

***CAMBRIDGE – GUERNSEY COUNTY
HEALTH DEPARTMENT***

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022



OHIO AUDITOR OF STATE
KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Health
Cambridge-Guernsey County Health Department
326 Highland Ave
Cambridge, OH 43725

We have reviewed the *Independent Auditor's Report* of the Cambridge-Guernsey County Health Department, Guernsey County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Cambridge-Guernsey County Health Department 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

September 03, 2024

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**CAMBRIDGE – GUERNSEY COUNTY
HEALTH DEPARTMENT**

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INDEPENDENT AUDITOR'S REPORT

Cambridge – Guernsey County Health Department
Guernsey County
326 Highland Avenue
Cambridge, Ohio 43725

To the Board of Health:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Cambridge – Guernsey County Health Department, Guernsey County, Ohio (the Department), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Department, as of December 31, 2023 and 2022, or the changes in financial position, thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Department on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the Department'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's 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 Department's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.

June 14, 2024

Cambridge-Guernsey County Health Department
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$ 804,067	\$ -	\$ 804,067
Charges for Services	151,189	3,472	154,661
Fines, Licenses and Permits	75,913	190,946	266,859
Intergovernmental:			
Apportionments	11,200	-	11,200
Grants	-	521,208	521,208
Other	87,450	-	87,450
Contractual Services	25,056	-	25,056
Miscellaneous	14,422	874	15,296
Total Cash Receipts	1,169,297	716,500	1,885,797
Cash Disbursements			
Current:			
Health:			
Salaries	558,027	483,694	1,041,721
Fringe Benefits	106,850	53,615	160,465
Fees	-	1,697	1,697
Supplies	44,289	39,870	84,159
Equipment	1,868	66,307	68,175
Contracts - Services	131,018	55,888	186,906
Remittance to State	-	22,221	22,221
Hospitalization	350,926	30,820	381,746
Other Expense	119,693	35,033	154,726
Total Cash Disbursements	1,312,671	789,145	2,101,816
Excess of Receipts Over (Under) Disbursements	(143,374)	(72,645)	(216,019)
Other Financing Receipts (Disbursements)			
Advances In	165,725	184,962	350,687
Advances Out	(184,962)	(165,725)	(350,687)
Total Other Financing Receipts (Disbursements)	(19,237)	19,237	-
Net Change in Fund Cash Balances	(162,611)	(53,408)	(216,019)
Fund Cash Balances, January 1	1,414,842	363,614	1,778,456
Fund Cash Balances, December 31	\$ 1,252,231	\$ 310,206	\$ 1,562,437

See accompanying notes to the financial statements

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1- Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Cambridge-Guernsey County Health Department (the Department) as a body corporate and politic. A five-member board and a Health Commissioner govern the Department. The Department's services include vital statistics, communicable disease investigations, immunization clinics, environmental health services, public health nursing services and issuance of health-related licenses and permits.

Public Entity Risk Pool

The Department participates in Public Entity Pool (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2- Summary of Significant Accounting Policies

Basis of Presentation

The Department'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 Department 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 Department 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 Department 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 Department had the following significant Special Revenue Fund:

WIC Grant Fund The WIC Grant Fund accounts for and reports intergovernmental money restricted for the purpose of providing support to women, infants, and children in need throughout the County.

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Department 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 (C) permit

Budgetary Process

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

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Department 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 Department to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 3.

Capital Assets

The Department 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 leaving employment or retirement, employees are entitled to cash payouts for unused leave. The financial statements do not include a liability for unpaid leave.

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance

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

Nonspendable The Department classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Department.

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 Department 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. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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 Department 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3- Budgetary Activity

Budgetary activity for the year ended December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,021,300	\$ 1,335,022	\$ 313,722
Special Revenue	896,360	901,462	5,102

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,177,885	\$ 1,528,833	\$ 649,052
Special Revenue	1,072,569	982,011	90,558

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding and Property Taxes

Intergovernmental Funding

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

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Department is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include credits and/or deduction amounts the State pays as Other Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Department.

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 - Risk Management

Commercial Insurance

The Department has obtained commercial insurance for the following risks:

- Errors and omissions.

Settled claims have not exceed insurance coverage in any of the past three years. Coverage limits have not changed significantly since last year.

The Department also provides health and life insurance coverage to employees through a private carrier.

Risk Pool Membership

The Department 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 Department'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:

	2023
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Department pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 7 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All Department 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.

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 - Defined Benefit Pension Plan (Continued)

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Department contributed an amount equaling 14% of participants' gross salaries. The Department has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

Ohio Public Employees Retirement System

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

Note 9 - Contingent Liabilities

The Department may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Department's financial condition.

Amounts grantor agencies pay to the Department 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.

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$31,200	\$ 27,141	\$ 58,341

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – Interfund Balances

Outstanding advances at December 31, 2023, consisted of \$19,237 advanced to the Public Health Workforce fund to provide working capital for operations.

