



OHIO AUDITOR OF STATE
KEITH FABER



FAYETTE COUNTY GENERAL HEALTH DISTRICT
FAYETTE COUNTY

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INDEPENDENT AUDITOR'S REPORT

Fayette County General Health District
Fayette County
317 South Fayette Street
Washington Court House, Ohio 43160

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type combined total 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 Fayette County General Health District, Fayette 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(C) 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 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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(C) 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 year 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 combined total 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(C) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the 2020 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 27, 2022, 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 27, 2022

Fayette County General Health District
Fayette 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 Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$1,101,073	\$0	\$1,101,073
Charges for Services	133,103		133,103
Fees, Licenses and Permits	78,055	103,143	181,198
Intergovernmental:			
Apportionments	69,500		69,500
Grants	111,209	1,314,427	1,425,636
Other	115,183	11,900	127,083
Refunds	34,884	32,720	67,604
Miscellaneous	74,114	154,372	228,486
<i>Total Cash Receipts</i>	<u>1,717,121</u>	<u>1,616,562</u>	<u>3,333,683</u>
Cash Disbursements			
Current:			
Health:			
Salaries	1,174,559	921,127	2,095,686
Supplies	4,560	241,309	245,869
Equipment	18,130		18,130
Medical Insurance	238,369	101,941	340,310
Contract Services	126,747	32,207	158,954
Medicare Tax	14,660	14,270	28,930
Travel and Expense	7,935	7,061	14,996
Advertising and Printing	645		645
Public Employees Retirement	145,148	114,490	259,638
Worker's Compensation	12,066	4,862	16,928
Utilities	17,227		17,227
Maintenance	7,405		7,405
Fayette Co. Insurance	14,589		14,589
Other Expense	86,302	8,972	95,274
Payment to State		17,247	17,247
Water Test Fees		2,579	2,579
<i>Total Cash Disbursements</i>	<u>1,868,342</u>	<u>1,466,065</u>	<u>3,334,407</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(151,221)</u>	<u>150,497</u>	<u>(724)</u>
Other Financing Receipts (Disbursements)			
Transfers In		93,050	93,050
Transfers Out	(93,050)		(93,050)
Advances In		47,000	47,000
Advances Out	(47,000)		(47,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(140,050)</u>	<u>140,050</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(291,271)</u>	<u>290,547</u>	<u>(724)</u>
<i>Fund Cash Balances, January 1</i>	<u>466,081</u>	<u>824,649</u>	<u>1,290,730</u>
<i>Fund Cash Balances, December 31</i>	<u><u>174,810</u></u>	<u><u>1,115,196</u></u>	<u><u>1,290,006</u></u>

See accompanying notes to the basic financial statements

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Fayette County General Health District

Fayette County

Notes to the Financial Statements

For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Fayette County General Health District, Fayette 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'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:

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

Help Me Grow - This fund receives State and Federal grant money for families that have children with delays and disabilities from birth to three years old.

Basis of Accounting

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

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

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

Budgetary Process

The Ohio Revised Code requires the 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.

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.

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

Fayette County General Health District

Fayette County

Notes to the Financial Statements

For the Year Ended December 31, 2020

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 10.

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	\$2,880,000	\$1,717,121	(\$1,162,879)
Special Revenue	1,148,585	1,709,612	561,027
Total	\$4,028,585	\$3,426,733	(\$601,852)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,212,975	\$1,961,392	\$251,583
Special Revenue	1,510,148	1,466,065	44,083
Total	\$3,723,123	\$3,427,457	\$295,666

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding and Property Taxes

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

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

County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

Property Taxes

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

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

Note 6 – Risk Management

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 actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Fayette County General Health District

Fayette County

Notes to the Financial Statements

For the Year Ended December 31, 2020

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.

