



Certified Public Accountants, A.C.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2020**

**REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2019**

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OHIO AUDITOR OF STATE
KEITH FABER



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Members of the Board
Union County General Health District
940 London Ave #1100
Marysville, OH 43040

We have reviewed the *Independent Auditor's Report* of Union County General Health District, Union County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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. Union County General Health District is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 09, 2022

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UNION COUNTY GENERAL HEALTH DISTRICT

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INDEPENDENT AUDITOR'S REPORT

April 29, 2022

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

To the Board of Health:

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 Union County General Health District, Union County, Ohio (the District), as of and for the year ended December 31, 2020, 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.

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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 the respective changes in cash financial position and the respective budgetary comparison for the General, Public Health Infrastructure, and Sewage funds thereof for the year 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 15 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 April 29, 2022, 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)**

The discussion and analysis of the Union County General Health District's, Union County, Ohio (the "Health District") financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2020, within the limitations of the 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 the basic financial statements to enhance their understanding of the Health District's financial performance.

Financial Highlights

Key financial highlights for the year 2020 are as follows:

- Net position of governmental activities increased \$974,196 or 31.56% as compared to 2019.
- General receipts in the form of property taxes, unrestricted grants and entitlements, proceeds from note issuance, and miscellaneous receipts comprise the largest percentage of the Health District's receipts, accounting for \$2,157,710 or 39.83% of all dollars coming into the Health District. Program specific receipts in the form charges for services and operating grants and contributions make up the remaining of the Health District's receipts, accounting for \$3,260,078 or 60.17%.
- The Health District had \$4,443,592 in disbursements during 2020.
- In 2020, the general fund had receipts and other financing sources of \$2,534,152 and disbursements and other financing uses of \$2,320,127. The fund balance of the general fund increased by \$214,025 from \$1,513,045 to \$1,727,070.
- The public nursing fund, a major fund, accounts for receipts collected from general nursing and other various personal health activities throughout the county. Receipts, primarily in the form of intergovernmental monies, charges for services, donations and other miscellaneous sources, and other financing sources of \$1,692,185 represents an increase of \$81,780 from 2019. Disbursements of \$1,383,462 decreased \$93,786 as compared to 2019. The overall fund balance increased \$308,723 from \$614,104 to \$922,827.
- The public health infrastructure fund, a major fund, accounts for federal grant monies to improve the emergency preparedness of the County. Receipts of \$1,085,188 represent an increase of \$881,573 from 2019. Disbursements of \$831,186 increased \$548,199 as compared to 2019. The overall fund balance increased \$254,002 from \$253,414 to \$507,416.
- The sewage fund, a major fund, accounts for receipts collected from fees, licenses, permits, and grants received from the EPA for sewage programs. Receipts were \$470,680 in 2020. Disbursements were \$328,481. The overall fund balance increased \$142,199 from \$322,064 to \$464,263.

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 is applicable to the District's cash basis of accounting.

Report Components

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis provide information about the cash activities of the Health District as a whole.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)**

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 accounting principles generally accepted in the United States of America (GAAP). Under the Health District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this 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 these financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Health District as a Whole

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis reflect how the Health District performed financially during 2020, within the limitations of the cash basis of accounting. The Statement of Net Position - Cash Basis presents the cash balances of the governmental activities of the Health District at year end. The Statement of Activities - Cash Basis compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

These statements report the Health District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, one 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, one should also consider other non-financial factors as well such as the condition of the Health District's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources.

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

Reporting the Health District's Most Significant Funds

Fund Financial Statements

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)

Governmental Funds - 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 health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Health District's health programs. The Health District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor 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, the public health nursing fund, public health infrastructure fund, and the sewage fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Health District as a Whole

Table 1 provides a summary of the Health District's cash basis net position at December 31, 2020 compared to December 31, 2019.

**Table 1
Statement of Net Position - Cash Basis**

	Governmental Activities	
	2020	2019
Assets		
Equity in pooled cash and cash equivalents	\$ 4,060,714	\$ 3,086,518
Net Position		
Restricted for:		
Public health nursing	\$ 922,827	\$ 614,104
Public health infrastructure	507,416	253,414
Sewage	464,263	322,064
Other public health programs	439,138	383,891
Unrestricted	1,727,070	1,513,045
Total Net Position	\$ 4,060,714	\$ 3,086,518

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**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)

Table 2 reflects the change in net position on a cash basis in 2020 as compared to 2019:

**Table 2
Changes in Net Position - Cash Basis**

	Governmental Activities	
	2020	2019
Receipts		
Program cash receipts:		
Charges for services and sales	\$ 1,206,165	\$ 1,210,028
Operating grants and contributions	2,053,913	1,079,677
Total program cash receipts	<u>3,260,078</u>	<u>2,289,705</u>
General receipts:		
Property taxes	1,827,913	1,526,768
Grants and entitlements	291,781	304,907
Proceeds on note issuance	-	500,000
Investment income	257	-
Miscellaneous	37,759	25,620
Total general receipts	<u>2,157,710</u>	<u>2,357,295</u>
Total Receipts	<u>5,417,788</u>	<u>4,647,000</u>
Disbursements		
Environmental health:		
General environmental health	197,362	271,310
Food service	85,161	98,988
Plumbing	164,435	183,380
Water	57,016	51,693
Sewage	328,481	365,183
Pools/Spas	4,502	5,593
Camps/MHP	110	1,198
Solid waste	7,642	8,338
Radon	45,303	44,947
Rabies	3,899	5,032
Mosquito	19,837	20,904
County CARES funds	199,990	-
Contract tracing	188,774	-
COVID-19	190,124	-
Personal health:		
General nursing & ohio children's trust	327,550	357,186
Health education and partnerships	138,604	230,403
Injury prevention	321,402	156,393
Safe communities	10,270	27,570
Immunization action plan	8,730	42,287
LEADS/central intake	65,631	64,343
Prescription assistance	11,713	15,386
Maternal & child health	15,635	8,059
Reproductive health & wellness	200,429	219,774
Clinics/BCMh	309,403	391,476
Public health infrastructure/MRC/Radiation	252,298	282,987
Vital statistics	92,836	108,290
Administration	944,542	1,131,315
General health district & LGIF	251,913	239,166
Total Disbursements	<u>4,443,592</u>	<u>4,331,201</u>
Change in net position	974,196	315,799
Net position at beginning of year	<u>3,086,518</u>	<u>2,770,719</u>
Net position at end of year	<u>\$ 4,060,714</u>	<u>\$ 3,086,518</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)**

In 2020, 39.83% of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general Health District purposes. Program receipts accounted for 60.17% of the Health District's total receipts in year 2020. These receipts consist primarily of charges for services for birth and death certificates, food services licenses, trailer park permits, swimming pools permits, and water system permits and state and federal operating grants and donations.

Governmental Activities

If you look at the Statement of Activities for 2020 on page 10, you will see that the first column lists the major disbursements of the Health District. The next column identifies the amount of these disbursements. In 2020, the major program disbursements for governmental activities were: administration and sewage, which accounted for 21.26% and 7.39% of all governmental disbursements, respectively. The next two columns of the statement entitled Program Receipts identify amounts paid by people who are directly charged for services and grants and contributions received by the Health District that must provide a specific service. The net (disbursements) receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers, state subsidies and cash balances of grant and fee programs. These net costs are paid from the general receipts which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost for both 2020 and 2019 is presented in Table 3 below.

