

### Cash Basis Annual Financial Report

For the Year Ended December 31, 2018

This is an Unaudited Financial Statement

I certify the following report to be correct and true, to the best of my knowledge.

*William D. McFarland*

(Chief Fiscal Officer Sign Above)

02-27-19

(Date)

William D. McFarland

(Type or Print Name)

Washington County Ohio Auditor

(Chief Fiscal Officer Title)

205 Putnam Street

(Street Address)

Marietta

(City)

, Ohio

45750

(Zip)

Washington

(County)

740-373-6623 Extension 2101

(Telephone)

**Washington County General Health District**  
*Washington County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Cash Basis)*  
*All Governmental Fund Types*  
*For the Fiscal Year ended December 31, 2018*

**To be submitted.**

	General	Special Revenue	Private Purpose Trust Fund	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	\$ 208,771	\$ 205,969	\$ -	\$ -	\$ -	\$ 414,740
Fines, Licenses and Permits	\$ 2,055	\$ 170,777	\$ -	\$ -	\$ -	\$ 172,832
Intergovernmental:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Apportionments	\$ 269,826	\$ -	\$ -	\$ -	\$ -	\$ 269,826
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Creating Health Communities (ODH)	\$ -	\$ 98,170	\$ -	\$ -	\$ -	\$ 98,170
Community Health Workers	\$ -	\$ 98,700	\$ -	\$ -	\$ -	\$ 98,700
Dental Sealant (ODH)	\$ -	\$ 22,240	\$ -	\$ -	\$ -	\$ 22,240
Public Health Emergency Preparedness (ODH)	\$ -	\$ 163,619	\$ -	\$ -	\$ -	\$ 163,619
Tobacco Use Prevention & Cessation (ODH)	\$ -	\$ 78,946	\$ -	\$ -	\$ -	\$ 78,946
WV Americorps	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 48,109	\$ 50,726	\$ -	\$ -	\$ -	\$ 98,836
Earnings on Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mileage Reimbursement for Co. Vehicle Use	\$ 61,803	\$ -	\$ -	\$ 6,205	\$ -	\$ 68,008
Workers Comp Refund	\$ 3,387	\$ -	\$ -	\$ -	\$ -	\$ 3,387
Miscellaneous	\$ 4,160	\$ 8,041	\$ 24,000	\$ -	\$ -	\$ 36,201
<b>Total Cash Receipts</b>	<b>\$ 598,111</b>	<b>\$ 897,188</b>	<b>\$ 24,000</b>	<b>\$ 6,205</b>	<b>\$ -</b>	<b>\$ 1,525,503</b>

**Washington County General Health District**

Washington County

Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Cash Basis)

