382,410
General Health District & FQHC	246,106	100	-	-	246,206
<i>Total Disbursements</i>	<u>1,169,834</u>	<u>1,119,084</u>	<u>232,312</u>	<u>280,748</u>	<u>2,801,978</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>667,013</u>	<u>(634,193)</u>	<u>5,564</u>	<u>27,493</u>	<u>65,877</u>
Other Financing Sources (Uses)					
Transfers In	-	500,000	-	-	500,000
Transfers Out	(500,000)	-	-	-	(500,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(500,000)</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	167,013	(134,193)	5,564	27,493	65,877
<i>Fund Balances Beginning of Year</i>	<u>1,532,945</u>	<u>338,126</u>	<u>318,770</u>	<u>311,518</u>	<u>2,501,359</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,699,958</u>	<u>\$ 203,933</u>	<u>\$ 324,334</u>	<u>\$ 339,011</u>	<u>\$ 2,567,236</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 1,176,053	\$ 1,176,053	\$ 1,287,816	\$ 111,763
Intergovernmental	433,347	433,347	419,856	(13,491)
Fees, Licenses and Permits	48,600	48,600	63,875	15,275
Charges for Services	60,981	60,981	57,897	(3,084)
Miscellaneous	1,700	1,700	7,403	5,703
<i>Total Receipts</i>	<u>1,720,681</u>	<u>1,720,681</u>	<u>1,836,847</u>	<u>116,166</u>
Disbursements				
Current:				
Environmental Health				
General Environmental Health	463,543	462,420	386,117	76,303
Plumbing	113,937	114,331	93,087	21,244
Sewage	3,439	3,439	-	3,439
Radon	11,500	11,500	5,951	5,549
Rabies	650	650	610	40
Vital Statistics	89,770	89,626	81,167	8,459
Administration	481,827	478,085	382,410	95,675
General Health District	279,040	283,655	246,106	37,549
<i>Total Disbursements</i>	<u>1,443,706</u>	<u>1,443,706</u>	<u>1,195,448</u>	<u>248,258</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>276,975</u>	<u>276,975</u>	<u>641,399</u>	<u>364,424</u>
Other Financing Uses				
Transfers Out	(500,000)	(500,000)	(500,000)	-
<i>Total Other Financing Uses</i>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(223,025)	(223,025)	141,399	364,424
<i>Unencumbered Fund Balance Beginning of Year</i>	1,530,860	1,530,860	1,530,860	-
Prior Year Encumbrances Appropriated	2,085	2,085	2,085	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 1,309,920</u>	<u>\$ 1,309,920</u>	<u>\$ 1,674,344</u>	<u>\$ 364,424</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 307,489	\$ 307,489	\$ 342,424	\$ 34,935
Contractual Services	81,341	81,341	66,689	(14,652)
Charges for Services	12,042	12,042	40,149	28,107
Miscellaneous	33,328	33,328	35,629	2,301
<i>Total Receipts</i>	<u>434,200</u>	<u>434,200</u>	<u>484,891</u>	<u>50,691</u>
Disbursements				
Current:				
Personal Health				
General Nursing & Ohio Children's Trust	430,471	435,057	445,184	(10,127)
Health Education and Partnerships	322,658	320,805	258,061	62,744
Injury Prevention	72,296	72,137	71,314	823
Smoking Cessation	12,495	14,115	8,788	5,327
Help Me Grow/LEADS/Speech Therapy	373,607	369,998	304,907	65,091
Prescription Assistance	36,500	36,789	27,440	9,349
Child and Family Health Services	-	6	6	-
Clinics/BCMH	115,645	114,770	56,642	58,128
Public Health Infrastructure	-	-	90	(90)
General Health District & FQHC	26,000	26,095	100	25,995
<i>Total Disbursements</i>	<u>1,389,672</u>	<u>1,389,772</u>	<u>1,172,532</u>	<u>217,240</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(955,472)</u>	<u>(955,572)</u>	<u>(687,641)</u>	<u>267,931</u>
Other Financing Sources				
Transfers In	700,000	700,000	500,000	(200,000)
<i>Total Other Financing Sources</i>	<u>700,000</u>	<u>700,000</u>	<u>500,000</u>	<u>(200,000)</u>
<i>Net Change in Fund Balance</i>	(255,472)	(255,572)	(187,641)	67,931
<i>Unencumbered Fund Balance Beginning of Year</i>	305,067	305,067	305,067	-
Prior Year Encumbrances Appropriated	33,059	33,059	33,059	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 82,654</u>	<u>\$ 82,554</u>	<u>\$ 150,485</u>	<u>\$ 67,931</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 275,260	\$ 275,260	\$ 170,013	\$ (105,247)
Contractual Services	51,278	51,278	67,863	16,585
<i>Total Receipts</i>	<u>326,538</u>	<u>326,538</u>	<u>237,876</u>	<u>(88,662)</u>
Disbursements				
Current:				
Public Health Infrastructure	295,373	295,373	237,285	58,088
<i>Total Disbursements</i>	<u>295,373</u>	<u>295,373</u>	<u>237,285</u>	<u>58,088</u>
<i>Net Change in Fund Balance</i>	<u>31,165</u>	<u>31,165</u>	<u>591</u>	<u>(30,574)</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	318,456	318,456	318,456	-
Prior Year Encumbrances Appropriated	314	314	314	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 349,935</u>	<u>\$ 349,935</u>	<u>\$ 319,361</u>	<u>\$ (30,574)</u>