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>
Environmental health:				
General environmental health	\$ 197,362	\$ 154,744	\$ 271,310	\$ 220,586
Food service	85,161	(70,596)	98,988	(10,642)
Plumbing	164,435	128,927	183,380	149,095
Water	57,016	(3,866)	51,693	(1,860)
Sewage	328,481	(142,199)	365,183	(92,222)
Pools/Spas	4,502	(2,599)	5,593	(3,456)
Camps/MHP	110	(1,244)	1,198	(866)
Solid waste	7,642	2,547	8,338	3,410
Radon	45,303	35,520	44,947	36,544
Rabies	3,899	3,057	5,032	4,091
Mosquito	19,837	15,553	20,904	16,996
County CARES funds	199,990	(61,115)	-	-
Contract tracing	188,774	(57,687)	-	-
COVID-19	190,124	(58,100)	-	-
Personal health:				
General nursing & ohio children's trust	327,550	68,964	357,186	112,878
Health education and partnerships	138,604	29,182	230,403	72,813
Injury prevention	321,402	67,669	156,393	49,424
Safe & drug freecommunities	10,270	(109)	27,570	4,147
Immunization action plan	8,730	1,838	42,287	13,364
LEADS/central intake	65,631	13,818	64,343	20,333
Prescription assistance	11,713	2,466	15,386	4,862
Maternal & child health	15,635	15,620	8,059	(27,429)
Reproductive health & wellness	200,429	42,198	219,774	69,454
Clinics/BCMH	309,403	65,142	391,476	123,715
Public health infrastructure/MRC/Radiation	252,298	(77,100)	282,987	79,372
Vital statistics	92,836	72,789	108,290	88,044
Administration	944,542	740,580	1,131,315	919,806
General health district & LGIF	251,913	197,515	239,166	189,037
Totals	<u>\$ 4,443,592</u>	<u>\$ 1,183,514</u>	<u>\$ 4,331,201</u>	<u>\$ 2,041,496</u>

The Health District has attempted to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. About 48.56% of the Health District's costs are supported through property taxes, unrestricted grants and other general receipts.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)**

The Health District's Funds

Total governmental funds had receipts and other financing sources of \$6,022,788 and disbursements and other financing uses of \$5,048,592.

In 2020, the general fund had receipts and other financing sources of \$2,534,152 and disbursements and other financing sources of \$2,320,127. The fund balance of the general fund increased by \$214,025 due mainly to an increase in intergovernmental receipts. The general fund had an overall increase in receipts and a decrease in disbursements.

The public nursing fund, a major fund, accounts for receipts collected from general nursing and other various personal health activities throughout the county. Receipts, primarily in the form of intergovernmental monies, charges for services, miscellaneous sources, and other financing sources of \$1,692,185 represent an increase of \$81,780 from 2019. Disbursements of \$1,383,642 decreased \$93,786 as compared to 2019. The overall fund balance increased \$308,723 from \$614,104 to \$922,827.

The public health infrastructure fund, a major fund, accounts for federal grant monies to improve the emergency preparedness of the County. Receipts of \$1,085,188 represent an increase of \$881,573 from 2019. Disbursements of \$831,186 increased \$548,199 as compared to 2019. The overall fund balance increased \$254,002 from \$253,414 to \$507,416.

The sewage fund, a major fund, accounts for receipts collected from fees, licenses, permits, and grants received from the EPA for sewage programs. Receipts were \$470,680 in 2020. Disbursements were \$328,481. The overall fund balance increased \$142,199 from \$322,064 to \$464,263.

General Fund Budgeting Highlights

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

During the course of 2020, the Health District amended its appropriations, and the budgetary statements reflect both the original and final appropriated amounts. The general fund's final budgeted receipts and other financing sources of \$2,438,609 were less than original budgeted receipts and other financing sources of \$2,438,609. Actual receipts were \$2,534,152, which were \$95,543 more than final budget estimates. Actual budgetary-basis disbursements and other financing uses of \$2,468,052 were \$779,945 less than final appropriated expenditures and other financing uses of \$3,247,997.

Capital Assets

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

Contacting the District's Financial Management

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2020

	Governmental Activities
Assets	
Equity in pooled cash and cash equivalents with fiscal agent . . .	\$ 4,060,714
 Net position	
Restricted for:	
Public health nursing	\$ 922,827
Public health infrastructure	507,416
Sewage	464,263
Other public health programs	439,138
Unrestricted.	1,727,070
Total net position	\$ 4,060,714

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Governmental activities:				
Environmental health:				
General environmental health	\$ 197,362	\$ 42,618	\$ -	\$ (154,744)
Food service	85,161	137,053	18,704	70,596
Plumbing	164,435	35,508	-	(128,927)
Water	57,016	59,959	923	3,866
Sewage.	328,481	391,439	79,241	142,199
Pools/spas	4,502	7,010	91	2,599
Camps/MHP.	110	1,354	-	1,244
Solid waste.	7,642	-	5,095	(2,547)
Radon	45,303	9,783	-	(35,520)
Rabies	3,899	842	-	(3,057)
Mosquito	19,837	4,284	-	(15,553)
County CARES funds	199,990	16,869	244,236	61,115
Contract tracing	188,774	15,923	230,538	57,687
COVID-19	190,124	16,037	232,187	58,100
Personal health:				
General nursing & ohio children's trust.	327,550	39,728	218,858	(68,964)
Health education and partnerships	138,604	16,811	92,611	(29,182)
Injury prevention	321,402	38,982	214,751	(67,669)
Safe & drug free communities	10,270	-	10,379	109
Immunization action plan	8,730	1,059	5,833	(1,838)
LEADS/central intake	65,631	7,960	43,853	(13,818)
Prescription assistance	11,713	1,421	7,826	(2,466)
Maternal & child health	15,635	-	15	(15,620)
Reproductive health & wellness	200,429	24,310	133,921	(42,198)
Clinics/BCMH	309,403	37,527	206,734	(65,142)
Public health infrastructure/MRC/radiation	252,298	21,281	308,117	77,100
Vital statistics	92,836	20,047	-	(72,789)
Administration	944,542	203,962	-	(740,580)
General health district & LGIF	251,913	54,398	-	(197,515)
Total governmental activities	\$ 4,443,592	\$ 1,206,165	\$ 2,053,913	(1,183,514)
General Receipts:				
Property taxes and other local taxes				
levied for general health district purposes				1,827,913
Grants and entitlements not restricted to specific programs.				291,781
Investment income.				257
Miscellaneous				37,759
Total general receipts.				2,157,710
Change in net position				974,196
Net position at beginning of year.				3,086,518
Net position at end of year				\$ 4,060,714