All Governmental Fund Types

For the Fiscal Year ended December 31, 2018

**To be submitted.**

	General	Special Revenue	Private Purpose Trust Fund	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Disbursements</b>						
Current:						
Health:						
Administration	\$ 118,416	\$ 31,741	\$ -	\$ -	\$ -	\$ 150,157
Accreditation	\$ 15,643	\$ 29,992	\$ -	\$ -	\$ -	\$ 45,636
Americorps/National Service	\$ -	\$ 11,613	\$ -	\$ -	\$ -	\$ 11,613
Personnel Costs	\$ 309,987	\$ -	\$ -	\$ -	\$ -	\$ 309,987
Board of Health Costs	\$ 4,154	\$ -	\$ -	\$ -	\$ -	\$ 4,154
Environmental	\$ 1,766	\$ 198,141	\$ 13,410	\$ -	\$ -	\$ 213,318
Nursing	\$ 7,677	\$ 154,955	\$ -	\$ -	\$ -	\$ 162,632
Preparedness	\$ 1,172	\$ 122,402	\$ -	\$ -	\$ -	\$ 123,574
Chronic Disease Prevention and Management	\$ 90,759	\$ 4,116	\$ -	\$ -	\$ -	\$ 94,875
Creating Healthy Communities	\$ 722	\$ 76,939	\$ -	\$ -	\$ -	\$ 77,661
Community Health Workers	\$ 298	\$ 95,980	\$ -	\$ -	\$ -	\$ 96,278
Tobacco Use and Cessation	\$ -	\$ 44,522	\$ -	\$ -	\$ -	\$ 44,522
Dental Sealants	\$ 4	\$ 25,270	\$ -	\$ -	\$ -	\$ 25,274
Vital Statistics	\$ 503	\$ -	\$ -	\$ -	\$ -	\$ 503
Remittance To State	\$ 24,827	\$ 8,015	\$ -	\$ -	\$ -	\$ 32,842
Return of Unused Funds	\$ 889	\$ 18,542	\$ 3,572	\$ -	\$ -	\$ 23,004
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal Retirement	\$ -	\$ 53,495	\$ -	\$ -	\$ -	\$ 53,495
Interest and Fiscal Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Cash Disbursements</b>	<b>\$ 576,817</b>	<b>\$ 875,724</b>	<b>\$ 16,982</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,469,523</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>\$ 21,294</b>	<b>\$ 21,464</b>	<b>\$ 7,018</b>	<b>\$ 6,205</b>	<b>\$ -</b>	<b>\$ 55,980</b>

**Washington County General Health District**  
*Washington County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Cash Basis)*  
*All Governmental Fund Types*  
*For the Fiscal Year ended December 31, 2018*

**To be submitted.**

	General	Special Revenue	Private Purpose Trust Fund	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Other Financing Receipts (Disbursements)</b>						
Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds of Debt	\$ -	\$ 68,634	\$ -	\$ -	\$ -	\$ 68,634
Transfers In	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000
Transfers Out	\$ (90,000)	\$ -	\$ -	\$ -	\$ -	\$ (90,000)
Advances In	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ 13,000
Advances Out	\$ -	\$ (13,000)	\$ -	\$ -	\$ -	\$ (13,000)
Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total Other Financing Receipts (Disbursements)</i>	<u>\$ (77,000)</u>	<u>\$ 145,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,634</u>
Special Item	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Item	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Net Change in Fund Cash Balances</i>	\$ (55,706)	\$ 167,098	\$ 7,018	\$ 6,205	\$ -	\$ 124,615
<i>Fund Cash Balances, January 1</i>	\$ 227,848	\$ 481,987	\$ 482	\$ 800	\$ -	\$ 711,117
<b>Fund Cash Balances, December 31</b>						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	\$ -	\$ 649,086	\$ -	\$ -	\$ -	\$ 649,086
Committed	\$ -	\$ -	\$ 7,500	\$ 7,005	\$ -	\$ 14,505
Assigned	\$ 17,519	\$ -	\$ -	\$ -	\$ -	\$ 17,519
Unassigned (Deficit)	\$ 154,623	\$ 0	\$ 0	\$ -	\$ -	\$ 154,623
<i>Fund Cash Balances, December 31</i>	<u>\$ 172,142</u>	<u>\$ 649,086</u>	<u>\$ 7,500</u>	<u>\$ 7,005</u>	<u>\$ -</u>	<u>\$ 835,732</u>

\*Interest and Fiscal Charges are Debited Directly from our holding account and posted as negative revenue.

