



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

CHAMPAIGN COUNTY DISTRICT BOARD OF HEALTH
CHAMPAIGN COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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OHIO AUDITOR OF STATE
KEITH FABER



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District Board
Champaign County District Board of Health
1512 South US Highway 68, Suite Q100
Urbana, Ohio 43078

We have reviewed the *Independent Auditor's Report* of the Champaign County District Board of Health, Champaign County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2021

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Champaign County District Board of Health
Champaign County, Ohio
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INDEPENDENT AUDITOR'S REPORT

Champaign County District Board of Health
Champaign County
1512 S. US Highway 68, Suite Q 100
Urbana, Ohio 43078

To the District Board:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Champaign County District Board of Health, Champaign County, Ohio (the District), as of and for the years ended December 31, 2020 and 2019, 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2020 and 2019, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 10 to the 2020 financial statements, the financial impact of COVID-19 and the ensuing measure will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
June 29, 2021

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

This discussion and analysis of the Champaign Health District's financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2020, within the limitations of the Health District's cash basis of accounting. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Health District's financial performance.

Highlights

Key highlights for 2020 are as follows:

- Net assets from all governmental activities increased by \$326,640.
- Program specific receipts in the form of charges for services, operating grants and contributions, and contract services comprise the largest percentage of the Health District's receipts, making up over 60 percent of all the dollars coming into the District. General receipts in the form of and unrestricted grants make up the rest.
- The Health District had \$1,291,907 in disbursements during 2020.
- The Health District had \$1,618,547 in receipts during 2020.

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 balances 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.

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 the 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.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Reporting the Health District as a Whole

The Champaign Health District is established to exercise the rights, privileges, and responsibilities conveyed to it by the constitution and laws of the State of Ohio. The Health District is directed by a five- member Board of Health that appoints a Health Commissioner as its Executive Officer. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, vital statistics, and the issuance of health-related licenses and permits. The Health District also acts upon various complaints made by the public concerning the health and welfare of the county.

The statement of net assets and the statement of activities reflect how the Health District did financially during 2020 within the limitations of cash basis accounting. The statement of net assets 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. Program receipts include charges paid by the recipient of the program's services, and grants and contributions restricted to meeting the operational 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. Such as, the extent of the Health District's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in in-side millage as a local revenue source.

In the statement of net assets and the statement of activities, all Health District activities are reported as governmental. State and federal grants, fees, and inside millage finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them; particularly in the personal health services division. The Health District has no business-type activities.

Reporting the 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 restricted funds are being spent for the intended purpose.

All of the Health District's activities are reported in Governmental funds. The Governmental fund financial statements provide a detailed view of the Health District's governmental operations and the basic 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 programs. The Health District's significant Governmental funds are presented on the financial statements in separate columns.

The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Health District's major Governmental funds are the General Fund and the WIC Fund. The programs reported in Governmental funds are closely related to those reported in the Governmental Activities section of the entity-wide statements.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

The Health District as a Whole

Table 1 - Net Position provides a summary of the Health District's net position for 2020 and 2019 on a cash basis. A comparative analysis will be presented.

	Table 1	
	Net Position	
	Governmental Activities	
	2020	2019
Assets		
Cash and Cash Equivalents	\$ 1,479,891	\$ 1,153,251
Total Assets	<u>\$ 1,479,891</u>	<u>\$ 1,153,251</u>
Net Position Restricted for:		
Other Purposes	\$ 442,073	\$ 421,841
Unrestricted	<u>\$ 1,037,818</u>	<u>\$ 731,410</u>
Total Net Position	<u>\$ 1,479,891</u>	<u>\$ 1,153,251</u>

As mentioned previously, net assets of all governmental activities increased by \$326,640 during 2020. The primary reasons contributing to the increases in cash balances were due to saving from the change in personnel and combination of duties and COVID-19 related funding through federal stimulus and grants during 2020.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Table 2 – Change in Net Position reflects the changes in net position during 2020 and 2019. A comparative analysis of District-Wide data is presented.

	Governmental Activities	
	2020	2019
Receipts		
Program Receipts:		
Charges for Services and Sales	\$ 519,102	\$ 525,937
Operating Grants and Contributions	626,109	278,972
Total Program Receipts	1,145,211	804,909
General Receipts:		
Revenue from Subdivisions	168,500	168,500
State Subsidy	21,381	16,727
Levy	283,455	282,077
Total General Receipts	473,336	467,304
Total Receipts	1,618,547	1,273,213
Disbursements		
Environmental Health		
Food Program	77,376	61,817
Solid Waste	31,557	11,371
Swimming Pools	(1,095)	3,225
Plumbing	49,771	44,652
Sewage	44,965	41,744
Other Environmental Health	52,640	58,728
Personal Health Services	141,540	125,484
Immunizations	56,065	93,187
Laboratory	12,524	14,152
Grants		
WIC	178,062	182,151
GVO	47,113	18,583
PHEP	59,358	72,886
COVID	179,351	-
Vital Statistics	22,089	23,442
Child Abuse Prevention	10,634	11,284

(Continued)

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Administration	272,804	386,854
Travel/Training	9,212	16,021
County Auditor/Treasurer Fee	5,826	11,413
Rent/Maintenance Phones	42,115	34,531
Other Health Expenditures	-	-
Total Disbursements	<u>1,291,907</u>	<u>1,211,525</u>
Increase (Decrease) in Net Position	326,640	60,688
Net Position, January 1	<u>1,153,251</u>	<u>1,092,563</u>
Net Position, December 31	<u>\$ 1,479,891</u>	<u>\$ 1,153,251</u>

General receipts represent 32 percent of the Health District's total receipts, and of this amount, 36 percent are local taxes (revenue from subdivisions) provided by each municipality and District in the county. Levy dollars represent 60 percent of general receipts, with the remaining amount at less than 4 percent provided by the State Subsidy.

Disbursements for the Health District represent the overhead costs of running the Health District and the support services provided for the other District activities. These include primarily the costs of personnel and personnel support at 70 percent of total disbursements, as the primary product of the Health District is preventive health services which are labor-intensive.

Capital outlay signifies the disbursements for equipment for use in administering the Health District's services. There were no significant equipment purchases during 2020, with the total equipment purchases at less than 1 percent of all disbursements.

