



OHIO AUDITOR OF STATE  
**KEITH FABER**





**DARKE COUNTY GENERAL HEALTH DISTRICT  
DARKE COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Darke County General Health District  
Darke County  
300 Garst Avenue  
Greenville, Ohio 45331

To the Board of Health:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Darke County General Health District, Darke County, Ohio (the District).

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38

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and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the 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 year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the District, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 11 (for the year ended December 31, 2020) and Note 10 (for the year ended December 31, 2019) to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 17, 2021

**Darke County General Health District**  
*Darke County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2020*

|   | General                 | Special<br>Revenue      | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|-------------------------|--------------------------------|
| <b>Cash Receipts</b>                                  |                         |                         |                                |
| Charges for Services                                  | \$379,851               | \$45,456                | \$425,307                      |
| Fines, Licenses and Permits                           | 66,563                  | 366,743                 | 433,306                        |
| Intergovernmental:                                    |                         |                         |                                |
| Grants  |                         | 690,281                 | 690,281                        |
| Non Grants  | 38,800                  | 214,039                 | 252,839                        |
| Other   | 52,908                  | 242,698                 | 295,606                        |
| Local   | 283,685                 |                         | 283,685                        |
| Gifts/Donations                                       | 3,000                   |                         | 3,000                          |
| Reimbursements/Refunds                                | 17,125                  | 6,338                   | 23,463                         |
| Miscellaneous   |                         | 12,006                  | 12,006                         |
| <i>Total Cash Receipts</i>                            | <u>841,932</u>          | <u>1,577,561</u>        | <u>2,419,493</u>               |
| <b>Cash Disbursements</b>                             |                         |                         |                                |
| Current:  |                         |                         |                                |
| Health:   |                         |                         |                                |
| Salaries  | 417,214                 | 805,218                 | 1,222,432                      |
| Health/Life Insurance & ADM Fee                       | 113,968                 | 91,781                  | 205,749                        |
| PERS/FICA/Medicare                                    | 65,525                  | 117,491                 | 183,016                        |
| Workers Comp  | 5,544                   | 5,421                   | 10,965                         |
| Supplies  | 94,243                  | 119,379                 | 213,622                        |
| Utilities   | 14,531                  | 5,266                   | 19,797                         |
| Professional Development                              | 12,742                  | 2,672                   | 15,414                         |
| Professional & Consultant Services                    | 23,351                  | 139,329                 | 162,680                        |
| Bond/Property Insurance                               | 4,706                   | 570                     | 5,276                          |
| Maintenance and Repairs                               | 8,960                   | 5,491                   | 14,451                         |
| Equipment   | 2,783                   | 59,837                  | 62,620                         |
| Other Services  | 4,166                   | 18,388                  | 22,554                         |
| Administrative  |                         | 6,946                   | 6,946                          |
| Refunds/Reimbursements                                | 3,779                   | 9,654                   | 13,433                         |
| Disbursements to State                                | 57,061                  | 26,235                  | 83,296                         |
| Other Disbursements                                   |                         | 8,708                   | 8,708                          |
| <i>Total Cash Disbursements</i>                       | <u>828,573</u>          | <u>1,422,386</u>        | <u>2,250,959</u>               |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | <u>13,359</u>           | <u>155,175</u>          | <u>168,534</u>                 |
| <b>Other Financing Receipts (Disbursements)</b>       |                         |                         |                                |
| Advances In   | 36,000                  | 105,000                 | 141,000                        |
| Advances Out  | (66,000)                | (75,000)                | (141,000)                      |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(30,000)</u>         | <u>30,000</u>           | <u>0</u>                       |
| <i>Net Change in Fund Cash Balances</i>               | (16,641)                | 185,175                 | 168,534                        |
| <i>Fund Cash Balances, January 1</i>                  | <u>197,303</u>          | <u>370,085</u>          | <u>567,388</u>                 |
| <i>Fund Cash Balances, December 31</i>                | <u><u>\$180,662</u></u> | <u><u>\$555,260</u></u> | <u><u>\$735,922</u></u>        |

See accompanying notes to the basic financial statements

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# Darke County General Health District

*Darke County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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## **Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the General Health District, Darke County, (the District) 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, and public health nursing services, and the District issues health-related licenses and permits.

The District maintains direct fiscal control over the funds deposited with the Darke County Treasurer. The Darke County Auditor serves as the fiscal agent.