See accompanying notes to the basic financial statements

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011**

Note 1 - Reporting Entity

The Union County General Health District (the "Health District"), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A seven-member Board of Health (the "Board") governs the Health District. Three members are appointed by the District Advisory Council on behalf of the townships, two members are appointed by the City of Marysville, one member is appointed by the District Advisory Council as a medical representative, and one member is appointed by the Licensing Council that represents vendors who are inspected or certified by the District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

Primary Government

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

Public Entity Risk Pools and Related Organizations

The Health District participates in the Public Entities Pool of Ohio, a public entity risk pool. This organization is presented in Note 12 to the financial statements.

The following entities perform activities within the Health District's boundaries for the benefit of its residents. The financial statements of these entities are excluded from the Health District's financial statements because the Health District is not financially accountable for these entities nor are they fiscally dependent on the Health District:

The Council for Union County Families

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Health District's accounting policies.

Basis of Presentation

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The statement of net position presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health District.

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

Fund Accounting

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

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

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

Public Health Nursing Special Revenue Fund This fund receives grants and patient fees to provide for and make disbursements toward health planning, health promotion, health education, and various public health and clinical nursing services.

Public Health Infrastructure Grant Special Revenue Fund This fund accounts for and reports federal grants received from the Ohio Department of Health and the City of Columbus restricted for public health infrastructure (preparedness and education) for the Health District.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Basis of Accounting

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

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

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

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

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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

Cash and Investments

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County, Donna M. Rausch, Union County Treasurer, 233 West Sixth Street, Maysville, Ohio 43040. The phone number is (937) 645-3035.

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.

Inventory and Prepaid Items

The Health District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

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.

Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities 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 Health District's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

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

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a Health District official delegated that authority by resolution, or by State statute.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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 Accounting Principle

For 2011 and 2012, the Health District implemented Governmental Accounting Standards 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 no effect on fund balances of the Health District's funds as previously reported.

For 2011 and 2012, the Health District implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the Health District's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

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 Health Fund and each major Special Revenue Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 4 - Budgetary Basis of Accounting (Continued)

The encumbrances outstanding at year end (budgetary basis) amounted to:

<u>Outstanding Encumbrances by Fund (Year-End)</u>	<u>2012</u>	<u>2011</u>
General Health Fund	\$ 21,952	\$ 25,614
Major Special Revenue Funds		
Public Health Nursing Fund	98,526	53,448
Public Health Infrastructure Grant Fund	3,782	5,377

Note 5 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2012 and 2011 for real and public utility property taxes represents collections of 2011 and 2010 taxes, respectively.