Governmental Activities

If you look at the Statement of Activities on the next page, you will see that the first column lists the major services provided by the Health District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Health services.

The Net Cost (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service that ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts that are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3. All grants (IAP, WIC, and Public Health Emergency Preparedness) have a zero net cost to the health district, in 2008 all grant funds were separated from one general fund; any apparent net costs to the district are not real and should be attributed to changes in accounting practices, carryover, and differing fiscal years.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Table 3 Net Cost of Services

	2020		2019	
	<u>Cash Disbursements</u>	<u>Net Cost of Services</u>	<u>Cash Disbursements</u>	<u>Net Cost of Services</u>
Governmental Activities				
Environmental Health				
Food Program	77,376	\$ (4,054)	\$ 61,817	\$ 12,826
Solid Waste	31,557	(13,443)	11,371	8,292
Swimming Pools	(1,095)	3,799	3,225	195
Camps	-	634	-	634
Plumbing	49,771	7,451	44,652	10,858
Sewage	44,965	13,097	41,744	6,695
Other Environmental Health	52,640	(20,707)	58,728	(26,740)
Personal Health Services	141,540	(44,084)	125,484	(47,937)
Immunizations	56,065	1,459	93,187	29,992
Laboratory	12,524	(3,284)	14,152	(4,293)
Grants				
WIC	178,062	33,261	182,151	(27,764)
GVO	47,113	(28,429)	18,583	35,551
PHEP	59,358	15,360	72,886	(2,435)
COVID	179,351	142,033	-	-
Vital Statistics	22,089	28,226	23,442	24,247
Child Abuse Prevention	10,634	742	11,284	344
Administration	272,804	(272,804)	386,854	(386,854)
Travel/Training	9,212	(9,212)	16,021	(16,021)
County Auditor/Treasurer Fee	5,826	(5,826)	11,413	(11,413)
Rent/Maintenance/Phones	42,115	(42,115)	34,531	(34,531)
Other Health	-	51,200	-	21,738
Total Governmental Activities	<u>\$ 1,291,907</u>	<u>\$ (146,696)</u>	<u>\$ 1,211,525</u>	<u>\$ (406,616)</u>

The Health District's Funds

Total Governmental funds had receipts of \$1,618,547 and disbursements of \$1,291,907. In the Environmental Health Division, most of the services are provided for a fee based on current cost methodologies. However, even with adjustments to fees during 2020 the division is not self-funded and requires monies from the general fund. In the Nursing and Personal Health Services division, most of the services provided are not fee based and are primarily funded via the general fund.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

General Fund Budgeting Highlights

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

During 2020, the Health District amended its General and Special Revenue fund budgets to reflect changing circumstances.

Revenues for the General Fund were originally budgeted at \$691,950 and actual revenue was \$1,150,224.

Disbursements for the General Fund were originally budgeted at \$906,000 and actual disbursements were \$843,836.

Capital Assets

The Health District does not currently keep track of its capital assets and infrastructure. The Health District has not made plans to track this, as it is not required by current law. The Health District does not own land or other real estate at this time.

Debt

As of December 31, 2020, the Health District's outstanding debt included future lease payments for the office facility and copier equipment, as well as accumulated leave balances for the Health District's employees. For further information regarding the Health District's rental lease, refer to the note 9 to the basic financial statements.

Current Issues

The challenge for all Health Districts is to provide high quality preventive health services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. The Health District relies heavily on inside millage from the cities, townships, and villages and state levy grant funds; as the inside millage and the grant funds are fairly fixed, we continue to struggle with the increases in operating expenses primarily in personnel costs. Without a significant change in these resources, even with conservative spending, the Health District will continue to see a decrease in financial stability. The District successfully passed a 0.4 mil levy in November 2007, May 2012, and November 2016. This additional funding in 2018 through 2022 will assure that basic service provision can continue even with shrinkage of grant funding.

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Health District's finances and to reflect the Health District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Gabe Jones, Health Commissioner, Champaign Health District, 1512 S. US Highway 68, Suite Q100, Urbana, OH 43078.

Champaign County District Board of Health
Champaign County
Statement of Net Position - Cash Basis
December 31, 2020

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,479,891
Total Assets	<u>1,479,891</u>
Net Position	
Restricted for:	
Other Purposes	\$ 442,073
Unrestricted	<u>1,037,818</u>
Total Net Position	<u>\$ 1,479,891</u>

See accompanying notes to the financial statements.

Champaign County District Board of Health
Champaign County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2020

	<u>Cash</u>	<u>Program Receipts</u>		<u>Net (Disbursements)</u>
		<u>Disbursements</u>	<u>Charges for Service and Sales</u>	<u>Operating Grants and Contributions</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental Activities				
Environmental Health				
Food Program	77,376	73,322	-	(4,054)
Solid Waste	31,557	18,114	-	(13,443)
Swimming Pools	(1,095)	2,704	-	3,799
Camps	-	634	-	634
Plumbing	49,771	57,222	-	7,451
Sewage	44,965	58,062	-	13,097
Other Environmental Health	52,640	31,933	-	(20,707)
Personal Health Services	141,540	97,456	-	(44,084)
Immunizations	56,065	57,524	-	1,459
Laboratory	12,524	9,240	-	(3,284)
Grants				
WIC	178,062	-	211,323	33,261
GVO	47,113	-	18,684	(28,429)
PHEP	59,358	-	74,718	15,360
COVID	179,351	-	321,384	142,033
Vital Statistics	22,089	50,315	-	28,226
Child Abuse Prevention	10,634	11,376	-	742
Administration	272,804	-	-	(272,804)
Travel/Timing	9,212	-	-	(9,212)
County Auditor/Treasurer Fee	5,826	-	-	(5,826)
Rent/Maintenance/Phones	42,115	-	-	(42,115)
Other Health	-	51,200	-	51,200
Total Governmental Activities	<u>1,291,907</u>	<u>519,102</u>	<u>626,109</u>	<u>(146,696)</u>
		General Receipts		
		Levy		283,455
		Subdivisions		168,500
		State Subsidy		21,381
		Total General Receipts		<u>473,336</u>
		Change in Net Position		326,640
		Net Position Beginning of Year		<u>1,153,251</u>
		Net Position End of Year		<u><u>1,479,891</u></u>

See accompanying notes to the financial statements.