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 – Contingent Liabilities

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

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts was zero. The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue fund include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2020, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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Fayette County General Health District
Fayette 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 Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$1,110,628	\$0	\$1,110,628
Charges for Services	300,320		300,320
Fees, Licenses, and Permits	78,810	87,497	166,307
Intergovernmental:			
Apportionments	69,500		69,500
Grants		743,444	743,444
Other	252,089		252,089
Refunds	19,697	14,523	34,220
Miscellaneous	82,510	267,350	349,860
<i>Total Cash Receipts</i>	<u>1,913,554</u>	<u>1,112,814</u>	<u>3,026,368</u>
Cash Disbursements			
Current:			
Health:			
Salaries	1,158,139	749,423	1,907,562
Supplies	29,711	180,641	210,352
Equipment	3,756		3,756
Medical Insurance	262,305	99,141	361,446
Contract Services	69,134	36,115	105,249
Medicare Tax	15,577	10,119	25,696
Travel and Expense	8,644	14,332	22,976
Advertising and Printing	2,621		2,621
Public Employees Retirement	156,175	95,212	251,387
Worker's Compensation	16,707	5,787	22,494
Utilities	17,389		17,389
Maintenance	7,592		7,592
Fayette Co. Insurance	14,820		14,820
Other Expense	125,102	17,500	142,602
Payment to State		16,489	16,489
Water Test Fees		2,549	2,549
<i>Total Cash Disbursements</i>	<u>1,887,672</u>	<u>1,227,308</u>	<u>3,114,980</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>25,882</u>	<u>(114,494)</u>	<u>(88,612)</u>
Other Financing Receipts (Disbursements)			
Transfers In		50,000	50,000
Transfers Out	(50,000)		(50,000)
Advances In	45,000		45,000
Advances Out		(45,000)	(45,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(5,000)</u>	<u>5,000</u>	
<i>Net Change in Fund Cash Balances</i>	20,882	(109,494)	(88,612)
<i>Fund Cash Balances, January 1</i>	<u>445,199</u>	<u>934,143</u>	<u>1,379,342</u>
Fund Cash Balances, December 31			
Restricted		718,187	718,187
Committed		106,462	106,462
Unassigned (Deficit)	466,081		466,081
Fund Cash Balances, December 31	<u><u>466,081</u></u>	<u><u>824,649</u></u>	<u><u>1,290,730</u></u>

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

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Fayette County General Health District

Fayette County

Notes to the Financial Statements

For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Fayette County General Health District, Fayette 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'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:

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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:

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

Help Me Grow - This fund receives State and Federal grant money for families that have children with delays and disabilities from birth to three years old.

Basis of Accounting

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

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

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

Budgetary Process

The Ohio Revised Code requires the 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.

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.

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

Fayette County General Health District

Fayette County

Notes to the Financial Statements

For the Year Ended December 31, 2019

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.

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	\$2,288,999	\$1,937,672	\$351,327
Special Revenue	1,228,027	1,162,814	65,213
Total	<u>\$3,517,026</u>	<u>\$3,100,486</u>	<u>\$416,540</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,127,158	\$1,937,672	\$189,486
Special Revenue	1,418,621	1,227,308	191,313
Total	<u>\$3,545,779</u>	<u>\$3,164,980</u>	<u>\$380,799</u>

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding and Property Taxes

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

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

County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

Property Taxes

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

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

Note 6 – Risk Management

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
- Vehicles
- Property
- Equipment breakdown

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

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Fayette County General Health District

Fayette County

Notes to the Financial Statements

For the Year Ended December 31, 2019

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.

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 – Contingent Liabilities

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

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**FAYETTE COUNTY GENERAL HEALTH DISTRICT
FAYETTE COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Health</i>			
COVID-19 Coronavirus Relief Fund (CRF)	21.019	02410012CO0121	\$122,030
COVID-19 CRF Contact Tracing	21.019	02410012CT0120	78,750
Total U.S. Department of Treasury			200,780
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
COVID-19 Public Health Crisis Response	93.354	02410012CO0120	33,957
Public Health Emergency Preparedness	93.069	02410012PH1120	59,129
Family Planning Services	93.217	02410011RH0221	48,112
Maternal, Infant, and Early Childhood Home Visiting	93.870	02410011MH0820 02410011MH0921	210,368 38,992
Maternal & Child Health Services Block Grant	93.994	02410011RH0120	14,114
Total U.S. Department of Health and Human Services			404,672
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
WIC Special Supplemental Nutrition Program	10.557	02410011WA1320	189,595
Total U.S. Department of Agriculture			189,595
Total Expenditures of Federal Awards			\$795,047

The accompanying notes are an integral part of this schedule.

**FAYETTE COUNTY GENERAL HEALTH DISTRICT
FAYETTE 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 the Fayette County General Health District (the District) 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 District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

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.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - MATCHING REQUIREMENTS

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



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

Fayette County General Health District
Fayette County
317 South Fayette Street
Washington Court House, Ohio 43160

To the Board of Trustees:

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 cash balances, receipts, and disbursements for each governmental fund type combined total 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 Fayette County General Health District (the District) and have issued our report thereon dated June 27, 2022, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures 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 opinion 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

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*.

District's Response to the Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 27, 2022



**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**

Fayette County General Health District
Fayette County
317 South Fayette Street
Washington Court House, Ohio 43160

To the Board of Trustees:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District'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 District'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 the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Fayette County General Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The District'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 District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal programs, 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 District'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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the cash balances, receipts and disbursements by governmental fund type of Fayette County General Health District (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated June 27, 2022, wherein we noted the District followed the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinion also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management 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 other additional procedures 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.