Real property taxes received in 2011 were levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Real property taxes received in 2012 were levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes received in 2011 were collected in and intended to finance 2012. Real property taxes received in 2010 were collected in and intended to finance 2011.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 and 2011 public utility property taxes which became a lien December 31, 2011 and 2010, respectively, are levied after October 1, 2012 and 2011, and are collected in 2013 and 2012 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2011, was \$1.25 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

	<u>Tax Year 2012</u>	<u>Tax Year 2011</u>
Real Property:		
Agriculture	\$187,264,130	\$187,642,040
Residential	764,628,070	758,398,150
Commercial/Industrial/Mineral	246,147,000	252,553,230
Public Utility Property:		
Real	1,381,730	781,760
Personal	57,831,470	54,174,480
Total Assessed Value	<u>1,257,252,400</u>	<u>1,253,549,660</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the County. The County Auditor periodically remits to the Health District its portion of the taxes collected.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 6 - Risk Management

The Health District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2012 and 2011, the Health District contracted with the Public Entities Pool of Ohio for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Public Entities Pool of Ohio		
Blanket Property and Contents, Replacement	\$175,000	\$500
General Liability	5,000,000	1,000
Automobile Liability	5,000,000	0
Wrongful Acts	5,000,000	1,000
Employment Practice Liability	2,000,000	0
Computer - Hardware and Software	315,000	500
Public Employee Dishonesty	5,000	0
Money and Securities	10,000	0

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The Health District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

The Health District manages employee health benefits on a fully-insured basis. The employee health benefit plan provides basic health coverage through Anthem Blue Cross & Blue Shield of Ohio, which reviews and pays the medical claims; and it provides dental insurance through Ohio Public Entity Consortium, which is a third-party administrator (TPA) that administers a contract with Delta Dental, which reviews and pays the dental claims. The monthly medical premiums in 2012 were \$1,332.56, \$948.80, \$728.65, and \$431.67 for family, employee plus spouse, employee plus child, and single coverage, respectively. The monthly medical premiums in 2011 were \$1,356.16, \$965.61, \$741.56, and \$439.31 for family, employee plus spouse, employee plus child, and single coverage, respectively. The monthly premiums for dental in 2012 were \$106.76, \$55.50, and \$29.34 for family, employee plus one, and single coverage, respectively. The monthly premiums for dental in 2011 were \$103.93, \$54.48, and \$28.75 for family, employee plus one, and single coverage, respectively. Anthem Blue Cross & Blue Shield charges the Health District a medical administration fee of \$25.00 per month to administer the medical plan. The TPA charged a dental administration fee of \$1.59, \$3.50, and \$4.76 for employee only, employee and one dependent, or employee and two or more dependents, respectively, per employee per month in both 2011 and 2012.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 7– Pension Plans

Ohio Public Employees Retirement System

Plan Description – The Health 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 percent 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 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 and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local classifications. For the year ended December 31, 2012 and 2011, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local classifications may participate in all three plans. For 2012 and 2011, member and employer contribution rates were consistent across all three plans.

The Health District's 2012 and 2011 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012 and 2011. Employer contribution rates are actuarially determined.

The Health District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$208,501, \$212,516, and \$214,364, respectively; 100 percent has been contributed for 2012 and 100 percent for 2011 and 2010.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 8 - Postemployment Benefits (Continued)

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for 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. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care 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 health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012 and 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4 percent for 2012 and 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012 and 2011.

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 health care plan.

The Health District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$59,305, \$63,341, and \$72,530, respectively; 100 percent has been contributed for 2012, and 100 percent for 2011 and 2010.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 9 – Leases

The Health District leases office space under a noncancelable lease. The Health District disbursed \$102,663 to pay lease costs for the year ended December 31, 2012 and December 31, 2011 respectively. Future lease payments are as follows:

Year	Amount
2013	\$102,663
2014	102,663
Total	\$205,326

Note 10 - Interfund Transfers

During 2012, the following transfers were made:

	Transfers From	
Transfers To	General	Total
Other Governmental Funds		
Public Health Nursing Fund	\$675,000	\$675,000
Total	\$675,000	\$675,000

During 2011, the following transfers were made:

	Transfers From	
Transfers To	General	Total
Other Governmental Funds		
Public Health Nursing Fund	\$500,000	\$500,000
Total	\$500,000	\$500,000

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance current operations accounted for in other funds in accordance with budgetary authorizations.