Champaign County District Board of Health
Champaign County
Statement of Assets and Fund Balances - Cash Basis
For the Year Ended December 31, 2020

	<u>General</u>	<u>WIC Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,037,818	\$ 56,738	\$ 385,335	\$ 1,479,891
Total Position	<u>1,037,818</u>	<u>56,738</u>	<u>385,335</u>	<u>1,479,891</u>
Fund Balances				
Restricted	-	56,738	385,335	442,073
Unassigned	1,037,818	-	-	1,037,818
Total Fund Balances	<u>\$ 1,037,818</u>	<u>\$ 56,738</u>	<u>\$ 385,335</u>	<u>\$ 1,479,891</u>

See the accompanying notes to the financial statements.

Champaign County District Board of Health
Champaign County
Statement of Receipts, Disbursements, and Changes in Fund Balance - Cash Basis
Governmental Funds
For the Year Ended December 31, 2020

	General	WIC Grant	Other Governmental Funds	Total Governmental Funds
Receipts				
State Funds	\$ 21,381	\$ -	\$ -	\$ 21,381
Grants				
Local	-	-	18,114	18,114
State	354,399	205,733	91,392	651,524
Levy	250,440	-	-	250,440
Subdivisions	168,500	-	-	168,500
Fines, Licenses and Permits: Environmental	97,304	-	131,543	228,847
Nursing Fees	97,005	-	-	97,005
Medicaid/Medicare	451	-	-	451
Vital Statistic Fees	50,315	-	11,376	61,691
Charges for Services	56,627	-	-	56,627
Reimbursements/Refunds	52,784	5,590	4,555	62,929
Miscellaneous	1,038	-	-	1,038
Total Receipts	<u>1,150,244</u>	<u>211,323</u>	<u>256,980</u>	<u>1,618,547</u>
Disbursements				
Salaries - Employees	452,584	121,173	118,991	692,748
Sick Leave Vacation Payoff	8,107	-	-	8,107
Group Insurances	85,131	19,384	29,581	134,096
Medicare	6,240	1,757	1,893	9,890
PERS	62,268	16,953	18,063	97,284
Workers Compensation	3,856	1,473	1,311	6,640
Supplies - Office and Program Specific	24,860	2,169	21	27,050
Supplies - Postage	2,328	-	-	2,328
Supplies - Medical	6,029	-	-	6,029
Supplies - Vaccine	56,065	-	-	56,065
Equipment	11,871	4,800	5,369	22,040
Repair/Maintenance	1,959	-	-	1,959
Rent/Maintenance Building	26,408	8,536	-	34,944
Rent/Lease Equipment	4,710	-	-	4,710
Insurance Liability	4,300	-	-	4,300
Telephone	9,037	1,526	4,873	15,436
Audit	5,826	-	-	5,826
Advertising and Printing/Binding	7,011	100	-	7,111
Travel/Training/Dues/Membership	14,016	48	5,399	19,463
Consulting/Contracts	15,996	143	37,302	53,441
Refunds	102	-	385	487
Fees - Lab/State	12,524	-	11,199	23,723
Fees - Vital Statistics	22,089	-	-	22,089
Fees - State Remittances	-	-	8,867	8,867
Fees - County Auditor	519	-	-	519
Unanticipated Emergency	-	-	26,755	26,755
Total Disbursements	<u>843,836</u>	<u>178,062</u>	<u>270,009</u>	<u>1,291,907</u>
Excess of Receipts Over (Under) Disbursements	306,408	33,261	(13,029)	326,640
Fund Balance, Beginning of Year	731,410	23,477	398,364	1,153,251
Fund Balance, End of Year	<u>1,037,818</u>	<u>56,738</u>	<u>385,335</u>	<u>1,479,891</u>

See the accompanying notes to the financial statements.

Champaign County District Board of Health
Champaign County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Receipts				
State Funds	\$ 15,000	\$ 15,000	\$ 21,381	\$ 6,381
Grants				
State	60,500	60,500	354,399	293,899
Levy	245,750	245,750	250,440	4,690
Subdivisions	168,500	168,500	168,500	-
Fines, Licenses and Permits: Environmental	71,000	71,000	97,304	26,304
Nursing Fees	68,000	68,000	97,005	29,005
Medicaid/Medicare	1,600	1,600	451	(1,149)
Vital Statistic Fees	40,000	40,000	50,315	10,315
Charges for Services	-	-	56,627	56,627
Reimbursements/Refunds	21,600	21,600	52,784	31,184
Miscellaneous	-	-	1,038	1,038
Total Receipts	<u>691,950</u>	<u>691,950</u>	<u>1,150,244</u>	<u>458,294</u>
Disbursements				
Salaries - Employees	410,000	410,000	452,584	(42,584)
Sick Leave Vacation Payoff	5,000	5,000	8,107	(3,107)
Group Insurances	100,000	100,000	85,131	14,869
Medicare	7,000	7,000	6,240	760
PERS	70,000	70,000	62,268	7,732
Workers Compensation	5,000	5,000	3,856	1,144
Supplies - Office and Program Specific	21,500	21,500	24,860	(3,360)
Supplies - Postage	5,000	5,000	2,328	2,672
Supplies - Medical	10,000	10,000	6,029	3,971
Supplies - Vaccine	100,000	100,000	56,065	43,935
Supplies - Food	3,000	3,000	-	3,000
Equipment	12,000	12,000	11,871	129
Repair/Maintenance	3,000	3,000	1,959	1,041
Rent/Maintenance Building	28,000	28,000	26,408	1,592
Rent/Lease Equipment	9,000	9,000	4,710	4,290
Insurance Liability	6,000	6,000	4,300	1,700
Telephone	6,000	6,000	9,037	(3,037)
Audit	1,000	1,000	5,826	(4,826)
Advertising and Printing/Binding	2,000	2,000	7,011	(5,011)
Travel/Training/Dues/Membership	18,000	18,000	14,016	3,984
Consulting/Contracts	21,000	21,000	15,996	5,004
Refunds	1,000	1,000	102	898
Fees - Lab/State	14,000	14,000	12,524	1,476
Fees - Vital Statistics	27,300	27,300	22,089	5,211
Fees - County Auditor	6,800	6,800	519	6,281
Fees - Settlement	2,400	2,400	-	2,400
Accreditation Payment	5,000	5,000	-	5,000
Community health Improvement	5,000	5,000	-	5,000
Unanticipated Emergency	1,000	1,000	-	1,000
Total Disbursements	<u>905,000</u>	<u>905,000</u>	<u>843,836</u>	<u>61,164</u>
Excess of Receipts Over (Under) Disbursements	<u>(213,050)</u>	<u>(213,050)</u>	<u>306,408</u>	<u>519,458</u>
Other Financing Sources				
Transfers Out	1,000	1,000	-	(1,000)
Total Other Financing Sources	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net Change in Fund Balances	(212,050)	(212,050)	306,408	518,458
Fund Balance, Beginning of Year	731,410	731,410	731,410	-
Fund Balance, End of Year	<u>519,360</u>	<u>519,360</u>	<u>1,037,818</u>	<u>518,458</u>

