



OHIO AUDITOR OF STATE  
**KEITH FABER**





**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY  
MONTGOMERY COUNTY  
DECEMBER 31, 2020**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Public Health - Dayton & Montgomery County  
Montgomery County  
117 South Main Street  
Dayton, Ohio 45422

To the Board of Health:

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

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Public Health - Dayton & Montgomery County, Montgomery County, Ohio (the PHDMC), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the PHDMC's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

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

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the PHDMC'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 PHDMC'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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the PHDMC, as of December 31, 2020, and the respective changes in cash financial position and the respective budgetary comparison for the General and Federal funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Emphasis of Matter***

As discussed in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the PHDMC. We did not modify our opinion regarding this matter.

***Other Matters***

*Supplementary Information*

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

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

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

***Other 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 PHDMC'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 PHDMC's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 17, 2021

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**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY**  
**MONTGOMERY COUNTY**  
STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2020

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 10,615,742
Total assets	<u>10,615,742</u>
<b>Net Position</b>	
Restricted for:	
Other purposes	854,986
Unrestricted	<u>9,760,756</u>
Total net position	<u>\$ 10,615,742</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY**  
**MONTGOMERY COUNTY**  
STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>				
Health:				
Public health services	\$ 35,968,715	\$ 7,742,960	\$ 11,932,169	\$ (16,293,586)
Capital outlay	1,226,194	-	-	(1,226,194)
Total governmental activities	37,194,909	7,742,960	11,932,169	(17,519,780)
<b>General Receipts</b>				
Property taxes levied for:				
Human services				17,022,261
Miscellaneous				130,246
Total general receipts				17,152,507
Change in net position				(367,273)
Net position beginning of year				10,983,015
Net position end of year				\$ 10,615,742

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY**  
**MONTGOMERY COUNTY**  
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020