The general fund transfers to Public Health Nursing Fund were made to provide additional resources for current operations.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Public Entity Risk Pool

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. 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.

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, 2012, 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 government.

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, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Assets	\$34,389,569	\$33,362,404
Liabilities	<u>(14,208,353)</u>	<u>(14,187,273)</u>
Net Position	<u>\$20,181,216</u>	<u>\$19,175,131</u>

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and \$13.0 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$12.1 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the District's share of these unpaid claims collectible in future years is approximately \$14,504.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011
(Continued)**

Note 12 – Public Entity Risk Pool (Continued)

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.

<u>Contributions to PEP</u>	
<u>2012</u>	<u>2011</u>
\$16,865	\$17,786

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.

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Dave Yost • Auditor of State

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

Union County General Health District
Union County
940 London Avenue, Suite 1100
Marysville, Ohio 43040

To the Members of the Board:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union County General Health District, Union County, Ohio (the District) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 17, 2013, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted that in 2011 the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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. We consider finding 2012-001 described in the accompanying schedule of findings 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 determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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 communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

September 17, 2013

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2012 AND 2011**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2012-001

Material Weakness

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following reclassifications and adjustments were made to the December 31, 2012 and 2011 financial statements:

1. In 2012 and 2011, the District's subsequent year appropriations exceeded the subsequent year estimated receipts for the General fund by \$691,985 and \$497,036, respectively. As a result a reclassification was needed on the Balance Sheet to report \$691,985 and \$497,036 as an assigned fund balance at December 31, 2012 and 2011, respectively.
2. In 2012 and 2011, the District reported outstanding encumbrances of \$21,952 and \$25,614, respectively, as restricted rather than assigned in the General Fund. As a result, a reclassification was needed on the Balance Sheet to properly report those amounts as assigned fund balance. In addition, a reclassification was made to the 2012 and 2011 Statement of Net Position to properly report the outstanding encumbrances as unrestricted net position instead of restricted net position.
3. A reclassification of \$121,659 in Help Me Grow grant receipts from contract services to intergovernmental receipts in the Public Health Nursing Fund at December 31, 2011. This also resulted in a reclassification to report the Help Me Grow grant receipts as Operating Grants and Contributions instead of Charges for Services and Sales on the Statement of Activities.
4. A reclassification in the amount of \$27,000 from Charges for Services to classify miscellaneous contributions as Miscellaneous Receipts in the Public Health Nursing Fund at December 31, 2012.
5. A reclassification in the amount of \$54,378 from Charges for Services to classify \$21,250 in Medicaid reimbursements as Intergovernmental and \$33,128 in miscellaneous contributions as Miscellaneous Receipts in the Public Health Nursing fund at December 31, 2011.
6. An adjustment in the amount of \$98,526 to report outstanding encumbrances as actual disbursements and an adjustment in the amount of \$758,150 to report final budgeted revenues for Transfers In to match the Amended Certificate of Estimated Resources on the December 31, 2012 Statement of Receipts, Disbursements, and Changes in Fund Balances- Budget and Actual for the Public Health Nursing Fund.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2012 AND 2011
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2012-001 (Continued)

Some of the reclassifications and adjustments noted above were due to classification of fund balances. The District implemented Governmental Accounting Standards Board Statement (GASB) 54 for the December 31, 2012 and 2011 financial statements. The objective of this statement is to enhance 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 established 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 District should review GASB 54 for proper classification of fund balances.

Improperly classified fund balances and receipts leads to inaccurate financial reports being disseminated to the governing board and management as well as financial statement readers.

The reclassifications and adjustments identified above should be reviewed by the District's Fiscal Officer and Board Members to ensure that similar errors are not reported on the financial statements in subsequent years. In addition, the Board Members should review the financial statements and note disclosures to identify and correct errors and omissions.

Official's Response:

The General Health District will work with the County Auditor, Budget Commission, and other pertinent parties to improve communication and fiscal management among, and reporting by, the agencies and parties.



Dave Yost • Auditor of State

UNION COUNTY GENERAL HEALTH DISTRICT

UNION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 7, 2013**