See the accompanying notes to the financial statements.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

1. Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Champaign County District Board of Health, Champaign County, (the District) as a body corporate and politic. A five-member Board appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

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

A. Primary Government

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

B. Component Units

Component units are legally separate organizations for which the Health District is financially accountable. The Health District is financially accountable for an organization if the Health District appoints a voting majority of the organization's governing board and (1) the Health District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Health District is legally entitled to or can otherwise access the organization's resources; or the Health District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Health District, are accessible to the Health District and are significant in amount to the Health District. The Health District includes no component units

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

2. Summary of Significant Accounting Policies

As discussed further in Note 2.C, 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 or accounting. Following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

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

1. 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. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

1. Government-Wide Financial Statements (Continued)

Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange 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 and contract services rendered for a 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.

2. 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. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All of the funds of the Health District are governmental.

1. 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:

The General Fund accounts for all financial resources, except those required to be accounted for 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.

The Public Health Emergency Preparedness Grant Fund, the Immunization Action Plan Grant Fund, and the WIC Grant Fund account for State and Federal Grant money used to provide programs in Champaign County. The WIC funds are predominantly for early childhood issues including nutrition, early detection and intervention. The Public Health Emergency Preparedness Fund Includes the Public Health Emergency Preparedness and Medical Reserve Corps Funds, which are used to provide public health emergency preparedness and volunteer recruitment activities for the County.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

The Immunization Action Plan Fund is used to provide immunization and immunization education for families of children birth through thirty-five months. Each of these funds is restricted for a particular purpose. The other governmental funds of the Health District account for grants and other resources whose use is restricted for a particular purpose.

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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 liabilities and their related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash 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, function, and object level for all funds.

ORC Section 5705.28 (C) (1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and Health Districts within the Health District by about June 1 (forty-five days prior to July 15). The County Auditor cannot allocate property taxes from municipalities and Health Districts with the District if filing has not been made.

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

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 resource in effect at the time final appropriations were passed by the Board of Health.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

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.

E. Cash and Investments

The Champaign 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 Champaign County Auditor, 1512 S. US Highway 68, Suite B300, Urbana, Ohio 43078, (937) 484-1555.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. 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.

J. 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

K. 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 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

L. 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 the 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 another financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

M. Fund Balance Reserves

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:

Non-spendable - The non-spendable 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 *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Health, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the 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 or a Health District official delegated that authority by resolution, or by State Statute.

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

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

3. Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balance – budget and actual – budgetary basis presented for the general 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 expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year end advances are treated as another financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The Health District had no encumbrances outstanding at year end.

4. Intergovernmental and Levy Funding

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

5. Risk Management

A. Commercial Insurance

The Health District has obtained commercial insurance for the following risks:

- Employee Health Insurance
- Errors and Omissions

B. Risk Pool Membership

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

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

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

5. Risk Management (Continued)

B. Risk Pool Membership (Continued)

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

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

County Commissioner Association of Ohio Workers' Compensation Group Rating Plan For 2020, the Health District, through Champaign County as their fiscal agent, participated in the State of Ohio Worker's Compensation system. The Health District budgets 4.5% of wages to provide Workers' Compensation coverage for its' employees; this amount will remain the same for 2020.

Employee Medical Benefits

The Health District participates in a health insurance plan through Anthem available for all fulltime employees. The fully insured plan includes health, mental health and prescription benefits. The cost of the program for 2020 was \$134,096.

6. Defined Benefit Pension Plans

The Health District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

6. Defined Benefit Pension Plans (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

6. Defined Benefit Pension Plans (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
 2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0
 Total Employer	 14.0 %
 Employee	 10.0 %

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$97,284 for the year 2020.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

7. Post-Employment Benefits

A. Ohio Public Employees Retirement System

Plan Description – The 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, 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 the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2020**

7. Post-Employment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was zero for the year 2020.

8. 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.

9. Contractual Obligations

The Health District is a party to a multi-year lease for rental of office space. This lease will be renewed in January 2021. This lease requires the District to remit monthly.

10. COVID - 19

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

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Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

This discussion and analysis of the Champaign Health District's financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2019, within the limitations of the Health District's cash basis of accounting. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Health District's financial performance.

Highlights

Key highlights for 2019 are as follows:

- Net assets from all governmental activities increased by \$60,688.
- Program specific receipts in the form of charges for services, operating grants and contributions, and contract services comprise the largest percentage of the Health District's receipts, making up over 60 percent of all the dollars coming into the District. General receipts in the form of and unrestricted grants make up the rest.
- The Health District had \$1,211,525 in disbursements during 2019.
- The Health District had \$1,272,213 in receipts during 2019.

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 balances 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.

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 the 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.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

Reporting the Health District as a Whole

The Champaign Health District is established to exercise the rights, privileges, and responsibilities conveyed to it by the constitution and laws of the State of Ohio. The Health District is directed by a five- member Board of Health that appoints a Health Commissioner as its Executive Officer. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, vital statistics, and the issuance of health-related licenses and permits. The Health District also acts upon various complaints made by the public concerning the health and welfare of the county.

The statement of net assets and the statement of activities reflect how the Health District did financially during 2019 within the limitations of cash basis accounting. The statement of net assets 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. Program receipts include charges paid by the recipient of the program's services, and grants and contributions restricted to meeting the operational 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. Such as, the extent of the Health District's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in in-side millage as a local revenue source.