	<u>General</u>	<u>Federal</u>	<u>Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in pooled cash and cash equivalents	\$ 5,959,428	\$ (47,338)	\$ 2,939,415	\$ 1,764,237	\$ 10,615,742
Total assets	<u>\$ 5,959,428</u>	<u>\$ (47,338)</u>	<u>\$ 2,939,415</u>	<u>\$ 1,764,237</u>	<u>\$ 10,615,742</u>
<b>Fund Balances</b>					
Restricted	-	-	-	854,986	854,986
Committed	-	-	2,939,415	909,251	3,848,666
Assigned	4,220,507	-	-	-	4,220,507
Unassigned (deficit)	1,738,921	(47,338)	-	-	1,691,583
Total fund balances	<u>\$ 5,959,428</u>	<u>\$ (47,338)</u>	<u>\$ 2,939,415</u>	<u>\$ 1,764,237</u>	<u>\$ 10,615,742</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY**  
**MONTGOMERY COUNTY**  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	General	Federal	Capital Project	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Levy funds	\$ 17,022,261	\$ -	\$ -	\$ -	\$ 17,022,261
Intergovernmental	2,322,636	7,257,894	-	2,351,639	11,932,169
Licenses, permits and fees	2,274,702	-	-	1,920,462	4,195,164
Charges for services	2,573,028	909,031	-	61,703	3,543,762
Miscellaneous	130,246	3,524	-	510	134,280
Total receipts	<u>24,322,873</u>	<u>8,170,449</u>	<u>-</u>	<u>4,334,314</u>	<u>36,827,636</u>
<b>Disbursements</b>					
Current:					
Salaries and benefits	14,285,357	6,226,343	-	3,607,337	24,119,037
Supplies	1,243,374	479,676	4,351	144,698	1,872,099
Contracts	1,212,338	306,516	48,080	60,077	1,627,011
Intergovernmental	1,491,730	-	-	77,687	1,569,417
Rentals	1,030,209	487,059	350	108,387	1,626,005
Other disbursements	2,708,617	2,194,094	76,839	175,596	5,155,146
Capital outlay	417,599	245,337	357,282	205,976	1,226,194
Total disbursements	<u>22,389,224</u>	<u>9,939,025</u>	<u>486,902</u>	<u>4,379,758</u>	<u>37,194,909</u>
Excess of receipts over (under) disbursements	1,933,649	(1,768,576)	(486,902)	(45,444)	(367,273)
<b>Other financing sources (uses)</b>					
Transfers in	1,408,313	900,000	1,000,000	389,000	3,697,313
Transfers out	<u>(2,289,000)</u>	<u>-</u>	<u>-</u>	<u>(1,408,313)</u>	<u>(3,697,313)</u>
Total other financing sources (uses)	<u>(880,687)</u>	<u>900,000</u>	<u>1,000,000</u>	<u>(1,019,313)</u>	<u>-</u>
Net change in fund balance	1,052,962	(868,576)	513,098	(1,064,757)	(367,273)
Fund balances beginning of year	4,906,466	821,238	2,426,317	2,828,994	10,983,015
Fund balances end of year	<u>\$ 5,959,428</u>	<u>\$ (47,338)</u>	<u>\$ 2,939,415</u>	<u>\$ 1,764,237</u>	<u>\$ 10,615,742</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY**  
**MONTGOMERY COUNTY**  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Levy funds	\$ 17,079,000	\$ 17,079,000	\$ 17,022,261	\$ (56,739)
Intergovernmental	566,142	566,142	2,322,636	1,756,494
Licenses, permits and fees	2,183,000	2,183,000	2,274,702	91,702
Charges for services	4,668,616	6,490,277	2,573,028	(3,917,249)
Miscellaneous	256,225	314,225	130,246	(183,979)
Total receipts	24,752,983	26,632,644	24,322,873	(2,309,771)
<b>Disbursements</b>				
Current:				
Salaries and benefits	15,829,945	17,255,095	14,291,855	2,963,240
Supplies	1,551,680	1,693,825	1,425,470	268,355
Contracts	1,977,199	2,158,324	1,816,378	341,946
Intergovernmental	1,749,821	1,910,116	1,607,494	302,622
Rentals	1,130,256	1,233,795	1,038,323	195,472
Other disbursements	4,430,099	4,835,926	4,069,764	766,162
Capital outlay	826,896	902,645	759,638	143,007
Total disbursements	27,495,896	29,989,726	25,008,922	4,980,804
Excess of receipts over (under) disbursements	(2,742,913)	(3,357,082)	(686,049)	2,671,033
<b>Other financing sources (uses)</b>				
Transfers in	489,000	1,408,313	1,408,313	-
Transfers out	(2,389,000)	(2,389,000)	(2,289,000)	100,000
Net change in fund balance	(4,642,913)	(4,337,769)	(1,566,736)	2,771,033
Unencumbered fund balance at beginning of year	2,244,770	2,244,770	2,244,770	-
Prior year encumbrances appropriated	2,661,696	2,661,696	2,661,696	-
Unencumbered fund balance at end of year	<u>\$ 263,553</u>	<u>\$ 568,697</u>	<u>\$ 3,339,730</u>	<u>\$ 2,771,033</u>

See accompanying notes to the basic financial statements.