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:

***Health/Help Me Grow Fund*** - This fund receives revenue from a grant fund to provide services for early prenatal and well-baby care for Darke County residents.

***Water Pollution Control*** - This fund receives revenue from a grant for repair/replacement of household sewage treatment systems for Darke County residents.

***Emergency Preparedness*** - This fund receives revenue from a grant to assist in upgrading the District's ability to effectively respond to a range of public health threats.

***Food Service Fund*** - This fund receives revenue from the sale of licenses to prepare food for public consumption.

***Trailer Court Camps*** - This fund receives revenue from the sale of permits to trailer courts and campgrounds.

**Darke County General Health District**  
*Darke County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***Private Water Systems Fund*** – This fund receives revenue from well permits and the testing of water samples.

***Solid Waste Fund*** - This fund receives the proceeds assessed by the County on the hauling of solid waste.

***Sewage Treatment Systems*** - This fund receives revenue from installer registrations, service providers, scavenger permits, septic permits, operational & maintenance permits, and special services.

***Swimming Pools*** - This fund receives revenue from the sale of licenses to operate public and/or private swimming pools.

***Medical Reserve*** - This fund receives revenue for training on emergency preparedness.

***Get Vaccinated Ohio Grant*** - This fund receives revenue from grant to raise and maintain childhood and adolescent immunization rates and reduce coverage disparities by race, ethnicity, disability status and socioeconomic status in Ohio.

***COVID19*** – This fund receives revenue from The Ohio Department of Health to support activities to prevent and control COVID-19 cases in Ohio.

***Coronavirus Response Grant*** - This fund receives revenue from grant to assist with the Coronavirus pandemic.

***Coronavirus Response Supplemental Grant*** – This fund receives additional funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (HR 748) to assist with general Coronavirus activities.

***COVID 19 Contact Tracing Grant*** - This fund receives funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (HR 748) to assist with contact tracing due to the Coronavirus pandemic.

***COVID 19 Contact Tracing Supplemental Grant*** - This fund receives additional funding from grant to assist with general contact tracing activities.

***Healing Communities Study Grant*** - This fund receives grant revenue to support the EMS system and jail with supplies and equipment to help reduce the risk of opioid overdoses.

***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).

**Darke County General Health District**  
*Darke County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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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 fund, function or object 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.

A summary of 2020 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:

***Nonspendable*** The District 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 District and the nonspendable portion of the corpus in permanent funds.

***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

**Darke County General Health District**

*Darke County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020, follows:

| 2020 Budgeted vs. Actual Receipts |                    |                    |            |
|-----------------------------------|--------------------|--------------------|------------|
| Fund Type                         | Budgeted Receipts  | Actual Receipts    | Variance   |
| General                           | \$877,932          | \$877,932          | \$0        |
| Special Revenue                   | 1,682,561          | 1,682,561          | 0          |
| Total                             | <u>\$2,560,493</u> | <u>\$2,560,493</u> | <u>\$0</u> |

| 2020 Budgeted vs. Actual Budgetary Basis Expenditures |                         |                        |                  |
|---|-------------------------|------------------------|------------------|
| Fund Type   | Appropriation Authority | Budgetary Expenditures | Variance         |
| General   | \$1,075,235             | \$894,693              | \$180,542        |
| Special Revenue                                       | 1,827,614               | 1,499,356              | 328,258          |
| Total   | <u>\$2,902,849</u>      | <u>\$2,394,049</u>     | <u>\$508,800</u> |

**Darke County General Health District**  
*Darke County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Darke 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 – Interfund Balances**

*Advances*

Outstanding advances at December 31, 2020, consisted of \$47,000 advanced to Darke County General Health funds to provide working capital for operations or projects.

**Note 6 – Risk Management**

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.

***Risk Pool Membership***

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

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

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

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

During 2020, the District did not make significant changes to coverage from the prior year.

**Darke County General Health District**  
*Darke County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 7 – Defined Benefit Pension Plans**

*Ohio Public Employees Retirement System*

Most of the District 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, 2020.

*Social Security*

The District’s board members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2020.