In the statement of net assets and the statement of activities, all Health District activities are reported as governmental. State and federal grants, fees, and inside millage finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them; particularly in the personal health services division. The Health District has no business-type activities.

Reporting the 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 restricted funds are being spent for the intended purpose.

All of the Health District's activities are reported in Governmental funds. The Governmental fund financial statements provide a detailed view of the Health District's governmental operations and the basic 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 programs. The Health District's significant Governmental funds are presented on the financial statements in separate columns.

The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Health District's major Governmental funds are the General Fund and the WIC Fund. The programs reported in Governmental funds are closely related to those reported in the Governmental Activities section of the entity-wide statements.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

The Health District as a Whole

Table 1 - Net Position provides a summary of the Health District's net position for 2019 and 2018 on a cash basis. A comparative analysis will be presented.

	Table 1	
	Net Position	
	Governmental Activities	
	2019	2018
Assets		
Cash and Cash Equivalents	\$ 1,153,251	\$ 1,092,563
Total Assets	<u>\$ 1,153,251</u>	<u>\$ 1,092,563</u>
Net Position Restricted for:		
Other Purposes	\$ 421,841	\$ 388,139
Unrestricted	<u>\$ 731,410</u>	<u>\$ 704,424</u>
Total Net Position	<u>\$ 1,153,251</u>	<u>\$ 1,092,563</u>

As mentioned previously, net assets of all governmental activities increased by \$60,688 during 2019. The primary reasons contributing to the increases in cash balances were due to the increase of charges for service and sales revenue during 2019.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

Table 2 – Change in Net Position reflects the changes in net position during 2019 and 2018. A comparative analysis of District-Wide data is presented.

	Governmental Activities	
	2019	2018
Receipts		
Program Receipts:		
Charges for Services and Sales	\$ 525,937	\$ 423,937
Operating Grants and Contributions	278,972	291,040
Total Program Receipts	804,909	714,977
General Receipts:		
Revenue from Subdivisions	168,500	168,500
State Subsidy	16,727	7,522
Levy	282,077	281,475
Total General Receipts	467,304	457,497
Total Receipts	1,272,213	1,172,474
Disbursements		
Environmental Health		
Food Program	61,817	57,397
Solid Waste	11,371	4,119
Swimming Pools	3,225	3,022
Plumbing	44,652	28,654
Sewage	41,744	28,004
Other Environmental Health	58,728	126,788
Personal Health Services	125,484	146,877
Immunizations	93,187	73,451
Laboratory	14,152	10,327
Grants		
WIC	182,151	174,100
IAP	18,583	12,471
PHEP	72,886	67,780
Zika	-	34,151
Vital Statistics	23,442	19,999
Child Abuse Prevention	11,284	8,579

(Continued)

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

Administration	386,854	242,294
Travel/Training	16,021	15,293
County Auditor/Treasurer Fee	11,413	5,888
Rent/Maintenance Phones	34,531	38,213
Other Health Expenditures	-	-
Total Disbursements	<u>1,211,525</u>	<u>1,097,407</u>
Increase (Decrease) in Net Position	60,688	75,067
Net Position, January 1	<u>1,092,563</u>	<u>1,017,496</u>
Net Position, December 31	<u>\$ 1,153,251</u>	<u>\$ 1,092,563</u>

General receipts represent 32 percent of the Health District's total receipts, and of this amount, 36 percent are local taxes (revenue from subdivisions) provided by each municipality and District in the county. Levy dollars represent 60 percent of general receipts, with the remaining amount at less than 4 percent provided by the State Subsidy.

Disbursements for the Health District represent the overhead costs of running the Health District and the support services provided for the other District activities. These include primarily the costs of personnel and personnel support at 70 percent of total disbursements, as the primary product of the Health District is preventive health services which are labor-intensive.

Capital outlay signifies the disbursements for equipment for use in administering the Health District's services. There were no significant equipment purchases during 2020, with the total equipment purchases at less than 1 percent of all disbursements.

Governmental Activities

If you look at the Statement of Activities on the next page, you will see that the first column lists the major services provided by the Health District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Health services.

The Net Cost (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service that ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts that are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3. All grants (IAP, WIC, and Public Health Emergency Preparedness) have a zero net cost to the health district, in 2008 all grant funds were separated from one general fund; any apparent net costs to the district are not real and should be attributed to changes in accounting practices, carryover, and differing fiscal years.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

Table 3 Net Cost of Services

	2019		2018	
	<u>Cash Disbursements</u>	<u>Net Cost of Services</u>	<u>Cash Disbursements</u>	<u>Net Cost of Services</u>
Governmental Activities				
Environmental Health				
Food Program	\$ 61,817	\$ 12,826	\$ 57,397	\$ (21,068)
Solid Waste	11,371	8,292	4,119	(7,071)
Swimming Pools	3,225	195	3,022	(208)
Camps	-	634	-	(634)
Plumbing	44,652	10,858	28,654	(24,510)
Sewage	41,744	6,695	28,004	(18,459)
Other Environmental Health	58,728	(26,740)	126,788	104,534
Personal Health Services	125,484	(47,937)	146,877	94,457
Immunizations	93,187	29,992	73,451	(12,313)
Laboratory	14,152	(4,293)	10,327	(507)
Grants				
WIC	182,151	(27,764)	174,100	(1,183)
IAP	18,583	35,551	12,471	(724)
PHEP	72,886	(2,435)	67,780	(21,282)
Zika	-	-	34,151	20,651
Vital Statistics	23,442	24,247	19,999	(22,642)
Child Abuse Prevention	11,284	344	8,579	(1,533)
Administration	386,854	(386,854)	242,294	242,294
Travel/Training	16,021	(16,021)	15,293	15,293
County Auditor/Treasurer Fee	11,413	(11,413)	5,888	5,888
Rent/Maintenance/Phones	34,531	(34,531)	38,213	38,213
Other Health	-	21,738	-	(6,766)
Total Governmental Activities	<u>\$ 1,211,525</u>	<u>\$ (406,616)</u>	<u>\$ 1,097,407</u>	<u>\$ 382,430</u>

The Health District's Funds

Total Governmental funds had receipts of \$1,272,213 and disbursements of \$1,211,252. In the Environmental Health Division, most of the services are provided for a fee based on current cost methodologies. However, even with adjustments to fees during 2019 the division is not self-funded and requires monies from the general fund. In the Nursing and Personal Health Services division, most of the services provided are not fee based and are primarily funded via the general fund.