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY**  
**MONTGOMERY COUNTY**  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FEDERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$ 6,126,827	\$ 10,262,208	\$ 7,257,894	\$ (3,004,314)
Charges for services	754,843	1,272,789	909,031	(363,758)
Miscellaneous	<u>2,926</u>	<u>4,934</u>	<u>3,524</u>	<u>(1,410)</u>
Total receipts	6,884,596	11,539,931	8,170,449	(3,369,482)
<b>Disbursements</b>				
Current:				
Salaries and benefits	4,925,324	7,642,231	6,226,629	1,415,602
Supplies	398,090	633,863	540,348	93,515
Contracts	393,133	625,971	533,620	92,351
Rentals	386,103	614,777	524,078	90,699
Other disbursements	2,231,371	3,552,928	3,028,757	524,171
Capital outlay	<u>226,110</u>	<u>360,026</u>	<u>306,911</u>	<u>53,115</u>
Total disbursements	<u>8,560,131</u>	<u>13,429,796</u>	<u>11,160,343</u>	<u>2,269,453</u>
Excess of receipts over (under) disbursements	(1,675,535)	(1,889,865)	(2,989,894)	(1,100,029)
<b>Other financing sources (uses)</b>				
Transfers in	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Net change in fund balance	(775,535)	(989,865)	(2,089,894)	(1,100,029)
Unencumbered fund balance at beginning of year	483,246	483,246	483,246	-
Prior year encumbrances appropriated	337,992	337,992	337,992	-
Unencumbered fund balance at end of year	<u>\$ 45,703</u>	<u>\$ (168,627)</u>	<u>\$ (1,268,656)</u>	<u>\$ (1,100,029)</u>

See accompanying notes to the basic financial statements.

## **Public Health – Dayton & Montgomery County**

### *Montgomery County*

#### *Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2020*

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### **Note 1 – Reporting Entity**

Public Health – Dayton & Montgomery County (PHDMC) is a combined general health district established under the laws of the State of Ohio. A nine-member Board of Health governs PHDMC, which provides public health services to the citizens of Montgomery County and, for certain programs, surrounding counties also. The Board appoints a health commissioner and all employees of PHDMC.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading.

#### ***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from PHDMC. PHDMC's services include general operations, public health nursing, immunizations, communicable disease clinics and programs, food protection, community and special services, vital statistics, personal health care clinics, regional air pollution monitoring and control, water and solid waste programs, and regional emergency response planning.

#### ***Component Units***

Component units are legally separate organizations for which PHDMC is financially accountable. PHDMC does not have any component units.

#### ***Public Entity Risk Pools***

PHDMC participates in the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. The PEP provides property and casualty coverage for its members. Note 7 to the financial statements provides additional information for this entity.

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

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

#### ***Basis of Presentation***

PHDMC's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

***Government-Wide Financial Statements*** The Statement of Net Position and the Statement of Activities display information about PHDMC as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of PHDMC that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. PHDMC has no business-type activities.

## Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

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### Note 2 – Summary of Significant Accounting Policies (continued)

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

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

#### **Fund Accounting**

PHDMC 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. Funds are used to segregate resources that are restricted as to use. PHDMC utilizes the governmental category of funds only; it does not have any fiduciary funds.

**Governmental Funds** Governmental funds are those through which all governmental functions of PHDMC are financed. The following are PHDMC's major governmental funds:

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

**Federal Fund** This fund accounts for and reports federal grant monies that are restricted to expenditure to meet requirements of the grants, whether received directly from the federal government or from the State in the form of a pass-through.

**Capital Project Fund** This fund accounts for and reports financial resources that are committed to expenditure for the repair and maintenance of various health centers and to purchase/replace other capital items as needed.

The other governmental funds of PHDMC account for and report other resources whose use is restricted, committed or assigned to a particular purpose, such as the food protection program.

**Public Health – Dayton & Montgomery County**  
*Montgomery County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Basis of Accounting***

PHDMC’s financial statements are prepared using the cash basis of accounting. Receipts are recorded in PHDMC’s financial records and reported in the financial statements when cash is received, rather than when earned. Likewise, disbursements are recorded when cash is paid, rather than when a liability is incurred.

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

***Budgetary Process***

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health’s authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund level for all funds. Individual grants are limited to their approved budget; the Board must approve any increase or decrease.

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

ORC Section 3709.28 establishes budgetary requirements for general health districts, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, PHDMC must adopt an appropriation measure for the next fiscal year. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, PHDMC may transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

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

**Public Health – Dayton & Montgomery County**

*Montgomery County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

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

***Cash and Investments***

The Montgomery County Treasurer is the custodian for PHDMC’s cash and investments. The County’s cash and investment pool holds PHDMC’s cash and investments, which are reported at the County Treasurer’s carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from: Montgomery County Treasurer, 451 W. Third Street, Dayton, OH 45422-1475, 937-225-4010.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the assets. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

***Inventory and Prepaid Items***

PHDMC reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the cash basis of accounting.