**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 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

**Note 9 – Fund Balances**

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 facilities effective cash planning and control. At year end the balances of these amounts were as follows:

| Fund Balances            | General      | Special<br>Revenue | Total          |
|--------------------------|--------------|--------------------|----------------|
| Nonspendable:            |              |                    |                |
| Unclaimed Monies         |              |                    | \$0            |
| Corpus                   |              |                    | 0              |
| Outstanding Encumbrances | 120          | 1,969              | 2,089          |
| <b>Total</b>             | <b>\$120</b> | <b>\$1,969</b>     | <b>\$2,089</b> |

**Darke County General Health District**  
*Darke County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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The fund balance of Special Revenue funds is restricted. This restricted amount in the Special Revenue funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned. The fund balance of the General Fund is otherwise assigned due to subsequent year appropriations exceeding estimated receipts.

**Note 10 – 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 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. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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**Darke County General Health District**

Darke County

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

All Governmental Fund Types

For the Year Ended December 31, 2019

|   | General          | Special<br>Revenue | Totals<br>(Memorandum<br>Only) |
|---|------------------|--------------------|--------------------------------|
| <b>Cash Receipts</b>                                  |                  |                    |                                |
| Charges for Services                                  | \$503,703        | \$31,212           | \$534,915                      |
| Fines, Licenses and Permits                           | 86,891           | 349,996            | 436,887                        |
| Intergovernmental:                                    |                  |                    |                                |
| Grants  |                  | 368,138            | 368,138                        |
| Non Grants  | 69,561           | 179,837            | 249,398                        |
| Other   | 47,812           | 151,667            | 199,479                        |
| Local   | 279,077          |                    | 279,077                        |
| Reimbursements/Refunds                                | 8,088            | 13,251             | 21,339                         |
| Miscellaneous   |                  | 20,735             | 20,735                         |
| <i>Total Cash Receipts</i>                            | <u>995,132</u>   | <u>1,114,836</u>   | <u>2,109,968</u>               |
| <b>Cash Disbursements</b>                             |                  |                    |                                |
| Current:  |                  |                    |                                |
| Health:   |                  |                    |                                |
| Salaries  | 468,674          | 532,971            | 1,001,645                      |
| Health/Life Insurance & ADM Fee                       | 84,920           | 65,554             | 150,474                        |
| PERS/FICA/Medicare                                    | 70,097           | 80,478             | 150,575                        |
| Workers Comp  | 5,744            | 5,735              | 11,479                         |
| Supplies  | 151,862          | 31,265             | 183,127                        |
| Utilities   | 11,437           | 3,044              | 14,481                         |
| Professional Development                              | 15,303           | 8,750              | 24,053                         |
| Professional & Consultant Services                    | 35,566           | 273,433            | 308,999                        |
| Bond/Property Insurance                               | 4,556            | 470                | 5,026                          |
| Maintenance and Repairs                               | 2,718            | 7,358              | 10,076                         |
| Equipment   |                  | 1,000              | 1,000                          |
| Other Services  | 5,137            | 13,891             | 19,028                         |
| Administrative  |                  | 9,794              | 9,794                          |
| Refunds/Reimbursements                                | 5,939            | 15,014             | 20,953                         |
| Disbursements to State                                | 63,202           | 35,899             | 99,101                         |
| Capital Outlay  | 8,698            | 17,396             | 26,094                         |
| <i>Total Cash Disbursements</i>                       | <u>933,853</u>   | <u>1,102,052</u>   | <u>2,035,905</u>               |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | <u>61,279</u>    | <u>12,784</u>      | <u>74,063</u>                  |
| <b>Other Financing Receipts (Disbursements)</b>       |                  |                    |                                |
| Transfers In  |                  | 1,000              | 1,000                          |
| Transfers Out   | (1,000)          |                    | (1,000)                        |
| Advances In   | 53,000           | 31,000             | 84,000                         |
| Advances Out  | (31,000)         | (53,000)           | (84,000)                       |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>21,000</u>    | <u>(21,000)</u>    | <u>0</u>                       |
| <i>Net Change in Fund Cash Balances</i>               | 82,279           | (8,216)            | 74,063                         |
| <i>Fund Cash Balances, January 1</i>                  | <u>115,024</u>   | <u>378,301</u>     | <u>493,325</u>                 |
| <b>Fund Cash Balances, December 31:</b>               |                  |                    |                                |
| Restricted  |                  | 370,085            | 370,085                        |
| Assigned  | 197,303          |                    | 197,303                        |
| <i>Fund Cash Balances, December 31</i>                | <u>\$197,303</u> | <u>\$370,085</u>   | <u>\$567,388</u>               |

See accompanying notes to the basic financial statements

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**Darke County General Health District**  
*Darke County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the General Health District, Darke County, (the District) 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, and public health nursing services, and the District issues health-related licenses and permits.