Fayette County General Health District
Fayette County
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
Page 3

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio
June 27, 2022

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**FAYETTE COUNTY GENERAL HEALTH DISTRICT
FAYETTE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020 AND 2019**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2020-001

MATERIAL WEAKNESS

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

**FINDING NUMBER 2020-001
 (Continued)**

The District lacked controls to ensure that transactions were posted accurately. We identified the following errors with financial reporting in 2020 and 2019:

2020					
Transaction as Posted (incorrect)			Correct Transaction Posting		
Fund	Account	Amount	Fund	Account	Amount
General	Property Taxes	\$69,500	General	Intergovernmental - Apportionment	\$69,500
The County disbursed money to the District as Real Estate Subdivision funding. This funding was recorded as Property Taxes and should have been recorded as Intergovernmental - Apportionment.					
General	Charges for Services	\$76,416	General	Fees, Licenses, and Permits	\$76,416
The District School Contracts were recorded as Fees, Licenses and Permits and should have been recorded as Charges for Services.					
General	Miscellaneous	\$111,209	General	Intergovernmental - Grants	\$111,209
Grant receipts were incorrectly recorded as miscellaneous receipts.					
General	Miscellaneous	\$285,476	Special Revenue (COVID Fund)	Grants	\$285,476
General	Salaries	\$156,622	Special Revenue (COVID Fund)	Salaries	\$156,622
	Supplies	\$22,849		Supplies	\$22,849
	Contract Services	\$895		Contract Services	\$895
	Medicare Tax	\$3,440		Medicare Tax	\$3,440
	Public Retirement	\$16,973		Public Retirement	\$16,973
COVID-19 grants were incorrectly recorded to the General Fund as Miscellaneous receipts and should have been recorded as Special Revenue Fund COVID fund grant receipts. COVID expenditures were incorrectly recorded as General Fund expenditures and should have been recorded as Special Revenue COVID Fund expenditures.					
Special Revenue (Family Planning Fund)	Miscellaneous	\$58,526	Special Revenue (Family Planning Fund)	Intergovernmental-Grants	\$58,526
Grant receipts were improperly recorded as miscellaneous receipts.					

2019					
Transaction as Posted (incorrect)			Correct Transaction Posting		
Fund	Account	Amount	Fund	Account	Amount
General	Miscellaneous	\$116,003	General	Intergovernmental - Other	\$116,003
State receipts received by the District were incorrectly recorded as Miscellaneous.					

**FINDING NUMBER 2020-001
(Continued)**

These errors were not identified and corrected prior to the District preparing its financial statements and notes to the financial statements due to deficiencies in the District's internal controls over financial statement monitoring. Failure to accurately post and report transactions could result in material errors in the District's financial statements and reduces the District's ability to monitor financial activity and to make sound decisions which effect the overall available cash positions of the District.

The District also made errors in financial reporting in the Statement of Receipts, Disbursements, and Changes in Fund Balances in amounts ranging from \$354 to \$34,750 in 2020 and 2019.

The District corrected the financial statements and accounting records, where appropriate.

To help ensure the District's financial statements are complete and accurate, the District should implement internal control procedures to identify and correct errors and omissions in the recording of financial transactions.

Officials' Response:

For the Fiscal Year ending December 31, 2020, as referenced in the schedule of finding, the Fayette County General Health District will take the following steps to correct the findings. The Health District will record the apportionment as such and not under property taxes. The Health District will classify the school contract receipts as charges for services. The grant receipts will be recorded under the correct grant fund and not as miscellaneous receipts. COVID 19 grants will be recorded in the COVID special revenue fund and not under the general fund. For the Fiscal Year ending December 31, 2019, as referenced in the schedule of finding, the Fayette County General Health District will take the following steps to correct the finding. State receipts will be recorded in the General Fund under Intergovernmental receipts and not miscellaneous. These corrections will be completed going forward.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

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**Fayette County
Public Health**

Prevent. Promote. Protect

317 South Fayette Street
Washington Court House, Ohio 43160
Phone: 740-333-3590
Fax: 740-333-3528
<http://www.faycohd.org>

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2020**

Finding Number: 2020-001

Planned Corrective Action: For the Fiscal Year ending December 31, 2020, as referenced in the schedule of finding, the Fayette County General Health District will take the following steps to correct the findings. The Health District will record the apportionment as such and not under property taxes. The Health District will classify the school contract receipts as charges for services. The grant receipts will be recorded under the correct grant fund and not as miscellaneous receipts. COVID 19 grants will be recorded in the COVID special revenue fund and not under the general fund. For the Fiscal Year ending December 31, 2019, as referenced in the schedule of finding, the Fayette County General Health District will take the following steps to correct the findings. State receipts will be recorded in the General Fund under Intergovernmental receipts and not miscellaneous. These corrections will be completed going forward.

Anticipated Completion Date: Immediately going forward as of 6/27/2022

Responsible Contact Person: Stacey Mathews, Fiscal Officer for the Fayette County Combined General Health District. 317 S. Fayette Street Washington Court House, OH 43160. Phone: 740-335-5910.

OHIO AUDITOR OF STATE KEITH FABER



FAYETTE COUNTY GENERAL HEALTH DISTRICT

FAYETTE 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 7/5/2022

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