***Employer Contributions to Cost-Sharing Pension Plans***

PHDMC recognizes the disbursements for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

**Public Health – Dayton & Montgomery County**  
*Montgomery County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Long-Term Obligations***

The cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an Other Financing Source nor a Capital Outlay expenditure is reported at inception. Lease payments are reported when paid.

***Net Position***

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

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

***Fund Balance***

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

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by PHDMC for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a Health District official delegated that authority by resolution, or by State Statute.

## **Public Health – Dayton & Montgomery County**

*Montgomery County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2020*

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### **Note 2 – Summary of Significant Accounting Policies (continued)**

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

PHDMC 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.

### ***Interfund Transactions***

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as Other Financing Sources/Uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

### **Note 3 – Cash and Cash Equivalents**

The Montgomery County Treasurer maintains a cash pool used by all of the County's funds, including those of PHDMC. The Ohio Revised Code prescribes allowable deposits and investments. At year-end, the carrying amount of PHDMC's deposits with the Montgomery County Commissioners was \$10,615,742. The Montgomery County Treasurer is the fiscal agent for the PHDMC and is responsible for maintaining adequate depository collateral for all funds in the County's pooled cash and deposit accounts.

### **Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis is presented for the general fund and the Federal special revenue fund. This group of reports is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to:

**Public Health – Dayton & Montgomery County**

*Montgomery County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 4 – Budgetary Basis of Accounting (continued)**

Fund	Outstanding Encumbrances 12/31/2020
General Fund	\$ 2,619,698
Federal Fund	1,221,318
Capital Projects	61,803
Other Funds	11,374
Total Encumbrances at December 31, 2020	<u>\$ 3,914,193</u>

**Note 5 – Property Taxes**

The County Commissioners have established a Human Services Levy Council (HSLC) in which PHDMC participates. Distribution of Levy funds to the participating agencies is on a semi-annual basis in accordance with HSLC recommendations. Currently the combined millage for the two levies is 14.24. The HSLC has established a policy regarding agencies maintaining fund balances: each levy agency shall strive to maintain its fund balances, to the extent possible, at about 9% of budgeted expenses on average.

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

**Note 6 – Interfund Receivables and Transfers**

There were no loans or cash advances made between the individual funds during the year; therefore, no inter-fund payable or receivable balances existed at December 31, 2020.

**Note 7 – Risk Management**

***Risk Pool Membership***

The PHDMC is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of PHDMC'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

**Public Health – Dayton & Montgomery County**

*Montgomery County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 7 – Risk Management (continued)**

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

	<u>2020</u>
Cash and investments	\$40,318,971
Actuarial liabilities	\$ 14,111,510

***Workers' Compensation***

Montgomery County manages the Workers' Compensation program in which PHDMC participates. Allocation of the cost to PHDMC takes place annually.

**Note 8 – Employee Benefits**

***Health Insurance***

PHDMC offers health, dental and vision coverage to its employees. This year the benefit period was extended to December 31, 2020 to align with Montgomery County's move to a calendar year benefit period. Open enrollment was moved from spring to fall for the new effective coverage date. Health insurance and pharmacy benefits are provided through UMR a United Healthcare Company for medical and MedImpact pharmacy services. Employees have the option of participating in a Basic or Enhanced health plan. Employees who are covered under another health plan receive a waiver payment. HSA accounts are set up through Optum Bank and employees make pre-tax contributions via payroll deduction. PHDMC offers \$ 1,000 for each enrolled employee in the HSA plan.

If an employee is covered under the Basic or Enhanced health insurance plan and is ineligible to contribute to a HSA, they are eligible for the Health Reimbursement Arrangement (HRA) benefit. PHDMC offers a matching contribution of \$1,000. The HRA is administered by Flex Bank and PHDMC pays an administrative fee of \$5.00 per month per participating employee.