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Public Health Nursing Fund</u>	<u>Public Health Infrastructure Fund</u>	<u>Sewage Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in pooled cash and cash equivalents with fiscal agent	\$ 1,727,070	\$ 922,827	\$ 507,416	\$ 464,263	\$ 439,138	\$ 4,060,714
Fund Balances						
Restricted:						
Environmental health:						
Food service	\$ -	\$ -	\$ -	\$ -	\$ 158,441	\$ 158,441
Water	-	-	-	-	38,422	38,422
Sewage	-	-	-	464,263	-	464,263
Pools/spas	-	-	-	-	63,934	63,934
Camps/MHP	-	-	-	-	6,688	6,688
Solid waste	-	-	-	-	12,749	12,749
Personal health:						
Safe & drug free communities	-	-	-	-	77,041	77,041
Maternal & child health	-	-	-	-	81,863	81,863
Public health nursing	-	922,827	-	-	-	922,827
Public health infrastructure/MRC/radiation	-	-	507,416	-	-	507,416
Committed:						
Compensated absences	27,933	-	-	-	-	27,933
Assigned:						
Outstanding encumbrances	119,992	-	-	-	-	119,992
Unassigned	1,579,145	-	-	-	-	1,579,145
Total fund balances	<u>\$ 1,727,070</u>	<u>\$ 922,827</u>	<u>\$ 507,416</u>	<u>\$ 464,263</u>	<u>\$ 439,138</u>	<u>\$ 4,060,714</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Public Health Nursing Fund	Public Health Infrastructure Fund	Sewage Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receipts						
Property and other local taxes.	\$ 1,827,913	\$ -	\$ -	\$ -	\$ -	\$ 1,827,913
Intergovernmental.	291,781	853,046	1,009,014	72,999	31,324	2,258,164
Fees, licenses and permits	289,772	-	-	391,439	205,347	886,558
Contractual services.	-	63,500	62,110	-	-	125,610
Charges for services.	81,670	104,298	8,000	-	-	193,968
Donations.	-	789	-	-	-	789
Investment income.	257	-	119	-	-	376
Miscellaneous	37,759	70,552	5,945	6,242	3,912	124,410
Total receipts.	<u>2,529,152</u>	<u>1,092,185</u>	<u>1,085,188</u>	<u>470,680</u>	<u>240,583</u>	<u>5,417,788</u>
Disbursements						
Current:						
Environmental health:						
General environmental health.	197,362	-	-	-	-	197,362
Food service	-	-	-	-	85,161	85,161
Plumbing	164,435	-	-	-	-	164,435
Water	-	-	-	-	57,016	57,016
Sewage.	-	-	-	328,481	-	328,481
Pools/spas	-	-	-	-	4,502	4,502
Camps/MHP.	-	-	-	-	110	110
Solid waste.	-	-	-	-	7,642	7,642
Radon	45,303	-	-	-	-	45,303
Rabies	3,899	-	-	-	-	3,899
Mosquito	19,837	-	-	-	-	19,837
County CARES funds.	-	-	199,990	-	-	199,990
Contract tracing.	-	-	188,774	-	-	188,774
COVID-19.	-	-	190,124	-	-	190,124
Personal health:						
General nursing & ohio children's trust	-	327,550	-	-	-	327,550
Health education and partnerships	-	138,604	-	-	-	138,604
Injury prevention	-	321,402	-	-	-	321,402
Safe & drug free communities	-	-	-	-	10,270	10,270
Immunization action plan	-	8,730	-	-	-	8,730
LEADS/central intake	-	65,631	-	-	-	65,631
Prescription assistance	-	11,713	-	-	-	11,713
Maternal & child health	-	-	-	-	15,635	15,635
Reproductive health & wellness	-	200,429	-	-	-	200,429
Clinics/BCMH	-	309,403	-	-	-	309,403
Public health infrastructure/MRC/radiation	-	-	252,298	-	-	252,298
Vital statistics	92,836	-	-	-	-	92,836
Administration	944,542	-	-	-	-	944,542
General health district & LGIF	251,913	-	-	-	-	251,913
Total disbursements	<u>1,720,127</u>	<u>1,383,462</u>	<u>831,186</u>	<u>328,481</u>	<u>180,336</u>	<u>4,443,592</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>809,025</u>	<u>(291,277)</u>	<u>254,002</u>	<u>142,199</u>	<u>60,247</u>	<u>974,196</u>
Other financing sources (uses)						
Transfers in	-	600,000	-	-	-	600,000
Transfers (out).	(600,000)	-	-	-	-	(600,000)
Advances in	5,000	-	-	-	-	5,000
Advances (out)	-	-	-	-	(5,000)	(5,000)
Total other financing sources (uses).	<u>(595,000)</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balances	214,025	308,723	254,002	142,199	55,247	974,196
Fund balances at beginning of year.	<u>1,513,045</u>	<u>614,104</u>	<u>253,414</u>	<u>322,064</u>	<u>383,891</u>	<u>3,086,518</u>
Fund balances at end of year	<u>\$ 1,727,070</u>	<u>\$ 922,827</u>	<u>\$ 507,416</u>	<u>\$ 464,263</u>	<u>\$ 439,138</u>	<u>\$ 4,060,714</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and other local taxes	\$ 1,870,086	\$ 1,870,086	\$ 1,827,913	\$ (42,173)
Intergovernmental	267,648	267,648	291,781	24,133
Fees, licenses and permits	206,875	206,875	289,772	82,897
Charges for services	74,000	74,000	81,670	7,670
Investment income	-	-	257	257
Miscellaneous	15,000	15,000	37,759	22,759
	<u>2,433,609</u>	<u>2,433,609</u>	<u>2,529,152</u>	<u>95,543</u>
Total receipts	<u>2,433,609</u>	<u>2,433,609</u>	<u>2,529,152</u>	<u>95,543</u>
Disbursements				
Current:				
Environmental health:				
General environmental health	308,894	311,341	203,140	108,201
Plumbing	172,803	182,708	164,900	17,808
Radon	62,225	61,997	51,170	10,827
Rabies	10,139	10,139	3,949	6,190
Mosquito	14,095	23,178	19,837	3,341
Vital statistics	143,855	137,562	92,901	44,661
Administration	1,349,274	1,333,532	1,022,542	310,990
General health district & LGIF	336,869	337,540	281,680	55,860
	<u>2,398,154</u>	<u>2,397,997</u>	<u>1,840,119</u>	<u>557,878</u>
Total disbursements	<u>2,398,154</u>	<u>2,397,997</u>	<u>1,840,119</u>	<u>557,878</u>
Excess of receipts over disbursements.	<u>35,455</u>	<u>35,612</u>	<u>689,033</u>	<u>653,421</u>
Other financing sources (uses)				
Transfers out	(850,000)	(850,000)	(627,933)	222,067
Advances in	5,000	5,000	5,000	-
	<u>(845,000)</u>	<u>(845,000)</u>	<u>(622,933)</u>	<u>222,067</u>
Total other financing sources (uses)	<u>(845,000)</u>	<u>(845,000)</u>	<u>(622,933)</u>	<u>222,067</u>
Net change in fund balance	(809,545)	(809,388)	66,100	875,488
Unencumbered fund balance beginning of year	1,115,011	1,115,011	1,115,011	-
Prior year encumbrances appropriated	398,034	398,034	398,034	-
	<u>1,513,045</u>	<u>1,513,045</u>	<u>1,513,045</u>	<u>-</u>
Unencumbered fund balance end of year	<u>\$ 703,500</u>	<u>\$ 703,657</u>	<u>\$ 1,579,145</u>	<u>\$ 875,488</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts				
Intergovernmental	\$ 784,849	\$ 960,107	\$ 853,046	\$ (107,061)
Contractual services	-	-	63,500	63,500
Fees, licenses and permits	2,500	2,500	-	(2,500)
Charges for services	204,500	204,500	104,298	(100,202)
Donations	1,000	1,000	789	(211)
Miscellaneous	20,000	20,000	70,552	50,552
Total receipts	<u>1,012,849</u>	<u>1,188,107</u>	<u>1,092,185</u>	<u>(95,922)</u>
Disbursements				
Current:				
Personal health:				
General nursing & ohio children's trust	401,009	401,398	331,769	69,629
Health education and partnerships	420,896	419,428	154,158	265,270
Injury prevention	416,720	639,129	397,746	241,383
Immunization action plan	26,346	38,186	8,772	29,414
LEADS/central intake	69,175	68,609	67,433	1,176
Prescription assistance	18,152	16,321	16,215	106
Reproductive health & wellness	272,723	265,716	235,612	30,104
Clinics/BCMH	<u>431,315</u>	<u>424,676</u>	<u>313,843</u>	<u>110,833</u>
Total disbursements	<u>2,056,336</u>	<u>2,273,463</u>	<u>1,525,548</u>	<u>747,915</u>
Excess of disbursements over receipts	<u>(1,043,487)</u>	<u>(1,085,356)</u>	<u>(433,363)</u>	<u>651,993</u>
Other financing sources:				
Transfers in	<u>850,000</u>	<u>850,000</u>	<u>600,000</u>	<u>(250,000)</u>
Total other financing sources	<u>850,000</u>	<u>850,000</u>	<u>600,000</u>	<u>(250,000)</u>
Net change in fund balance	(193,487)	(235,356)	166,637	401,993
Unencumbered fund balance beginning of year	546,918	546,918	546,918	-
Prior year encumbrances appropriated	<u>67,186</u>	<u>67,186</u>	<u>67,186</u>	<u>-</u>
Unencumbered fund balance end of year	<u>\$ 420,617</u>	<u>\$ 378,748</u>	<u>\$ 780,741</u>	<u>\$ 401,993</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 158,135	\$ 1,203,549	\$ 1,009,014	\$ (194,535)
Contractual services	68,750	83,627	70,110	(13,517)
Investment income	-	142	119	(23)
Miscellaneous	-	7,091	5,945	(1,146)
	<u>226,885</u>	<u>1,294,409</u>	<u>1,085,188</u>	<u>(209,221)</u>
Disbursements				
Current:				
Environmental health:				
County CARES funds	-	205,048	199,990	5,058
Contact tracing	-	273,398	252,941	20,457
COVID-19	-	579,357	491,063	88,294
Public health infrastructure	303,963	312,604	283,784	28,820
	<u>303,963</u>	<u>1,370,407</u>	<u>1,227,778</u>	<u>142,629</u>
Total disbursements	<u>303,963</u>	<u>1,370,407</u>	<u>1,227,778</u>	<u>142,629</u>
Net change in fund balance	(77,078)	(75,998)	(142,590)	(66,592)
Unencumbered fund balance beginning of year	252,254	252,254	252,254	-
Prior year encumbrances appropriated	1,160	1,160	1,160	-
Unencumbered fund balance end of year	<u>\$ 176,336</u>	<u>\$ 177,416</u>	<u>\$ 110,824</u>	<u>\$ (66,592)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SEWAGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 72,999	\$ (77,001)
Fees, licenses and permits	320,250	320,250	391,439	71,189
Miscellaneous	-	-	6,242	6,242
Total receipts	<u>470,250</u>	<u>470,250</u>	<u>470,680</u>	<u>430</u>
Disbursements				
Current:				
Sewage.	<u>545,856</u>	<u>525,843</u>	<u>335,705</u>	<u>190,138</u>
Net change in fund balance	(75,606)	(55,593)	134,975	190,568
Unencumbered fund balance beginning of year	253,693	253,693	253,693	-
Prior year encumbrances appropriated	<u>68,371</u>	<u>68,371</u>	<u>68,371</u>	<u>-</u>
Unencumbered fund balance end of year	<u>\$ 246,458</u>	<u>\$ 266,471</u>	<u>\$ 457,039</u>	<u>\$ 190,568</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 - REPORTING ENTITY

The Union County General Health District (the “Health District”), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A seven-member Board of Health (the “Board”) governs the Health District. Three members are appointed by the District Advisory Council on behalf of the townships, two members are appointed by the City of Marysville, one member is appointed by the District Advisory Council as a medical representative, and one member is appointed by the Licensing Council that represents vendors who are inspected or certified by the 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 communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, and emergency response planning.