Cambridge-Guernsey County Health Department
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$ 799,182	\$ -	\$ 799,182
Charges for Services	140,435	2,775	143,210
Fines, Licenses and Permits	54,488	162,453	216,941
Intergovernmental:			
Apportionments	11,200	-	11,200
Grants	-	532,891	532,891
Other	86,129	32,068	118,197
Contractual Services	51,118	-	51,118
Miscellaneous	183,595	-	183,595
<i>Total Cash Receipts</i>	<u>1,326,147</u>	<u>730,187</u>	<u>2,056,334</u>
Cash Disbursements			
Current:			
Health:			
Salaries	611,239	483,254	1,094,493
Fringe Benefits	105,779	50,429	156,208
Fees	-	1,850	1,850
Supplies	36,820	21,396	58,216
Equipment	38,637	-	38,637
Contracts - Services	116,785	7,576	124,361
Remittance to State	310	29,951	30,261
Hospitalization	291,162	1,693	292,855
Other Expense	107,946	176,431	284,377
<i>Total Cash Disbursements</i>	<u>1,308,678</u>	<u>772,580</u>	<u>2,081,258</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	17,469	(42,393)	(24,924)
Other Financing Receipts (Disbursements)			
Advances In	125,000	125,000	250,000
Advances Out	(125,000)	(125,000)	(250,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	17,469	(42,393)	(24,924)
<i>Fund Cash Balances, January 1</i>	<u>1,397,373</u>	<u>406,007</u>	<u>1,803,380</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,414,842</u>	<u>\$ 363,614</u>	<u>\$ 1,778,456</u>

See accompanying notes to the financial statements

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Cambridge-Guernsey County Health Department, (the Department) as a body corporate and politic. A five-member Board and a Health Commissioner govern the Department. The Department's services include vital statistics, communicable disease investigations, immunization clinics, environmental health services, public health nursing services and issuance of health-related licenses and permits.

Public Entity Risk Pool

The Department participates in Public Entity Pool (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Department'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 Department 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 Department 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 Department 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 Department had the following significant Special Revenue Funds:

Women, Infants, and Children (WIC) Fund This is a federal grant fund that accounts for the Special Supplemental Nutrition Program.

Public Health Infrastructure Grant Fund This is a federal grant fund that supports helping protect people from preventable illness, death, and health threats through Public Health Emergency Preparedness.

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 (C). 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 (C) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Department 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 Department to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2022 budgetary activity appears in Note 3.

Capital Assets

The Department 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 Department must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Nonspendable The Department classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Department.

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 Department 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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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 Department 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022, follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,240,560	\$ 1,451,147	\$ 210,587
Special Revenue	1,169,215	855,187	(314,028)

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Budgetary Activity (Continued)

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
	Appropriation	Budgetary	
Fund Type	Authority	Disbursements	Variance
General	\$ 2,628,064	\$ 1,456,863	\$ 1,171,201
Special Revenue	1,166,355	909,768	256,587

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding and Property Taxes

Intergovernmental Funding

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

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Department is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include credits and/or deduction amounts the State pays as Other Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Department.

Note 6 – Risk Management

Commercial Insurance

The Department has obtained commercial insurance for the following risks:

- Errors and omissions.

Settled claims have not exceed insurance coverage in any of the past three years. Coverage limits have not changed significantly since last year.

The Department also provides health and life insurance coverage to employees through a private carrier.

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 – Risk Management (Continued)

Risk Pool Membership

The Department 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 Department'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>2022</u>
Cash and investments	\$42,310,794
Actuarial liabilities	15,724,479

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Department pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Department 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 Department contributed an amount equaling 14% percent of participants' gross salaries. The Department has paid all contributions required through December 31, 2022.

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. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Cambridge-Guernsey County Health Department
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Postemployment Benefits (Continued)

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Contingent Liabilities

The Department may be a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Department’s financial condition.

Amounts grantor agencies pay to the Department 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.

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 23,185	\$ 12,188	\$ 35,373

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – 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. Ohio’s state of emergency ended in June 2021 while the national state of emergency in April 2023. During 2022, the Department received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Department. The impact on the Department’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

Cambridge – Guernsey County Health Department
Guernsey County
326 Highland Avenue
Cambridge, Ohio 43725

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of the Cambridge – Guernsey County Health Department, Guernsey County, (the Department) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2024, wherein we noted the Department followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Department's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

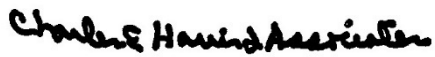
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However we noted certain other matters not requiring inclusion in this report that we reported to the Department's management in a separate letter dated June 14, 2024.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 14, 2024

**CAMBRIDGE – GUERNSEY COUNTY HEALTH DEPARTMENT
GUERNSEY COUNTY**

**SUMMARY SCHEDULE OF PRIOR FINDINGS –
PREPARED BY MANAGEMENT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Material Weakness-Noncompliance – Financial Reporting, fund classifications, and problems with notes.	Partially Corrected	N/A
2021-002	Noncompliance and Material Weakness - Reporting expenditures to the Ohio Department of Health	N/A	Not federal this year.
2021-003	Noncompliance and Material Weakness – Completion of the Schedule of Expenditures of Federal Awards	N/A	Not federal this year.
2021-004	Noncompliance and Significant Deficiency – Federal Policy and Procedures Handbook	N/A	Not federal this year.

OHIO AUDITOR OF STATE KEITH FABER



CAMBRIDGE-GUERNSEY COUNTY HEALTH DEPARTMENT

GUERNSEY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/17/2024

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

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