Champaign County District Board of Health
Champaign County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

General Fund Budgeting Highlights

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

During 2019, the Health District amended its General and Special Revenue fund budgets to reflect changing circumstances.

Revenues for the General Fund were originally budgeted at \$672,330 and actual revenue was \$835,449.

Disbursements for the General Fund were originally budgeted at \$870,700 and actual disbursements were \$808,463.

Capital Assets

The Health District does not currently keep track of its capital assets and infrastructure. The Health District has not made plans to track this, as it is not required by current law. The Health District does not own land or other real estate at this time.

Debt

As of December 31, 2019, the Health District's outstanding debt included future lease payments for the office facility and copier equipment, as well as accumulated leave balances for the Health District's employees. For further information regarding the Health District's rental lease, refer to the note 9 to the basic financial statements.

Current Issues

The challenge for all Health Districts is to provide high quality preventive health services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. The Health District relies heavily on inside millage from the cities, townships, and villages and state levy grant funds; as the inside millage and the grant funds are fairly fixed, we continue to struggle with the increases in operating expenses primarily in personnel costs. Without a significant change in these resources, even with conservative spending, the Health District will continue to see a decrease in financial stability. The District successfully passed a 0.4 mil levy in November 2007, May 2012, and November 2016. This additional funding in 2018 through 2022 will assure that basic service provision can continue even with shrinkage of grant funding.

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Health District's finances and to reflect the Health District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Gabe Jones, Health Commissioner, Champaign Health District, 1512 S. US Highway 68, Suite Q100, Urbana, OH 43078.

Champaign County District Board of Health
Champaign County
Statement of Net Position - Cash Basis
December 31, 2019

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,153,251
Total Assets	<u>1,153,251</u>
Net Position	
Restricted for:	
Other Purposes	421,841
Unrestricted	<u>731,410</u>
Total Net Position	<u>\$ 1,153,251</u>

See accompanying notes to the financial statements.

Champaign County District Board of Health
Champaign County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

	Cash Disbursements	Program Receipts		Net (Disbursements) Receipts
		Charges for Service and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Environmental Health				
Food Program	61,817	74,643	-	12,826
Solid Waste	11,371	19,663	-	8,292
Swimming Pools	3,225	3,420	-	195
Camps	-	634	-	634
Plumbing	44,652	55,510	-	10,858
Sewage	41,744	48,439	-	6,695
Other Environmental Health	58,728	31,988	-	(26,740)
Personal Health Services	125,484	77,547	-	(47,937)
Immunizations	93,187	123,179	-	29,992
Laboratory	14,152	9,859	-	(4,293)
Grants		-		
WIC	182,151	-	154,387	(27,764)
IAP	18,583	-	54,134	35,551
PHEP	72,886	-	70,451	(2,435)
Vital Statistics	23,442	47,689	-	24,247
Child Abuse Prevention	11,284	11,628	-	344
Administration	386,854	-	-	(386,854)
Travel/Timing	16,021	-	-	(16,021)
County Auditor/Treasurer Fee	11,413	-	-	(11,413)
Rent/Maintenance/Phones	34,531	-	-	(34,531)
Other Health	-	21,738	-	21,738
Total Governmental Activities	<u>1,211,525</u>	<u>525,937</u>	<u>278,972</u>	<u>(406,616)</u>
		General Receipts		
		Levy		282,077
		Subdivisions		168,500
		State Subsidy		16,727
		Total General Receipts		<u>467,304</u>
		Change in Net Position		60,688
		Net Position Beginning of Year		<u>1,092,563</u>
		Net Position End of Year		<u><u>1,153,251</u></u>

See accompanying notes to the financial statements.

Champaign County District Board of Health
Champaign County
Statement of Assets and Fund Balances - Cash Basis
For the Year Ended December 31, 2019

	<u>General</u>	<u>WIC Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 731,410	\$ 23,477	\$ 398,364	\$ 1,153,251
Total Position	<u>731,410</u>	<u>23,477</u>	<u>398,364</u>	<u>1,153,251</u>
Fund Balances				
Restricted	-	23,477	398,364	421,841
Unassigned	731,410	-	-	731,410
Total Fund Balances	<u>\$ 731,410</u>	<u>\$ 23,477</u>	<u>\$ 398,364</u>	<u>\$ 1,153,251</u>

See the accompanying notes to the financial statements.

Champaign County District Board of Health
Champaign County
Statement of Receipts, Disbursements, and Changes in Fund Balance - Cash Basis
Governmental Funds
For the Year Ended December 31, 2019

	General	WIC Grant	Other Governmental Funds	Total Governmental Funds
Receipts				
State Funds	\$ 16,727	\$ -	\$ -	\$ 16,727
Grants				
Local	3,000	-	19,629	22,629
State	33,000	152,823	118,663	304,486
Federal	-	-	-	-
Levy	249,007	-	-	249,007
Subdivisions	168,500	-	-	168,500
Fines, Licenses and Permits: Environmental	91,241	-	125,538	216,779
Nursing Fees	132,104	-	-	132,104
Medicaid/Medicare	7,493	-	-	7,493
Vital Statistic Fees	47,689	-	11,628	59,317
Donations	1,038	-	-	1,038
Reimbursements/Refunds	85,650	1,564	6,919	94,133
Miscellaneous	-	-	-	-
Total Receipts	<u>835,449</u>	<u>154,387</u>	<u>282,377</u>	<u>1,272,213</u>
Disbursements				
Salaries - Employees	369,866	124,047	110,450	604,363
Group Insurances	83,650	17,944	25,386	126,980
Medicare	5,069	1,799	1,601	8,469
PERS	51,344	17,366	15,463	84,173
Workers Compensation	3,838	1,564	1,089	6,491
Supplies - Office and Program Specific	26,647	6,288	-	32,935
Supplies - Postage	2,820	287	-	3,107
Supplies - Medical	4,591	1,189	-	5,780
Supplies - Vaccine	93,187	-	-	93,187
Equipment	11,405	162	4,225	15,792
Repair/Maintenance	129	-	-	129
Rent/Maintenance Building	25,236	8,536	-	33,772
Rent/Lease Equipment	4,140	-	-	4,140
Insurance Liability	3,902	-	-	3,902
Telephone	5,155	1,665	5,480	12,300
Audit	5,881	-	-	5,881
Advertising and Printing/Binding	2,227	-	-	2,227
Travel/Training/Dues/Membership	25,714	1,240	5,089	32,043
Consulting/Contracts	39,137	64	31,346	70,547
Refunds	1,400	-	-	1,400
Fees - Lab/State	14,152	-	-	14,152
Fees - Vital Statistics	23,442	-	11,284	34,726
Fees - State Remittances	-	-	9,498	9,498
Fees - County Auditor	5,531	-	-	5,531
Total Disbursements	<u>808,463</u>	<u>182,151</u>	<u>220,911</u>	<u>1,211,525</u>
Excess of Receipts Over (Under) Disbursements	<u>26,986</u>	<u>(27,764)</u>	<u>61,466</u>	<u>60,688</u>
Fund Balance, Beginning of Year	704,424	51,241	336,898	1,092,563
Fund Balance, End of Year	<u>731,410</u>	<u>23,477</u>	<u>398,364</u>	<u>1,153,251</u>