B. Public Entity Risk Pool

The Health District participates in the Public Entities Pool of Ohio, a public entity risk pool. This organization is presented in Note 11 to the financial statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The 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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

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

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

Public Health Infrastructure Fund – This fund accounts for federal grant monies to improve the emergency preparedness of the County.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Sewage Fund - This fund accounts for and reports grants received from the EPA restricted for sewage programs of the Health District.

The other governmental funds of the Health District account for grants and other resources that are restricted or committed 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. Any such modifications made by the Health District are described in the appropriate section in this note.

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

D. Budgetary Process

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

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the Health District if the 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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Health.

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

E. Cash and Investments

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

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. The Health District has no restricted assets at December 31, 2020.

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. 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.

J. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Long-Term Obligations

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

L. Net Position

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

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

M. Fund Cash Balance

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

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

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

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

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

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

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.

O. 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.

The fund financial statements report outstanding interfund loans as interfund receivables/payables. Interfund loans which do not represent available expendable resources are classified as nonspendable fund balance. Interfund balances are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

NOTE 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, public health nursing fund, public health infrastructure and sewage fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

In addition, as part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds (salary and benefit stabilization) are considered part of the General fund on the cash basis.

Adjustments necessary to convert the results of operations at the end of the year on the budget-basis to the cash basis are as follows:

	<u>General Fund</u>	<u>Public Health Nursing Fund</u>	<u>Public Health Infrastructure Fund</u>	<u>Sewage Fund</u>
Cash basis	\$ 214,025	\$ 308,723	\$ 254,002	\$ 142,199
Funds budgeted elsewhere	(27,933)	-	-	-
Less: encumbrances	(119,992)	(142,086)	(396,592)	(7,224)
Budget-basis	<u>\$ 66,100</u>	<u>\$ 166,637</u>	<u>\$ (142,590)</u>	<u>\$ 134,975</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2020, the Health District has implemented GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended December 31, 2020. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed. The following pronouncement is postponed by one year and the Health District has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the Health District has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

Real property taxes received in 2020 were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes received in 2019 were collected in and intended to finance 2020. Real property taxes received in 2020 were collected in and intended to finance 2021.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - PROPERTY TAXES - (Continued)

The full tax rate for all Health District operations for the year ended December 31, 2020 was \$1.25 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

	Tax Year 2020
Real property:	
Agriculture	\$ 285,210,590
Residential	1,249,842,690
Commercial/Industrial/Mineral	241,901,270
Public utility personal property:	
Real estate	335,250
Personal	146,549,130
Total assessed valuation	\$ 1,923,838,930

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

NOTE 6 - RISK MANAGEMENT

The Health District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Health District contracted with the Public Entities Pool of Ohio for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
<u>Public Entities Pool of Ohio</u>		
Blanket Property and Contents, Replacement	\$ 178,500	\$ 500
General Liability	7,000,000	1,000
Automotive Liability	7,000,000	1,000
Wrongful Acts	7,000,000	1,000
Employment Practice Liability	7,000,000	1,000
Computer - Hardware and Software	301,000	500
Public Employee and Dishonesty	5,000	-
Money and Securities	10,000	-

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

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 - RISK MANAGEMENT - (Continued)

The Health District manages employee health benefits on a fully-insured basis. The employee health benefit plan provided basic health coverage through Medical Mutual of Ohio in 2020, which reviews and pays the medical claims. The Health District provided dental insurance through Delta Dental directly in 2020, which reviews and pays the dental claims. For 2020, monthly premiums were as follows:

Coverage	Monthly Premium	
	Medical	Dental
Employee plus spouse and more than two children	\$ 1,715.41	
Employee plus spouse and two children	1,455.54	
Employee plus spouse and one child	1,269.92	
Employee plus spouse	1,084.30	
Employee plus more than two children	1,187.31	
Employee plus two children	915.96	
Employee plus one child	730.34	
Single coverage	544.72	
Employee plus two or more dependents		\$ 126.00
Employee plus one dependent		65.38
Single coverage		33.53

Medical Mutual of Ohio charged the Health District a medical administration fee of \$25.00 per month to administer the respective medical plans.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description – Health District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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

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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). 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 on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - 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 annuitization of the benefit (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.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Health District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$287,728 for 2020.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 - DEFINED BENEFIT OPEB PLANS

Plan Description - Ohio Public Employees Retirement System (OPERS)

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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

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 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. 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 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District did not make any contributions to fund OPEB for 2020.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 9 - INTERFUND TRANSFERS

During 2020, the following transfers were made:

<u>Transfers from General Fund to:</u>	
Public Health Nursing Fund	<u>\$ 600,000</u>

Transfers represent the allocation of unrestricted receipts collected in the general fund to finance current operations accounted for in other funds in accordance with budgetary authorizations. The transfers above were made to provide additional resources for current public health nursing operations.

NOTE 10 - INTERFUND BALANCES

The District advanced \$5,000 to the General Fund from the safe communities grant fund (a nonmajor governmental fund) for the repayment of a prior year advance.

NOTE 11 - LEASE AGREEMENT WITH UNION COUNTY

In February 2019, the District entered into a 10-year lease agreement with Union County for 14,866 square feet of office space. Under the lease agreement, the County provided \$500,000 in note proceeds which the District will repay over the term of the lease. The District is to pay quarterly lease payments of \$37,165 which includes a base rent payment of \$22,081 and debt service payments of \$15,084. During 2020, the District made lease payments related to this agreement of \$37,165. At December 31, 2020, the balance outstanding on the debt associated with the lease was \$447,341.

The future minimum lease payments as of December 31, 2020 are as follows:

<u>Year Ending December 31,</u>	<u>Minimum Lease Payments</u>
2021	\$ 148,660
2022	148,660
2023	148,660
2024	148,660
2025	148,660
2026 - 2029	<u>557,475</u>
Total minimum lease payments	<u>\$ 1,300,775</u>

NOTE 12 - 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 cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - PUBLIC ENTITY RISK POOL

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

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

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

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

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

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

NOTE 14 - OHIO DEPARTMENT OF HEALTH FUNDS

During the year ended December 31, 2020, the District received federal funding passed through the Ohio Department of Health as follows:

Federal Grantor/ Grant Title	CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services:		
Coronavirus Response/COVID-19 Contact Tracing	21.019	\$ 520,209
Indoor Radon	66.032	56,750
Public Health Emergency Preparedness	93.069	198,659
Opioid	93.136	145,666
Reproductive Health and Wellness	93.217	131,536
Get Vaccinated Ohio	93.268	10,603
Coronavirus Response	93.354	58,871
Opioid STR (Naloxone)	93.788	66,250
Creating Healthy Communities/Injury Prevention	93.991	242,100
Reproductive Health and Wellness	93.994	17,164
 Total		 <u>\$ 1,447,808</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 15 - 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 Health District. The impact on the Health District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program/Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipient	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation</i>				
Formula Grants for Other Than Urbanized Areas	20.509	OCPX-0080-024-201	\$ -	\$ 36,479
Enhanced Mobility of Seniors and Individuals with Disabilities Specialized Transportation Program	20.513	OH-2019-038	-	7,832
<i>Passed Through Ohio Department of Public Safety</i>				
State and Community Highway Safety	20.600	SC-2020-Union County Health Distr-00012 SC-2021-Union County Health Distr-00025	-	6,623
			-	1,417
Total U.S. Department of Transportation			<u>-</u>	<u>52,351</u>
U.S. DEPARTMENT OF THE TREASURY				
<i>Passed Through Ohio Department of Health</i>				
Coronavirus Relief Fund	21.019	08010012CO0121	27,043	131,445
Coronavirus Relief Fund	21.019	08010012CT0120	54,987	188,774
Coronavirus Relief Fund	21.019	N/A	-	199,990
Total U.S. Department of Treasury			<u>82,030</u>	<u>520,209</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Health</i>				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)	93.069	08010012PH1120	38,144	127,403
	93.069	08010012PH1221	-	71,256
			<u>38,144</u>	<u>198,659</u>
<i>Passed Through Ohio Department of Health</i>				
Injury Prevention and Control Research and State and Community Based Programs	93.136	08010014DR0120	-	118,250
	93.136	08010014DR0221	-	27,416
			-	145,666
Family Planning Services	93.217	08010011RH0920	-	13,451
	93.217	08010011RH1021	-	118,085
			-	131,536
Immunization Cooperative Agreements	93.268	08010012GV0221	-	10,603
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	08010012CO0120	21,284	58,871
<i>Passed Through Ohio Department of Health</i>				
Opioid STR (Naloxone)	93.788	08010014IN0221	-	60,500
	93.788	08010014IN0322	-	5,750
			-	66,250
Preventative Health and Human Services Block Grant				
Creating Healthy Communities	93.991	08010014CC0620	-	95,700
Injury Prevention	93.991	08010014IF0220	-	132,900
Injury Prevention	93.991	08010014IF0321	-	13,500
Total Preventative HHS Block Grant			<u>-</u>	<u>242,100</u>
Maternal and Child Health Services Block Grant	93.994	08010011RH0920	-	17,164
Total U.S. Department of Health and Human Services			<u>59,428</u>	<u>870,849</u>
Environmental Protection Agency				
<i>Passed Through Ohio Department of Health</i>				
Indoor Radon Grant	66.032	08010012IR0119	-	46,750
Indoor Radon Grant	66.032	08010012IR0521	-	10,000
Total Environmental Protection Agency			<u>-</u>	<u>56,750</u>
Total			<u>\$ 141,458</u>	<u>\$ 1,500,159</u>

The accompanying notes are an integral part of this schedule.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Union County General Health District (the District's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The District passes certain federal awards received from the Ohio Department of Health to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.



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

April 29, 2022

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

To the Board of Health:

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 cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Union County General Health District**, Union County, (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 29, 2022 wherein we 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) to determine the 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 communication is not suitable for any other purpose.

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

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

April 29, 2022

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

To the Board of Health:

Report on Compliance for each Major Federal Program

We have audited Union County General Health District's (the District's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Union County General Health District's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

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Opinion on each Major Federal Program

In our opinion, Union County General Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY**

**SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Coronavirus Relief Fund, AL #21.019, Preventative Health and Human Services Block Grant AL #93.991
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS FOR FEDERAL AWARDS

None



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INDEPENDENT AUDITOR'S REPORT

April 29, 2022

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

To the Board of Health:

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 Union County General Health District, Union County, Ohio (the District), as of and for the year ended December 31, 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.

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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, 2019, and the respective changes in cash financial position and the respective budgetary comparison for the General, Public Health Infrastructure, and Sewage funds thereof for the year 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.

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 April 29, 2022, 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)**

The discussion and analysis of the Union County General Health District's, Union County, Ohio (the "Health District") financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2019, within the limitations of the 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 the basic financial statements to enhance their understanding of the Health District's financial performance.

Financial Highlights

Key financial highlights for the year 2019 are as follows:

- Net position of governmental activities increased \$315,799 or 11.40% as compared to 2018.
- General receipts in the form of property taxes, unrestricted grants and entitlements, proceeds from note issuance, and miscellaneous receipts comprise the largest percentage of the Health District's receipts, accounting for \$2,357,295 or 50.73% of all dollars coming into the Health District. Program specific receipts in the form charges for services and operating grants and contributions make up the remaining of the Health District's receipts, accounting for \$2,289,705 or 49.27%.
- The Health District had \$4,331,201 in disbursements during 2019.
- In 2019, the general fund had receipts and other financing sources of \$2,737,440 and disbursements and other financing uses of \$2,709,344. The fund balance of the general fund increased by \$28,906 from \$1,484,949 to \$1,513,045.
- The public nursing fund, a major fund, accounts for receipts collected from general nursing and other various personal health activities throughout the county. Receipts, primarily in the form of intergovernmental monies, charges for services, donations and other miscellaneous sources, and other financing sources of \$1,610,405 represents an increase of \$133,157 from 2018. Disbursements of \$1,477,248 increased \$125,093 as compared to 2018. The overall fund balance increased \$133,157 from \$480,947 to \$614,104.
- The sewage fund, a major fund, accounts for receipts collected from fees, licenses, permits, and grants received from the EPA for sewage programs. Receipts and other financing sources were \$557,405 in 2019. Disbursements were \$365,183. The overall fund balance increased \$192,222 from \$129,842 to \$322,064.

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 is applicable to the District's cash basis of accounting.

Report Components

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis 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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)**

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 accounting principles generally accepted in the United States of America (GAAP). Under the Health District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this 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 these financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Health District as a Whole

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis reflect how the Health District performed financially during 2019, within the limitations of the cash basis of accounting. The Statement of Net Position - Cash Basis presents the cash balances of the governmental activities of the Health District at year end. The Statement of Activities - Cash Basis compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

These statements report the Health District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, one 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, one should also consider other non-financial factors as well such as the condition of the Health District's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources.

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

Reporting the Health District's Most Significant Funds

Fund Financial Statements

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)**

Governmental Funds - 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 health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Health District's health programs. The Health District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor 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, the public health nursing fund, and the sewage fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Health District as a Whole

Table 1 provides a summary of the Health District's cash basis net position at December 31, 2019 compared to December 31, 2018.

**Table 1
Statement of Net Position - Cash Basis**

	Governmental Activities	
	2019	2018
Assets		
Equity in pooled cash and cash equivalents	\$ 3,086,518	\$ 2,770,719
Net Position		
Restricted for:		
Public health nursing	\$ 614,104	\$ 480,947
Public health infrastructure	253,414	332,786
Sewage	322,064	129,842
Other public health programs	383,891	342,195
Unrestricted	1,513,045	1,484,949
Total Net Position	\$ 3,086,518	\$ 2,770,719

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

Table 2 reflects the change in net position on a cash basis in 2019 as compared to 2018:

**Table 2
Changes in Net Position - Cash Basis**

	Governmental Activities	
	2019	2018
Receipts		
Program cash receipts:		
Charges for services and sales	\$ 1,210,028	\$ 1,002,748
Operating grants and contributions	1,079,677	1,157,153
Total program cash receipts	<u>2,289,705</u>	<u>2,159,901</u>
General receipts:		
Property taxes	1,526,768	1,489,288
Grants and entitlements	304,907	256,799
Proceeds on note issuance	500,000	-
Miscellaneous	25,620	13,336
Total general receipts	<u>2,357,295</u>	<u>1,759,423</u>
Total Receipts	<u>4,647,000</u>	<u>3,919,324</u>
Disbursements		
Environmental health:		
General environmental health	271,310	223,581
Food service	98,988	106,684
Plumbing	183,380	179,362
Water	51,693	47,490
Sewage	365,183	538,457
Pools/Spas	5,593	5,474
Camps/MHP	1,198	1,631
Solid waste	8,338	3,926
Radon	44,947	49,174
Rabies	5,032	1,759
Mosquito	20,904	6,034
Personal health:		
General nursing & ohio children's trust	357,186	322,744
Health education and partnerships	230,403	253,185
Injury prevention	156,393	125,821
Safe communities	27,570	29,285
Immunization action plan	42,287	38,987
LEADS/central intake	64,343	63,611
Prescription assistance	15,386	14,975
Maternal & child health	8,059	36,342
Reproductive health & wellness	219,774	215,340
Clinics/BCMH	391,476	317,492
Public health infrastructure/MRC/Radiation	282,987	273,314
Vital statistics	108,290	101,026
Administration	1,131,315	634,809
General health district & LGIF	239,166	238,607
Total Disbursements	<u>4,331,201</u>	<u>3,829,110</u>
Change in net position	315,799	90,214
Net position at beginning of year	<u>2,770,719</u>	<u>2,680,505</u>
Net position at end of year	<u>\$ 3,086,518</u>	<u>\$ 2,770,719</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)**

In 2019, 50.73% of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general Health District purposes. Program receipts accounted for 49.27% of the Health District's total receipts in year 2019. These receipts consist primarily of charges for services for birth and death certificates, food services licenses, trailer park permits, swimming pools permits, and water system permits and state and federal operating grants and donations.