Employees may also elect to participate in a Flexible Spending Account (FSA), which allows them to set aside funds to cover out of pocket expenses for medical care and/or dependent childcare expense. Voluntary employee payroll deductions funds the plan and employees file their own claims. The FSA is administered by Flex Bank, Inc. and PHDMC pays an administrative fee of \$4.50 per month per participating employee.

In addition, PHDMC provides dental and vision benefits through Superior Dental. Life insurance is provided through Companion Life at a dollar value of one times the annual salary for full time employees. Employees also have the opportunity to obtain short term disability, additional life and accidental insurance for which the employee pays the entire cost.

**Public Health – Dayton & Montgomery County**

*Montgomery County*

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*For the Year Ended December 31, 2020*

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**Note 8 – Employee Benefits (continued)**

***Tuition Reimbursement Program***

PHDMC offers 100 percent reimbursement, up to \$2,000 per year per person for full-time employees and \$1,000 for part-time employees, for costs associated with college or university courses that benefit the employee in maintaining, enhancing, or remaining current with new methodologies. All courses are subject to prior approval by management, and a minimum grade is required to receive reimbursement.

In addition to increasing total annual tuition reimbursement, PHDMC phased out its policy specifically related to reimbursement for tuition and fees associated with obtaining a Master of Public Health degree. Upon successful completion of courses, and with accompanying receipts for the costs, PHDMC reimbursed the employee 70 percent of his/her costs. The employee must agree to remain employed with the PHDMC for a minimum of three years after graduation, or repay up to 90 percent of the total reimbursement received.

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System (OPERS)***

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**Public Health – Dayton & Montgomery County**  
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*For the Year Ended December 31, 2020*

**Note 9 – Defined Benefit Pension Plans (continued)**

<b>Group A</b> Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**Public Health – Dayton & Montgomery County**

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*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 9 – Defined Benefit Pension Plans (continued)**

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

**Public Health – Dayton & Montgomery County**  
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**Note 9 – Defined Benefit Pension Plans (continued)**

	State and Local
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee ***	10.0 %
 <b>2020 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0
 Total Employer	 14.0 %
 Employee	 10.0 %

\*\*\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

\*\*\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The PHDMC’s contractually required contribution was \$2,413,277 for the year 2020.

**Note 10 – Post-Employment Benefits**

***Ohio Public Employees Retirement System (OPERS)***

***Plan Description*** – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

## **Public Health – Dayton & Montgomery County**

### *Montgomery County*

#### *Notes to the Basic Financial Statements*

#### *For the Year Ended December 31, 2020*

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### **Note 10 – Post-Employment Benefits (continued)**

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by the OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020 OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The PHDMC’s contractually required contribution was \$0 for the year 2020.

### **Note 11 – Leases**

PHDMC leases several sites for its operations. PHDMC disbursed \$ 1,526,565 to pay lease costs for the year ended December 31, 2020. All leases include cancellation provisions. The largest lease is with Montgomery County for the Reibold Building at \$ 1,058,798 for the calendar year. An additional \$ 70,749 was added to this agreement for space required for COVID-19 response activities.

**Public Health – Dayton & Montgomery County**

*Montgomery County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2020*

**Note 12 – Fund Balances**

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which PHDMC is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Federal	Capital Project	Other Governmental Funds	Total Governmental Funds
Restricted for:					
Air Pollution Program	\$ -	\$ -	\$ -	\$ 854,986	\$ 854,986
Total Restricted	-	-	-	854,986	854,986
Committed to:					
Capital Projects and Equipment	-	-	2,939,415	-	2,939,415
Food Service Program	-	-	-	909,251	909,251
Total Committed	-	-	2,939,415	909,251	3,848,666
Assigned to:					
Encumbrances - General Fund Subsequent Year Appropriations	2,619,698	-	-	-	2,619,698
Total Assigned	4,220,507	-	-	-	4,220,507
Unassigned (Deficit)	1,738,921	(47,338)	-	-	1,691,583
Total Fund Balances	\$ 5,959,428	\$ (47,338)	\$ 2,939,415	\$ 1,764,237	\$ 10,615,742

