

MEIGS COUNTY GENERAL HEALTH DISTRICT

MEIGS COUNTY

Preparation Report

For the Year Ended December 31, 2018



*Meigs County General Health District
Meigs County
For the Year Ended December 31, 2018*

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INDEPENDENT ACCOUNTANT'S REPORT

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

To the Board of Trustees:

We have prepared the accompanying Financial Statements and Notes to the Financial Statements of the Meigs County District Board of Health, Meigs County, for the year ended December 31, 2018 in accordance with Statements and Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A preparation is limited to presenting in the form of financial statements and notes, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and notes and, accordingly, do not express an opinion or any other form of assurance on them.

Sincerely,



Charles E. Harris & Associates, Inc.
February 26, 2019

Meigs County General Health District
Meigs County
Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018
(Unaudited)

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$ 390,552	\$ -	\$ 390,552
Charges for Services	74,864	41,261	116,125
Fines, Licenses and Permits	2,970	1,855	4,825
Intergovernmental:			
Subsidies	4,459	-	4,459
Grants	209,882	448,062	657,944
Other	42,580	-	42,580
Miscellaneous	29,059	4,830	33,889
	754,366	496,008	1,250,374
 Cash Disbursements			
Current:			
Health:			
Personnel Expenses	424,468	371,964	796,432
Travel/Conference	1,095	12,554	13,649
Materials and Supplies	25,749	92,232	117,981
Equipment	-	-	-
Contract Services	155,937	24,538	180,475
Administration	27,184	-	27,184
State Fees	28,155	3,738	31,893
	662,588	505,026	1,167,614
 <i>Total Cash Disbursements</i>	662,588	505,026	1,167,614
 <i>Excess of Receipts Over (Under) Disbursements</i>	91,778	(9,018)	82,760
 Other Financing Receipts (Disbursements)			
Advances In	6,000	-	6,000
Advances Out	-	(6,000)	(6,000)
	6,000	(6,000)	-
 <i>Total Other Financing Receipts (Disbursements)</i>	6,000	(6,000)	-
 <i>Net Change in Fund Cash Balances</i>	97,778	(15,018)	82,760
 <i>Fund Cash Balances, January 1</i>	279,414	171,063	450,477
 Fund Cash Balances, December 31			
Restricted	-	156,063	156,063
Unassigned	377,192	(18)	377,174
	377,192	156,045	533,237
 <i>Fund Cash Balances, December 31</i>	\$ 377,192	\$ 156,045	\$ 533,237

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

Meigs County General Health District
Meigs County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the District Board of Health, Meigs County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the Health District. These members are appointed by the Health District Advisory Council which is made up of the chairman of each Township within Meigs County, the mayor of each Village within Meigs County, and the chairman of the Meigs County Commissioners. The Health District's services include vital statistics, communicable disease investigations, immunization clinics, environmental health services, inspections, public health nursing services, and issues health-related licenses and permits.

Public Entity Risk Pool

The District belongs to the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Women, Infants, and Children (WIC) Fund The women, infants, and children (WIC) fund accounts for and reports monies received from a federal grant restricted for the purpose of the Special Supplemental Nutrition Program.

Creating Healthy Communities Fund The creating healthy communities fund accounts for and reports monies received from a federal grant restricted for the purpose of promoting healthy lifestyles and physical activity.

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Meigs County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

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

Fund Balance

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

Meigs County General Health District
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Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget in the General Fund.

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

The District applies restricted resources first when disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2018, follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$720,516	\$754,366	\$33,850
Special Revenue	473,128	496,008	22,880

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Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Budgetary Activity (continued)

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,014,373	\$662,588	\$351,785
Special Revenue	948,688	505,026	443,662

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding

Intergovernmental Funding

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

Note 6 – Risk Management

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 Worker’s Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York 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 York. 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, 2017, 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.

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Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Risk Management (continued)

Financial Position

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

	<u>2017</u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool’s membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the Government’s share of these unpaid claims collectible in future years is approximately \$3,000.

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

<u>2018 Contributions to PEP</u>
\$4,860

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

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property;

The District did not have any settled claims that exceeded coverage in any of the previous three years and coverage limits have not changed significantly since last year.

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Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018.

Note 9 – Contingent Liabilities

Management is not aware of any pending litigation.

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