See the accompanying notes to the financial statements.

Champaign County District Board of Health
Champaign County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Receipts				
State Funds	\$ 7,500	\$ 7,500	\$ 16,727	\$ 9,227
Grants				
Local	-	-	3,000	3,000
State	33,000	33,000	33,000	-
Levy	245,750	245,750	249,007	3,257
Subdivisions	168,500	168,500	168,500	-
Fines, Licenses and Permits: Environmental	71,000	71,000	91,241	20,241
Nursing Fees	75,380	75,380	132,104	56,724
Medicaid/Medicare	1,600	1,600	7,493	5,893
Vital Statistic Fees	48,000	48,000	47,689	(311)
Donations	-	-	1,038	1,038
Reimbursements/Refunds	21,600	21,600	85,650	64,050
Total Receipts	<u>672,330</u>	<u>672,330</u>	<u>835,449</u>	<u>163,119</u>
Disbursements				
Salaries - Employees	410,000	410,000	369,866	40,134
Sick Leave Vacation Payoff	5,000	5,000	-	5,000
Group Insurances	100,000	100,000	83,650	16,350
Medicare	7,000	7,000	5,069	1,931
PERS	70,000	70,000	51,344	18,656
Workers Compensation	5,000	5,000	3,838	1,162
Supplies - Office and Program Specific	25,000	25,000	26,647	(1,647)
Supplies - Postage	5,000	5,000	2,820	2,180
Supplies - Medical	5,000	5,000	4,591	409
Supplies - Vaccine	80,000	80,000	93,187	(13,187)
Equipment	11,000	11,000	11,405	(405)
Accreditation	5,000	5,000	-	5,000
Repair/Maintenance	3,000	3,000	129	2,871
Rent/Maintenance Building	26,000	26,000	25,236	764
Rent/Lease Equipment	19,000	19,000	4,140	14,860
Insurance Liability	6,000	6,000	3,902	2,098
Telephone	6,000	6,000	5,155	845
Audit	3,000	3,000	5,881	(2,881)
Advertising and Printing/Binding	2,000	2,000	2,227	(227)
Travel/Training/Dues/Membership	14,000	14,000	25,714	(11,714)
Consulting/Contracts	17,500	17,500	39,137	(21,637)
Refunds	1,000	1,000	1,400	(400)
Fees - Lab/State	12,000	12,000	14,152	(2,152)
Fees - Vital Statistics	23,000	23,000	23,442	(442)
Fees - County Auditor	6,800	6,800	5,531	1,269
Fees - Settlement	2,400	2,400	-	2,400
Unanticipated Emergency	1,000	1,000	-	1,000
Total Disbursements	<u>870,700</u>	<u>870,700</u>	<u>808,463</u>	<u>62,237</u>
Excess of Receipts Over (Under) Disbursements	<u>(198,370)</u>	<u>(198,370)</u>	<u>26,986</u>	<u>225,356</u>
Other Financing Sources				
Transfers Out	1,000	1,000	-	(1,000)
Total Other Financing Sources	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net Change in Fund Balances	(197,370)	(197,370)	26,986	224,356
Fund Balance, Beginning of Year	704,424	704,424	704,424	-
Fund Balance, End of Year	<u>507,054</u>	<u>507,054</u>	<u>731,410</u>	<u>224,356</u>

See the accompanying notes to the financial statements.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

1. Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Champaign County District Board of Health, Champaign County, (the District) as a body corporate and politic. A five-member Board appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

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

A. Primary Government

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

B. Component Units

Component units are legally separate organizations for which the Health District is financially accountable. The Health District is financially accountable for an organization if the Health District appoints a voting majority of the organization's governing board and (1) the Health District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Health District is legally entitled to or can otherwise access the organization's resources; or the Health District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Health District, are accessible to the Health District and are significant in amount to the Health District. The Health District includes no component units

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

2. Summary of Significant Accounting Policies

As discussed further in Note 2.C, 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 or accounting. Following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

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

1. 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. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

2. Summary of Significant Accounting Policies (Continued)

1. Government-Wide Financial Statements (Continued)

Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange 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 and contract services rendered for a 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.

2. 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. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All of the funds of the Health District are governmental.

1. 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:

The General Fund accounts for all financial resources, except those required to be accounted for 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.

The Public Health Emergency Preparedness Grant Fund, the Immunization Action Plan Grant Fund, and the WIC Grant Fund account for State and Federal Grant money used to provide programs in Champaign County. The WIC funds are predominantly for early childhood issues including nutrition, early detection and intervention. The Public Health Emergency Preparedness Fund Includes the Public Health Emergency Preparedness and Medical Reserve Corps Funds, which are used to provide public health emergency preparedness and volunteer recruitment activities for the County.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

2. Summary of Significant Accounting Policies (Continued)

The Immunization Action Plan Fund is used to provide immunization and immunization education for families of children birth through thirty-five months. Each of these funds is restricted for a particular purpose. The other governmental funds of the Health District account for grants and other resources whose use is restricted for a particular purpose.

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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 liabilities and their related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash 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, function, and object level for all funds.