**Public Health – Dayton & Montgomery County**  
*Montgomery County*  
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*For the Year Ended December 31, 2020*

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**Note 13 – Interfund Transfers**

During 2020 the following transfers were made:

<b>Transfer To</b>	<b>Transfer From</b>		
	Major Funds		Other
	General Fund	Governmental	
General Fund	\$ -	\$ 1,408,313	\$ 1,408,313
Federal Fund	900,000	-	900,000
Capital Projects Fund	1,000,000	-	1,000,000
Other Governmental Funds	389,000	-	389,000
	<b>\$ 2,289,000</b>	<b>\$ 1,408,313</b>	<b>\$ 3,697,313</b>

Transfers represent the allocation of unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and reallocation of receipts from Air Pollution to General Fund for accumulated indirect costs that were paid by the General Fund in prior years and eligible to be repaid by the Air Pollution Fund. The general fund transfers to other governmental funds were made to provide additional resources for current operations and capital improvements.

**Public Health – Dayton & Montgomery County**

*Montgomery County*

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*For the Year Ended December 31, 2020*

**Note 14 – Contractual Commitments**

At December 31, 2020, PHDMC had contractual commitments for services. Some of these commitments will be funded by federal and state program grants. Below is a list of the most significant contract amounts and vendors:

<u>Vendor Name</u>	<u>Amount</u>	<u>Vendor Name</u>	<u>Amount</u>
App Architecture	61,803	Mechanical Systems of Dayton	49,308
Affordable Language Service LTD	6,404	Merchants Security Services	47,063
Artemis Center	50,000	Miami Valley Community Action Partnership	100,000
Ascend Innovations Inc.	60,800	Miami Vally Interpreters	50,664
Ascendant Strategy Management Group	5,000	Ohio Organizing Collaborative	52,677
Blue Chip Brothers & Harris Harbor LLC	6,000	The Ohio State University	13,728
Catholic Social Services of the Miami Valley	81,535	OneFifteen Recovery	48,765
Change Healthcare Solutions LLC	11,232	Produce Perks Midwest Inc.	96,283
Cirrus Concept Consulting Inc.	171,795	Progressive Services Inc. DBA Progressive	
City of Dayton	37,728	Janitorial Services Inc.	50,063
Clark County Combined Health District	5,389	Rise Up News	45,810
Community Health Centers of Greater Dayton	7,500	Riverside Computing Inc. DBA Agilit	10,000
DAR Public Relations Inc	100,000	Scott Campbell DBA Campbell's	
Daybreak Inc	28,667	Snow Removal	38,080
Defries Corp LLC DBA Integreation	5,724	Shiver Secutity Systems INC.	
Dr. Linda J. Burrs DBA Step Up To Success	6,000	DBA Sonitrol of SW Ohio	7,803
Eastway Corporation	5,182	St. Vincent De Paul Social Services Inc.	22,474
Eclinical Works LLC	77,443	St. Vincent DePaul Society District	
Elizabeth Place Holdings LLC	16,296	Council of Dayton Ohio Inc.	14,750
Equitas Health	25,327	Supplemental Health Care DBA	
Five Rivers Health Centers	192,777	Supplemental Health Care Services	114,779
Gallagher Benefit Solutions, Inc.		Surveygizmo DBA Alchemer LLC	7,440
DBA Fox Lawson & Associates	57,079	Taft Stettiniuis & Hollister LLP	21,152
Gatlyn Dame Group Inc.	10,000	The C-3 Group LLC	127,515
Grater Dayton Area Hospital Association	229,736	Treasurer State of Ohio Attorney	
Greene County Combined Health District	7,519	Generals Office	96,206
Healthier Demetriades	14,344	Tristate Biomedical Solutions DBA	
HOR Community Solutions	61,150	Medical Equipment Services	5,585
Kenner Technologies LLC	12,406	Unifirst Corporation	5,848
Kettering Radiologists Inc.	7,337	Verizon Wireless	63,313
Kronos Inc.	16,086	Vocalink Inc. DBA Vocalink Global	10,712
Ktownsend Consulting	16,200	Walgreens Co.	35,057
		Wesley Community Center Inc	157,124
		West Enterprises Inc.	16,000
		William Burkhart	5,645
		Wright State Physicians	32,023
		YMCA Dayton	50,000
		Subtotal	<u>2,790,326</u>
		Other contract (less than \$5,000) each	<u>1,125,469</u>
		Total	<u><u>3,915,795</u></u>