Governmental Activities

If you look at the Statement of Activities for 2019 on page 10, you will see that the first column lists the major disbursements of the Health District. The next column identifies the amount of these disbursements. In 2019, the major program disbursements for governmental activities were: administration and clinics/BCMh, which accounted for 25.95% and 8.98% of all governmental disbursements, respectively. The next two columns of the statement entitled Program Receipts identify amounts paid by people who are directly charged for services and grants and contributions received by the Health District that must provide a specific service. The net (disbursements) receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers, state subsidies and cash balances of grant and fee programs. These net costs are paid from the general receipts which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost for both 2019 and 2018 is presented in Table 3 below.

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Environmental health:				
General environmental health	\$ 271,310	\$ 220,586	\$ 223,581	\$ 221,983
Food service	98,988	(10,642)	106,684	(2,571)
Plumbing	183,380	149,095	179,362	(43,838)
Water	51,693	(1,860)	47,490	(4,801)
Sewage	365,183	(92,222)	538,457	120,195
Pools/Spas	5,593	(3,456)	5,474	(2,761)
Camps/MHP	1,198	(866)	1,631	(184)
Solid waste	8,338	3,410	3,926	(964)
Radon	44,947	36,544	49,174	(10,826)
Rabies	5,032	4,091	1,759	1,759
Mosquito	20,904	16,996	6,034	(8,626)
Personal health:				
General nursing & ohio children's trust	357,186	112,878	322,744	193,719
Health education and partnerships	230,403	72,813	253,185	161,985
Injury prevention	156,393	49,424	125,821	4,128
Safe & drug free communities	27,570	4,147	29,285	520
Immunization action plan	42,287	13,364	38,987	(7,654)
LEADS/central intake	64,343	20,333	63,611	(12,889)
Prescription assistance	15,386	4,862	14,975	640
Maternal & child health	8,059	(27,429)	36,342	11,578
Reproductive health & wellness	219,774	69,454	215,340	30,341
Clinics/BCMh	391,476	123,715	317,492	113,219
Public health infrastructure/MRC/Radiation	282,987	79,372	273,314	13,141
Vital statistics	108,290	88,044	101,026	17,699
Administration	1,131,315	919,806	634,809	634,809
General health district & LGIF	239,166	189,037	238,607	238,607
Totals	<u>\$ 4,331,201</u>	<u>\$ 2,041,496</u>	<u>\$ 3,829,110</u>	<u>\$ 1,669,209</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)**

The Health District has attempted to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. About 47.13% of the Health District's costs are supported through property taxes, unrestricted grants and other general receipts.

The Health District's Funds

Total governmental funds had receipts and other financing sources of \$5,352,000 and disbursements and other financing uses of \$5,036,201.

In 2019, the general fund had receipts and other financing sources of \$2,737,440 and disbursements and other financing uses of \$2,709,344. The fund balance of the general fund increased by \$28,906 due mainly to proceeds from note issuance. The general fund had an increase in receipts and a decrease in disbursements.

The public nursing fund, a major fund, accounts for receipts collected from general nursing and other various personal health activities throughout the county. Receipts, primarily in the form of intergovernmental monies, charges for services, miscellaneous sources, and other financing sources of \$1,610,405 represent an increase of \$191,682 from 2018. Disbursements of \$1,477,248 increased \$125,093 as compared to 2018. The overall fund balance increased \$133,157 from \$480,947 to \$614,104.

The sewage fund, a major fund, accounts for receipts collected from fees, licenses, permits, and grants received from the EPA for sewage programs. Receipts and other financing sources were \$557,405 in 2019. Disbursements were \$365,183. The overall fund balance increased \$192,222 from \$129,842 to \$322,064.

General Fund Budgeting Highlights

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

During the course of 2019, the Health District amended its appropriations, and the budgetary statements reflect both the original and final appropriated amounts. The general fund's final budgeted receipts and other financing sources of \$2,534,546 were more than original budgeted receipts and other financing sources of \$2,464,546. Actual receipts were \$2,737,440, which were \$202,894 more than final budget estimates. Actual budgetary-basis disbursements and other financing uses of \$3,107,738 were \$552,385 less than final appropriated expenditures and other financing uses of \$3,659,763.

Capital Assets

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

Contacting the District's Financial Management

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2019

	Governmental Activities
Assets	
Equity in pooled cash and cash equivalents with fiscal agent . . .	\$ 3,086,518
 Net position	
Restricted for:	
Public health nursing	\$ 614,104
Public health infrastructure	253,414
Sewage	322,064
Other public health programs	383,891
Unrestricted.	1,513,045
Total net position	\$ 3,086,518

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Environmental health:				
General environmental health	\$ 271,310	\$ 50,724	\$ -	\$ (220,586)
Food service	98,988	100,631	8,999	10,642
Plumbing	183,380	34,285		(149,095)
Water	51,693	53,242	311	1,860
Sewage	365,183	317,924	139,481	92,222
Pools/spas	5,593	9,015	34	3,456
Camps/MHP	1,198	2,050	14	866
Solid waste	8,338	-	4,928	(3,410)
Radon	44,947	8,403	-	(36,544)
Rabies	5,032	941	-	(4,091)
Mosquito	20,904	3,908	-	(16,996)
Personal health:				
General nursing & ohio children's trust	357,186	68,251	176,057	(112,878)
Health education and partnerships	230,403	44,025	113,565	(72,813)
Injury prevention	156,393	29,883	77,086	(49,424)
Safe & drug free communities	27,570	-	23,423	(4,147)
Immunization action plan	42,287	8,080	20,843	(13,364)
LEADS/central intake	64,343	12,295	31,715	(20,333)
Prescription assistance	15,386	2,940	7,584	(4,862)
Maternal & child health	8,059	-	35,488	27,429
Reproductive health & wellness	219,774	41,994	108,326	(69,454)
Clinics/BCMh	391,476	74,803	192,958	(123,715)
Public health infrastructure/MRC/radiation	282,987	64,750	138,865	(79,372)
Vital statistics	108,290	20,246	-	(88,044)
Administration	1,131,315	211,509	-	(919,806)
General health district & LGIF	239,166	50,129	-	(189,037)
Total governmental activities	\$ 4,331,201	\$ 1,210,028	\$ 1,079,677	(2,041,496)
General Receipts:				
Property taxes and other local taxes				
levied for general health district purposes				1,526,768
Grants and entitlements not restricted to specific programs				304,907
Proceeds on note issuance				500,000
Miscellaneous				25,620
Total general receipts				2,357,295
Change in net position				315,799
Net position at beginning of year				2,770,719
Net position at end of year				\$ 3,086,518

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	Public Health Nursing Fund	Sewage Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and cash equivalents with fiscal agent	\$ 1,513,045	\$ 614,104	\$ 322,064	\$ 637,305	\$ 3,086,518
Fund Balances					
Restricted:					
Environmental health:					
Food service	\$ -	\$ -	\$ -	\$ 87,845	\$ 87,845
Water	-	-	-	34,556	34,556
Sewage.	-	-	322,064	-	322,064
Pools/spas	-	-	-	61,335	61,335
Camps/MHP.	-	-	-	5,444	5,444
Solid waste.	-	-	-	15,296	15,296
Personal health:					
Safe & drug free communities	-	-	-	81,932	81,932
Maternal & child health	-	-	-	97,483	97,483
Public health nursing	-	614,104	-	-	614,104
Public health infrastructure/MRC/radiation	-	-	-	253,414	253,414
Assigned:					
Outstanding encumbrances.	398,034	-	-	-	398,034
Subsequent year appropriation	385,574	-	-	-	385,574
Unassigned	729,437	-	-	-	729,437
Total fund balances.	\$ 1,513,045	\$ 614,104	\$ 322,064	\$ 637,305	\$ 3,086,518