ORC Section 5705.28 (C) (1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and Health Districts within the Health District by about June 1 (forty-five days prior to July 15). The County Auditor cannot allocate property taxes from municipalities and Health Districts with the District if filing has not been made.

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

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 resource in effect at the time final appropriations were passed by the Board of Health.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

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.

E. Cash and Investments

The Champaign 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 Champaign County Auditor, 1512 S. US Highway 68, Suite B300, Urbana, Ohio 43078, (937) 484-1555.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. 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.

J. 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

K. 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 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

2. Summary of Significant Accounting Policies (Continued)

L. 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 the 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 another financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

M. Fund Balance Reserves

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:

Non-spendable - The non-spendable 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 *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Health, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the 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 or a Health District official delegated that authority by resolution, or by State Statute.

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

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

2. Summary of Significant Accounting Policies (Continued)

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

3. Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balance – budget and actual – budgetary basis presented for the general 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 expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year end advances are treated as another financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The Health District had no encumbrances outstanding at year end.

4. Intergovernmental and Levy Funding

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

5. Risk Management

A. Commercial Insurance

The Health District has obtained commercial insurance for the following risks:

- Employee Health Insurance
- Errors and Omissions

B. Risk Pool Membership

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

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

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

5. Risk Management (Continued)

B. Risk Pool Membership (Continued)

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

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

County Commissioner Association of Ohio Workers' Compensation Group Rating Plan For 2019, the Health District, through Champaign County as their fiscal agent, participated in the State of Ohio Worker's Compensation system. The Health District budgets 4.5% of wages to provide Workers' Compensation coverage for its' employees; this amount will remain the same for 2019.

Employee Medical Benefits

The Health District participates in a health insurance plan through Anthem available for all fulltime employees. The fully insured plan includes health, mental health and prescription benefits. The cost of the program for 2019 was \$126,980.

6. Defined Benefit Pension Plans

The Health District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

6. Defined Benefit Pension Plans (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula:	Traditional Plan Formula:	Traditional Plan Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula:	Combined Plan Formula:	Combined Plan Formula:
1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula:	Traditional Plan Formula:	Traditional Plan Formula:
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

6. Defined Benefit Pension Plans (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
 2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0
 Total Employer	 14.0 %
 Employee	 10.0 %

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$84,172 for the year 2019.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

7. Post-Employment Benefits

A. Ohio Public Employees Retirement System

Plan Description – The 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, 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 the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

**Champaign County District Board of Health
Champaign County**

**Notes to the Financial Statements
December 31, 2019**

7. Post-Employment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was zero for the year 2019.

8. 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.

9. Contractual Obligations

The Health District is a party to a multi-year lease for rental of office space. This lease will be renewed in January 2020. This lease requires the District to remit monthly.



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

Champaign County District Board of Health
Champaign County
1512 S. US Highway 68, Suite Q 100
Urbana, Ohio 43078

To the District 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 Champaign County District Board of Health, Champaign County, (the District) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 29, 2021, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
June 29, 2021

Champaign County District Board of Health
Champaign County
Schedule of Findings
December 31, 2020 and 2019

1. SUMMARY OF AUDITOR'S RESULTS

FINDING NUMBER 2020-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Accurate financial reporting is the responsibility of the Health Commissioner and Board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following errors were noted and required adjustment to the financial statements:

- Significant issues were noted related to the following in 2020:
 - The Statement of Assets and Fund Balances – Cash basis – for the year ended December 31, 2020 incorrectly stated a committed fund balance of \$60,000, assigned fund balance of \$874,741 and an unassigned fund balance of \$340,412 rather than an unassigned fund balance of \$1,037,818 in the General Fund.

Additionally, this statement incorrectly stated a committed fund balance of \$25,000 in the WIC Grant Fund and Other Governmental Funds. This statement also incorrectly stated the restricted fund balance of the Other Governmental Funds as \$98,001 rather than \$385,335.
 - Statement of Net Position – Cash basis – December 31, 2020 incorrectly stated the Restricted amount as 154,739 rather than \$442,073 and the unrestricted amount as \$1,325,153 rather than \$1,037,818.
- Significant issues were noted related to the following in 2019:
 - The Statement of Assets and Fund Balances – Cash basis – for the year ended December 31, 2019 incorrectly stated a committed fund balance of \$60,000, assigned fund balance of \$553,509 and an unassigned fund balance of \$354,864 rather than an unassigned fund balance of \$731,410 in the General Fund.

Additionally, this statement incorrectly stated a committed fund balance of \$25,000 in the WIC Grant Fund and Other Governmental Funds. This statement also incorrectly stated the restricted fund balances of the Other Governmental Funds as \$111,401 rather than \$398,364.
 - Statement of Net Position – Cash basis – December 31, 2019 incorrectly stated the Restricted amount as 134,878 rather than \$421,841 and the unrestricted amount as \$1,018,373 rather than \$731,410.

Champaign County District Board of Health
Champaign County
Schedule of Findings
December 31, 2020 and 2019

FINDING NUMBER 2020-001
(Continued)

The errors noted above were due to an insufficiency of monitoring by management. The amounts noted above that were improperly classified or recorded have been adjusted and are properly presented on the financial statements. Additional errors were noted in smaller relative amounts.

The failure to correctly classify financial activity in the accounting records and financial statements may impact a user's understanding of the financial operations, the ability to make sound financial decisions, the ability to comply with budgetary laws, and may result in the material misstatement of the financial statements. In addition, such undetected errors may result in irregularities not being detected in a timely manner by the Board. Inaccurate note disclosures pose the risk of misleading the readers of the annual financial report.

The Health District should adopt policies and procedures to identify and correct errors and omissions. The Health Commissioner should review the most current note disclosure shell available on the Auditor of State web site for the most up-to-date version of the note disclosures. A secondary review of the Financial Statement and Notes to the Financial Statements should be performed to verify that all amounts are accurate and agree to supporting documentation.

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

**Champaign County District Board of Health
Champaign County
Schedule of Findings
December 31, 2020 and 2019**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2018-001	Material Weakness – Financial Reporting	No	Reissued as Finding 2020-001

OHIO AUDITOR OF STATE KEITH FABER



CHAMPAIGN COUNTY DISTRICT BOARD OF HEALTH

CHAMPAIGN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/9/2021

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

This report is a matter of public record and is available online at
www.ohioauditor.gov