**Washington County General Health District**  
*Washington County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Cash Basis)*  
*All Governmental Fund Types*  
*For the Fiscal Year ended December 31, 2018*

**To be submitted.**

	General	Special Revenue	Private Purpose Trust Fund	Capital Projects	Permanent	Totals (Memorandum Only)
***** <b>****Fund Balance Classification Worksheet****</b> *****						
<i>Net Change in Fund Cash Balances</i>	\$ (55,706)	\$ 167,098	\$ 7,018	\$ 6,205	\$ -	\$ 124,615
<i>Fund Cash Balances, January 1</i>	\$ 227,848	\$ 481,987	\$ 482	\$ 800	\$ -	\$ 711,117
<i>Fund Cash Balances, December 31</i>	<u>\$ 172,142</u>	<u>\$ 649,086</u>	<u>\$ 7,500</u>	<u>\$ 7,005</u>	<u>\$ -</u>	<u>\$ 835,732</u>
<b>Fund Balances</b>						
Amounts identified as:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unclaimed Monies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endowment for _____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Nonspendable</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Restricted for:						
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ 649,086	\$ -	\$ -	\$ -	\$ 649,086
_____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
_____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction of _____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction of _____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endowment for _____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Restricted</b>	<u>\$ -</u>	<u>\$ 649,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 649,086</u>

**Washington County General Health District**  
*Washington County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Cash Basis)*  
*All Governmental Fund Types*  
*For the Fiscal Year ended December 31, 2018*

**To be submitted.**

	General	Special Revenue	Private Purpose Trust Fund	Capital Projects	Permanent	Totals (Memorandum Only)
Committed to:						
Resolution 2016-004 (Escrow)	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ 7,500
Future Fleet Vehicle Purchase (2017-00X)	\$ -	\$ -	\$ -	\$ 7,005	\$ -	\$ 7,005
_____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Committed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,500</b>	<b>\$ 7,005</b>	<b>\$ -</b>	<b>\$ 14,505</b>
Assigned to:						
<u>Prior Year Encumbrances</u>	\$ 17,519	\$ -	\$ -	\$ -	\$ -	\$ 17,519
_____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
_____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction of _____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Assigned</b>	<b>\$ 17,519</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,519</b>
Unassigned	\$ 154,623	\$ 0	\$ 0	\$ -	\$ -	\$ 154,623
<b>Total Fund Cash Balances, December 31</b>	<b>\$ 172,142</b>	<b>\$ 649,086</b>	<b>\$ 7,500</b>	<b>\$ 7,005</b>	<b>\$ -</b>	<b>\$ 835,732</b>

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

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**Note 1 – Reporting Entity**

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

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Public Health Nursing Fund*** This fund receives fees for providing immunizations; School Nurse services; BCMH service coordination; PAX and RSVP programs in the schools.

***Food Service Fund*** This fund receives licenses, plan review fees, and late fees for Food Service and Retail Food Establishments

***Sewage Fund*** This fund receives fees for home sewage disposal system inspections, system designs, installation permits and operation licenses; commercial plumbing plan reviews and permits.

***WV Americorps*** This fund was added during FY2018 to track the WV Americorps grant funding. The grant was awarded under the County Commissioners' DUNS number and is included in the County Financial Statements and Federal Schedule, but project activity and fiscal reporting are the responsibility of the Health Department.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of

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

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capital facilities and other capital assets. The District had the following significant capital project funds:

***Capital Improvement Fund*** The Board of Health established a capital improvement fund in 2017 for the purpose of setting aside part of the fleet vehicle use charges to purchase a vehicle. The first funds to be deposited were for the November 2017 fleet use reimbursements.

***Private-Purpose Trust Funds*** Private-purpose trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the District's own programs.

***WPCLF Escrow Fund*** The District's private purpose trust fund was established by Resolution 2016-004 and is for the benefit of recipients of the Water Pollution Control Loan Fund contract. The required match funds are collected from eligible applicants and held in escrow to pay the contractor completing the work. Any unused funds are required to be returned to the recipient. Monies collected into this fund do not belong to the Department, nor can they be used for any Department program.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

***Encumbrances*** The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The District did use the encumbrance method of accounting.

A summary of 2018 budgetary activity appears in Note 4.



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

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***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:

***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.

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

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

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

**Note 3 – Compliance**

One fund, 601-2006 Private Water Systems, recorded budgetary expenditures exceeding appropriation authority for the year ended December 31, 2018.