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Public Health Nursing Fund	Sewage Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receipts					
Property and other local taxes.	\$ 1,526,768	\$ -	\$ -	\$ -	\$ 1,526,768
Intergovernmental.	304,907	660,435	137,169	207,935	1,310,446
Fees, licenses and permits	289,480	69	317,924	164,938	772,411
Contractual services.	-	-	-	64,750	64,750
Charges for services.	90,665	282,202	-	-	372,867
Donations.	-	2,027	-	-	2,027
Miscellaneous	25,620	65,672	2,312	4,127	97,731
Total receipts.	<u>2,237,440</u>	<u>1,010,405</u>	<u>457,405</u>	<u>441,750</u>	<u>4,147,000</u>
Disbursements					
Current:					
Environmental health:					
General enviromental health.	271,310	-	-	-	271,310
Food service	-	-	-	98,988	98,988
Plumbing	183,380	-	-	-	183,380
Water	-	-	-	51,693	51,693
Sewage.	-	-	365,183	-	365,183
Pools/spas	-	-	-	5,593	5,593
Camps/MHP.	-	-	-	1,198	1,198
Solid waste.	-	-	-	8,338	8,338
Radon	44,947	-	-	-	44,947
Rabies	5,032	-	-	-	5,032
Mosquito	20,904	-	-	-	20,904
Personal health:					
General nursing & ohio children's trust	-	357,186	-	-	357,186
Health education and partnerships	-	230,403	-	-	230,403
Injury prevention	-	156,393	-	-	156,393
Safe & drug free communities	-	-	-	27,570	27,570
Immunization action plan	-	42,287	-	-	42,287
LEADS/central intake	-	64,343	-	-	64,343
Prescription assistance	-	15,386	-	-	15,386
Maternal & child health	-	-	-	8,059	8,059
Reproductive health & wellness	-	219,774	-	-	219,774
Clinics/BCMH	-	391,476	-	-	391,476
Public health infrastructure/MRC/radiation	-	-	-	282,987	282,987
Vital statistics	108,290	-	-	-	108,290
Administration	1,131,315	-	-	-	1,131,315
General health district & LGIF	239,166	-	-	-	239,166
Total disbursements	<u>2,004,344</u>	<u>1,477,248</u>	<u>365,183</u>	<u>484,426</u>	<u>4,331,201</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>233,096</u>	<u>(466,843)</u>	<u>92,222</u>	<u>(42,676)</u>	<u>(184,201)</u>
Other financing sources (uses)					
Transfers in	-	600,000	100,000	-	700,000
Transfers (out).	(700,000)	-	-	-	(700,000)
Advances in	-	-	-	5,000	5,000
Advances (out)	(5,000)	-	-	-	(5,000)
Proceeds from note issuance	500,000	-	-	-	500,000
Total other financing sources (uses).	<u>(205,000)</u>	<u>600,000</u>	<u>100,000</u>	<u>5,000</u>	<u>500,000</u>
Net change in fund balances	28,096	133,157	192,222	(37,676)	315,799
Fund balances at beginning of year.	1,484,949	480,947	129,842	674,981	2,770,719
Fund balances at end of year	<u>\$ 1,513,045</u>	<u>\$ 614,104</u>	<u>\$ 322,064</u>	<u>\$ 637,305</u>	<u>\$ 3,086,518</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts				
Property and other local taxes	\$ 1,388,779	\$ 1,388,779	\$ 1,526,768	\$ 137,989
Intergovernmental	279,342	319,342	304,907	(14,435)
Fees, licenses and permits	207,425	237,425	289,480	52,055
Charges for services	74,000	74,000	90,665	16,665
Miscellaneous	15,000	15,000	25,620	10,620
	<u>1,964,546</u>	<u>2,034,546</u>	<u>2,237,440</u>	<u>202,894</u>
Total receipts				
Disbursements				
Current:				
Environmental health:				
General environmental health	341,966	349,176	275,922	73,254
Plumbing	245,424	282,047	184,384	97,663
Radon	58,362	60,612	52,710	7,902
Rabies	9,190	9,190	5,032	4,158
Mosquito	6,082	25,924	20,999	4,925
Vital statistics	163,583	169,434	120,759	48,675
Administration	1,589,779	1,653,809	1,475,000	178,809
General health district & LGIF	344,255	329,571	267,572	61,999
	<u>2,758,641</u>	<u>2,879,763</u>	<u>2,402,378</u>	<u>477,385</u>
Total disbursements				
Excess of disbursements over receipts	<u>(794,095)</u>	<u>(845,217)</u>	<u>(164,938)</u>	<u>680,279</u>
Other financing sources (uses)				
Transfers out	(780,000)	(775,000)	(700,000)	75,000
Advances out	-	(5,000)	(5,000)	-
Proceeds from note issuance	500,000	500,000	500,000	-
	<u>(280,000)</u>	<u>(280,000)</u>	<u>(205,000)</u>	<u>75,000</u>
Total other financing sources (uses)				
Net change in fund balance	(1,074,095)	(1,125,217)	(369,938)	755,279
Unencumbered fund balance beginning of year	1,422,070	1,422,070	1,422,070	-
Prior year encumbrances appropriated	62,879	62,879	62,879	-
	<u>\$ 410,854</u>	<u>\$ 359,732</u>	<u>\$ 1,115,011</u>	<u>\$ 755,279</u>
Unencumbered fund balance end of year				

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts				
Intergovernmental	\$ 615,571	\$ 667,786	\$ 660,435	\$ (7,351)
Fees, licenses and permits	2,500	2,500	69	(2,431)
Charges for services	179,500	209,500	282,202	72,702
Donations	1,000	1,000	2,027	1,027
Miscellaneous	9,000	9,000	65,672	56,672
Total receipts	<u>807,571</u>	<u>889,786</u>	<u>1,010,405</u>	<u>120,619</u>
Disbursements				
Current:				
Personal health:				
General nursing & ohio children's trust	418,457	415,248	361,322	53,926
Health education and partnerships	352,068	353,462	256,439	97,023
Injury prevention	167,448	258,080	172,028	86,052
Immunization action plan	64,824	74,556	42,420	32,136
LEADS/central intake	72,203	72,412	65,037	7,375
Prescription assistance	18,855	20,877	17,538	3,339
Reproductive health & wellness	256,113	263,471	230,722	32,749
Clinics/BCMH	493,018	511,394	398,928	112,466
Total disbursements	<u>1,842,986</u>	<u>1,969,500</u>	<u>1,544,434</u>	<u>425,066</u>
Excess of disbursements over receipts	<u>(1,035,415)</u>	<u>(1,079,714)</u>	<u>(534,029)</u>	<u>545,685</u>
Other financing sources:				
Transfers in	630,000	630,000	600,000	(30,000)
Total other financing sources	<u>630,000</u>	<u>630,000</u>	<u>600,000</u>	<u>(30,000)</u>
Net change in fund balance	(405,415)	(449,714)	65,971	515,685
Unencumbered fund balance beginning of year	415,272	415,272	415,272	-
Prior year encumbrances appropriated	<u>65,675</u>	<u>65,675</u>	<u>65,675</u>	<u>-</u>
Unencumbered fund balance end of year	<u>\$ 75,532</u>	<u>\$ 31,233</u>	<u>\$ 546,918</u>	<u>\$ 515,685</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SEWAGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 420,457	\$ 420,457	\$ 137,169	\$ (283,288)
Fees, licenses and permits	327,370	327,370	317,924	(9,446)
Miscellaneous	-	-	2,312	2,312
Total receipts	<u>747,827</u>	<u>747,827</u>	<u>457,405</u>	<u>(290,422)</u>
Disbursements				
Current:				
Sewage.	<u>780,384</u>	<u>844,717</u>	<u>433,554</u>	<u>411,163</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(32,557)</u>	<u>(96,890)</u>	<u>23,851</u>	<u>120,741</u>
Other financing sources:				
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>100,000</u>	<u>(50,000)</u>
Net change in fund balance	117,443	53,110	123,851	70,741
Unencumbered fund balance (deficit) beginning of year	(4,411)	(4,411)	(4,411)	-
Prior year encumbrances appropriated	<u>134,253</u>	<u>134,253</u>	<u>134,253</u>	<u>-</u>
Unencumbered fund balance end of year	<u>\$ 247,285</u>	<u>\$ 182,952</u>	<u>\$ 253,693</u>	<u>\$ 70,741</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 - REPORTING ENTITY

The Union County General Health District (the “Health District”), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A seven-member Board of Health (the “Board”) governs the Health District. Three members are appointed by the District Advisory Council on behalf of the townships, two members are appointed by the City of Marysville, one member is appointed by the District Advisory Council as a medical representative, and one member is appointed by the Licensing Council that represents vendors who are inspected or certified by the 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 communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, and emergency response planning.