The District maintains direct fiscal control over the funds deposited with the Darke County Treasurer. The Darke County Auditor serves as the fiscal agent.

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:

***Health/Help Me Grow Fund*** - This fund receives revenue from a grant fund to provide services for early prenatal and well-baby care for Darke County residents.

***Water Pollution Control*** - This fund receives revenue from a grant for repair/replacement of household sewage treatment systems for Darke County residents.

***Emergency Preparedness*** - This fund receives revenue from a grant to assist in upgrading the District's ability to effectively respond to a range of public health threats.

***Food Service Fund*** - This fund receives revenue from the sale of licenses to prepare food for public consumption.

***Trailer Court Camps*** - This fund receives revenue from the sale of permits to trailer courts and campgrounds.

## Darke County General Health District

*Darke County*

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*For the Year Ended December 31, 2019*

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***Private Water Systems Fund*** – This fund receives revenue from well permits and the testing of water samples.

***Solid Waste Fund*** - This fund receives the proceeds assessed by the County on the hauling of solid waste.

***Sewage Treatment Systems*** - This fund receives revenue from installer registrations, service providers, scavenger permits, septic permits, operational & maintenance permits, and special services.

***Swimming Pools*** - This fund receives revenue from the sale of licenses to operate public and/or private swimming pools.

***Medical Reserve*** - This fund receives revenue for training on emergency preparedness.

***Mosquito Grant*** - This fund receives revenue from a grant for efforts to mitigate and prevent the spread of mosquito-borne illnesses.

***OH EPA WPCLF (HSTS)*** - This fund receives revenue from the State of Ohio for repair/replacement of household sewage treatment systems in Darke County.

***Get Vaccinated Ohio Grant*** - This fund receives revenue from grant to raise and maintain childhood and adolescent immunization rates and reduce coverage disparities by race, ethnicity, disability status and socioeconomic status in Ohio.

### ***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 fund, function or object 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.

**Darke County General Health District**  
*Darke County*  
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***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.

A summary of 2019 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:

***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.

**Darke County General Health District**

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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.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019, follows:

| 2019 Budgeted vs. Actual Receipts |                    |                    |            |
|-----------------------------------|--------------------|--------------------|------------|
| Fund Type                         | Budgeted Receipts  | Actual Receipts    | Variance   |
| General                           | \$1,048,132        | \$1,048,132        | \$0        |
| Special Revenue                   | 1,146,836          | 1,146,836          | 0          |
| Total                             | <u>\$2,194,968</u> | <u>\$2,194,968</u> | <u>\$0</u> |

| 2019 Budgeted vs. Actual Budgetary Basis Expenditures |                         |                        |                  |
|---|-------------------------|------------------------|------------------|
| Fund Type   | Appropriation Authority | Budgetary Expenditures | Variance         |
| General   | \$1,065,957             | \$966,813              | \$99,144         |
| Special Revenue                                       | 1,480,463               | 1,155,052              | 325,411          |
| Total   | <u>\$2,546,420</u>      | <u>\$2,121,865</u>     | <u>\$424,555</u> |

**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Darke 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 – Interfund Balances**

**Advances**

Outstanding advances at December 31, 2019, consisted of \$47,000 advanced to Darke County General Health funds to provide working capital for operations or projects.

**Darke County General Health District**  
*Darke County*  
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*For the Year Ended December 31, 2019*

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**Note 6 – Risk Management**

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.

***Risk Pool Membership***

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

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

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

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

During 2019, the District did not make significant changes to coverage from the prior year.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most of the District 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, 2019.

***Social Security***

The District’s board members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

**Darke County General Health District**  
*Darke County*  
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*For the Year Ended December 31, 2019*

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Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

**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 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

**Note 9 – 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 10 – Subsequent Event**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



# OHIO AUDITOR OF STATE KEITH FABER



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

Darke County General Health District  
Darke County  
300 Garst Avenue  
Greenville, Ohio 45331

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Darke County General Health District, Darke County, (the District) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, and have issued our report thereon dated June 17, 2021, where we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

### ***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining

on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

June 17, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**DARKE COUNTY GENERAL HEALTH DISTRICT**

**DARKE 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 7/13/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)