**Public Health – Dayton & Montgomery County**

*Montgomery County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 15 – Contingent Liabilities**

***Grants***

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

**Note 16 – 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 PHDMC. In addition, the impact on the PHDMC's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, PHDMC received CARES Act funding. These amounts are reflected as general government expenditures in the Coronavirus Relief (Other Governmental) Fund on the accompanying financial statements. During 2020, PHDMC received \$588,706 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief (Other Governmental) fund.

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**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY  
MONTGOMERY COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	05710011WA1421	10.557	432,238
	05710011WA1320	10.557	1,603,145
Total Special Supplemental Nutrition Program for Women, Infants, and Children			<u>2,035,383</u>
<b>Total U.S. Department of Agriculture</b>			<u>2,035,383</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
<i>Direct Aid</i>			
Air Pollution Control Program Support	A-00526417	66.001	478,821
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	PM-98577209	66.034	101,049
Total Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	PM-98577208	66.034	<u>98,603</u>
			<u>199,652</u>
<b>Total U.S. Environmental Protection Agency</b>			<u>678,473</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Health</i>			
Public Health Emergency Preparedness	05710012PH1221	93.069	172,666
	05710012PH1120	93.069	355,459
Total Public Health Emergency Preparedness			<u>528,125</u>
HIV Prevention Activities Health Department Based	05710012HP1320	93.940	217,957
	05710012HP1219	93.940	75,215
Total HIV Prevention Activities Health Department Based			<u>293,172</u>
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	05710012CO0120	93.354	681,584
Preventative Health Services_Sexually Transmitted Diseases Control Grants	05710012ST1220	93.977	99,895
Maternal and Child Health Services Block Grant to the States	05710011MB0321	93.994	56,133
	05710011MB0220	93.994	141,236
	05710011OH0121	93.994	2,400
	05710011MP0521	93.994	4,571
	05710011MP0420	93.994	102,284
	05710011OE0220	93.994	159,036
Total Maternal and Child Health Services Block Grant to the States			<u>465,660</u>
Immunization Cooperative Agreements	05710012GV0321	93.268	20,067
	05710012GV0220	93.268	11,637
Total Immunization Cooperative Agreements			<u>31,704</u>
Preventive Health and Health Services Block Grant	05710014CC1019	93.991	13,723
State Physical Activity and Nutrition (SPAN)	05710011CK0220	93.439	11,700
Injury Prevention and Control Research and State and Community Based Programs	05710014DR0221	93.136	22,667
	05710014DR0120	93.136	152,000
Total Injury Prevention and Control Research and State and Community Based Programs			<u>174,667</u>
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	05710011DM0121	93.478	25,000
<i>Passed through Wright State University</i>			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	3H79TI080004-03S1	93.243	8,557
<i>Passed through National Association of County and City Health Officials</i>			
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	6 NU38OT000306-02-01	93.421	15,000
<i>Passed through Ohio Department of Job and Family Services</i>			
Refugee and Entrant Assistance_State Administered Programs	G-2021-17-0337	93.566	12,400
<b>Total U.S. Department of Health and Human Services</b>			<u>2,361,187</u>