**Note 4 – Budgetary Activity**

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	591,797	611,111	19,314
Special Revenue	1,111,430	1,055,822	-55,609
Capital Projects	5,500	6,205	705
Permanent	0	0	0
Private Purpose Trust	20,000	24,000	4,000
Total	<u>1,728,728</u>	<u>1,697,137</u>	<u>-31,591</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$687,159	\$684,335	\$2,824
Special Revenue	\$1,120,712	\$943,604	\$177,107
Capital Projects	\$0	\$0	\$0
Permanent	\$0	\$0	\$0
Private Purpose Trust	\$20,482	\$16,982	\$3,500
Total	<u>\$1,828,353</u>	<u>\$1,644,922</u>	<u>\$183,431</u>

**Note 5 – Deposits and Investments**

As required by the Ohio Revised Code, the Washington 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.

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

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**Note 6 – 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 7 – Interfund Balances**

***Advances***

The only outstanding advance at December 31, 2017, consisting of \$13,000 advanced to the Creating Health Community fund to provide working capital for operations or projects was repaid in FY2018.

***Transfers***

Additional transfers out of the General Fund during FY2018 were made in the sum of \$90,000 to 601-2004 Community Health Workers (\$20,000), 601-2017 Opioid Planning and Response (\$30,000), and 601-2023 Falls Prevention (\$40,000) to provide working capital for operations.

**Note 8 – Risk Management**

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

The Government insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Government 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, 2016, 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 auditor's) conform with generally accepted accounting

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

principles, and reported the following assets, liabilities and net position at December 31, 2016.

As of December 31, 2017 and 2016

Casualty & Property Coverage		
	<b>2017</b>	<b>2016</b>
Assets	44,452,326	42,182,281
Liabilities	(13,004,011)	(13,396,700)
Net Position – Unrestricted	31,448,315	28,785,581

	<b>2017</b>	<b>2016</b>
Unpaid claims to be billed in the future	Approx. \$11.3 million	Approx. \$11.5 million

The Pool's membership increased from 520 members in 2016 to 527 members in 2017.

The Pool uses reinsurance and excess risk sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which, like PEP, is administered by York Risk Pooling Services, Inc. (York). APEEP provides the Pool with an excess risk sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2017 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. As a result of this risk analysis, PEP has elected to increase its retention for casualty and property claims to \$500,000 and \$250,000, respectively, effective January 1, 2018.

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.

<b><u>2018 Contributions to PEP</u></b> <b><u>\$ 4,435</u></b>
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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

**Washington County General Health District**  
*Washington County*  
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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.

**Note 9 – Defined Benefit Pension Plans**

***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% percent of their gross salaries and the District contributed an amount equaling 14% percent of participants' gross salaries. The District has paid all contributions required through December 31, 2017.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012– 2018</i>	<i>10%</i>	<i>14%</i>

***Social Security***

District's Board of Health and WV Americorps members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Members contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of members' gross salaries. The District has paid all contributions required through December 31, 2018.

**Note 10 – 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 1.0% during calendar year 2017. The portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans.

**Note 11 – Construction and Contractual Commitments**

There are no significant construction or contractual commitments for the reporting period.

**Note 12 – Contingent Liabilities**

The District continues to be a defendant in one lawsuit. Although management cannot presently determine the outcome of that suit, management believes that the resolution of these matters will not

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

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materially adversely affect the District's financial condition.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the Ohio Department of Health. 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.

**Note 13 – Related Party Transactions**

The District has no related party transactions to report.

**Note 14 – Subsequent Events**

The Health Department transitioned from the proprietary Capstone database used for bookkeeping to the Financial Edge NXT system through Blackbaud as of January 1, 2019. The system is an accrual based system and the department purchased the General Ledger, Payroll, Accounts Payable, Accounts Receivable, Cash Receipts, Grants Management, Inventory, and Web Portal modules.