B. Public Entity Risk Pool

The Health District participates in the Public Entities Pool of Ohio, a public entity risk pool. This organization is presented in Note 11 to the financial statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The 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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

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

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Sewage Fund - This fund accounts for and reports grants received from the EPA restricted for sewage programs of the Health District.

The other governmental funds of the Health District account for grants and other resources that are restricted or committed 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. Any such modifications made by the Health District are described in the appropriate section in this note.

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

D. Budgetary Process

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

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the Health District if the 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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Health.

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

E. Cash and Investments

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

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. The Health District has no restricted assets at December 31, 2019.

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. 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.

J. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Long-Term Obligations

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

L. Net Position

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

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

M. Fund Cash Balance

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

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

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

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

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

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

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.

O. 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.

The fund financial statements report outstanding interfund loans as interfund receivables/payables. Interfund loans which do not represent available expendable resources are classified as nonspendable fund balance. Interfund balances are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

NOTE 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, public health nursing fund, and sewage fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget-basis to the cash basis are as follows:

	<u>General Fund</u>	<u>Public Health Nursing Fund</u>	<u>Sewage Fund</u>
Cash basis	\$ 28,096	\$ 133,157	\$ 192,222
Less: encumbrances	(398,034)	(67,186)	(68,371)
Budget-basis	<u>\$ (369,938)</u>	<u>\$ 65,971</u>	<u>\$ 123,851</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2019, the Health District has implemented GASB Statement No. 83, “Certain Asset Retirement Obligations”, GASB Statement No. 84 “Fiduciary Activities”, GASB Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements” and GASB Statement No. 90 “Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61”.

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the Health District.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the Health District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the Health District.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the Health District.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

Real property taxes received in 2019 were levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes received in 2018 were collected in and intended to finance 2019. Real property taxes received in 2019 were collected in and intended to finance 2020.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - PROPERTY TAXES - (Continued)

The full tax rate for all Health District operations for the year ended December 31, 2019 was \$1.25 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2018 property tax receipts were based are as follows:

	Tax Year 2019
Real property:	
Agriculture	\$ 282,924,630
Residential	1,199,967,050
Commercial/Industrial/Mineral	228,884,380
Public utility personal property:	
Real estate	335,250
Personal	142,597,010
Total assessed valuation	\$ 1,854,708,320

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

NOTE 6 - RISK MANAGEMENT

The Health District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, the Health District contracted with the Public Entities Pool of Ohio for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
<u>Public Entities Pool of Ohio</u>		
Blanket Property and Contents, Replacement	\$ 178,500	\$ 500
General Liability	6,000,000	1,000
Automotive Liability	6,000,000	1,000
Wrongful Acts	6,000,000	1,000
Employment Practice Liability	6,000,000	1,000
Computer - Hardware and Software	301,000	500
Public Employee and Dishonesty	5,000	-
Money and Securities	10,000	-

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

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

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 - RISK MANAGEMENT – (Continued)

The Health District manages employee health benefits on a fully-insured basis. The employee health benefit plan provided basic health coverage through Medical Mutual of Ohio in 2019, which reviews and pays the medical claims. The Health District provided dental insurance through Delta Dental directly in 2019, which reviews and pays the dental claims. For 2019, monthly premiums were as follows:

Coverage	Monthly Premium	
	Medical	Dental
Employee plus spouse and more than two children	\$ 1,599.02	
Employee plus spouse and two children	1,353.18	
Employee plus spouse and one child	1,177.53	
Employee plus spouse	1,001.88	
Employee plus more than two children	1,100.58	
Employee plus two children	854.74	
Employee plus one child	679.09	
Single coverage	503.44	
Employee plus two or more dependents		\$ 126.00
Employee plus one dependent		65.38
Single coverage		33.53

Medical Mutual of Ohio charged the Health District a medical administration fee of \$25.00 per month to administer the respective medical plans.

NOTE 7 - DEFINED BENEFIT PENSION PLAN

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Health District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health District employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. 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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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

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 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. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% 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 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (Continued)

Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. 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. 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% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Health District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$266,223 for 2019.

NOTE 8 - DEFINED BENEFIT OPEB PLAN

Plan Description – Ohio Public Employees Retirement System (OPERS)

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.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 8 - DEFINED BENEFIT OPEB PLAN - (Continued)

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. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

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 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. 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 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2019, OPERS did not allocate any employer contributions to post-employment health care.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - INTERFUND TRANSFERS

During 2019, the following transfers were made:

<u>Transfers from General Fund to:</u>	
Public Health Nursing Fund	\$ 600,000
Sewage Fund	<u>100,000</u>
 Total	 <u>\$ 700,000</u>

Transfers represent the allocation of unrestricted receipts collected in the general fund to finance current operations accounted for in other funds in accordance with budgetary authorizations. The transfers above were made to provide additional resources for current public health nursing operations and sewage programs.

NOTE 10 - INTERFUND BALANCES

Outstanding advances at December 31, 2019, consisted of \$5,000 advanced to the safe communities grant fund (a nonmajor governmental fund) from the general fund to provide working capital for operations until grant money is received.

NOTE 11 - LEASE AGREEMENT WITH UNION COUNTY

In February 2019, the District entered into a 10-year lease agreement with Union County for 14,866 square feet of office space. Under the lease agreement, the County provided \$500,000 in note proceeds which the District will repay over the term of the lease. The District is to pay quarterly lease payments of \$37,165 which includes a base rent payment of \$22,081 and debt service payments of \$15,084. During 2019, the District made lease payments related to this agreement of \$37,165. At December 31, 2019, the balance outstanding on the debt associated with the lease was \$489,666.

The future minimum lease payments as of December 31, 2019 are as follows:

<u>Year Ending December 31,</u>	<u>Minimum Lease Payments</u>
2020	\$ 148,660
2021	148,660
2022	148,660
2023	148,660
2024	148,660
2025-2029	<u>706,135</u>
 Total minimum lease payments	 <u>\$ 1,449,435</u>

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 12 - 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 cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

NOTE 13 - PUBLIC ENTITY RISK POOL

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2019, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2018 and 2017 (the latest information available):

	2018	2017
Assets	\$ 49,921,996	\$ 44,452,326
Liabilities	(14,676,199)	(13,004,011)
Net position	\$ 35,245,797	\$ 31,448,315

At December 31, 2018 and 2017, respectively, the liabilities above include approximately \$12.1 million and \$11.8 million of estimated incurred claims payable, respectively. The assets above also include approximately \$11.8 million and \$11.3 million of unpaid claims to be billed. The Pool's membership increased from 527 members in 2017 to 538 members in 2018. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the District's share of these unpaid claims collectible in future years is approximately \$13,792.

**UNION COUNTY GENERAL HEALTH DISTRICT
UNION COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 13 - PUBLIC ENTITY RISK POOL - (Continued)

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

Contributions to PEP				
2019	2018	2017		
\$ 13,792	\$ 13,353	\$ 13,573		

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

NOTE 14 - OHIO DEPARTMENT OF HEALTH FUNDS

During the year ended December 31, 2019, the District received federal funding passed through the Ohio Department of Health as follows:

Federal Grantor/ Grant Title	CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services:		
Indoor Radon	66.032	\$ 56,125
Public Health Emergency Preparedness	93.069	29,186
Public Health Emergency Preparedness	93.074	89,446
Opioid	93.136	30,000
Reproductive Health and Wellness	93.217	74,166
Get Vaccinated Ohio	93.268	28,946
Injury Prevention	93.758	6,896
Creating Healthy Communities/Injury Prevention	93.991	261,351
Total		\$ 576,116

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Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

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

April 29, 2022

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

To the Board of Health:

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 cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Union County General Health District**, Union County, (the District) as of and for the year ended December 31, 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 April 29, 2022.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

OHIO AUDITOR OF STATE KEITH FABER



UNION COUNTY GENERAL HEALTH DISTRICT

UNION 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 6/21/2022

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Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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