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY  
MONTGOMERY COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<i>Passed through the Ohio Department of Health</i>			
COVID-19 Coronavirus Relief Fund	05710012CT0120	21.019	1,374,446
	05710012CO0121	21.019	264,385
	05710011RC0121	21.019	427,179
<i>Passed through Montgomery County</i>			
COVID-19 Coronavirus Relief Fund	N/A	21.019	<u>823,513</u>
Total COVID-19 Coronavirus Relief Fund			<u>2,889,523</u>
<b>Total U.S. Department of the Treasury</b>			<u>2,889,523</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Direct Aid</i>			
Harold Rogers Prescription Drug Monitoring Program	2018-PM-BX-K094	16.754	<u>448,126</u>
<b>Total U.S. Department of Justice</b>			<u>448,126</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 8,412,692</u>

*The accompanying notes are an integral part of this schedule.*

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY  
MONTGOMERY COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. PHDMC has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require PHDMC to contribute non-Federal funds (matching funds) to support the Federally-funded programs. PHDMC has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**NOTE D – SAPT BLOCK GRANT**

Addiction Services is a department of PHDMC. Addiction Services receives a Block Grant for Prevention and Treatment of Substance Abuse (SAPT) CFDA #93.959, 93.788 and 93.243 from Montgomery County Alcohol Drug and Mental Health Services Board (ADAMHS) to provide prevention, identification, education, referral and community based services for alcohol and drug users and gambling prevention and treatment. Based on the agreement between ADAMHS and Addiction Services, SAPT monies disbursed by ADAMHS to Addiction Services are considered contractual and not pass through or sub-recipient. ADAMHS reports SAPT monies on their Federal Awards Expenditures Schedule. These monies will not be reported on PHDMC's schedule.

**NOTE E – COMMINGLING**

Federal monies received are commingled with other state and local revenues for the following programs:

- Maternal and Child Health Services Block Grants to States (CFDA #93.994)
- State Physical Activity and Nutrition (SPAN) (CFDA # 93.439)
- Air Pollution and Control Program Support (CFDA #66.001)
- Preventative Health and Health Services Block Grant (CFDA #93.991)
- HIV Prevention Activities Health Department Based (CFDA #93.940)

When reporting expenditures on the Schedule, PHDMC assumes it expends Federal monies first.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY  
MONTGOMERY COUNTY**

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

**NOTE F – MEDICAID REIMBURSEMENT CLAIMING**

PHDMC receives Medicaid Administrative Claiming (MAC) reimbursements CFDA #93.778 from the Ohio Department of Health (ODH). Based on the agreement between ODH and PHDMC, MAC reimbursements disbursed by ODH to PHDMC are not considered federal dollars. In 2020, PHDMC spent \$392,663 of the MAC reimbursements from the Ohio Department of Health. The monies are not reported on PHDMC's federal schedule.

# 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

Public Health - Dayton & Montgomery County  
Montgomery County  
117 South Main Street  
Dayton, Ohio 45422

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Public Health - Dayton & Montgomery County, Montgomery County, (the PHDMC) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the PHDMC's basic financial statements and have issued our report thereon dated June 17, 2021, wherein we noted the PHDMC uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the PHDMC.

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

As part of our financial statement audit, we considered the PHDMC'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 PHDMC'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 PHDMC'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 PHDMC'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 PHDMC's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the PHDMC'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



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

Public Health - Dayton & Montgomery County  
Montgomery County  
117 South Main Street  
Dayton, Ohio 45422

To the Board of Health:

### ***Report on Compliance for Each Major Federal Program***

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

### ***Management's Responsibility***

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

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

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

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

***Opinion on Each Major Federal Program***

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

***Report on Internal Control Over Compliance***

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

June 17, 2021

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2020**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA# 10.557)  COVID-19 Coronavirus Relief Fund (CFDA# 21.019)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# OHIO AUDITOR OF STATE KEITH FABER



**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY**

**MONTGOMERY 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 7/20/2021**

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)