



OHIO AUDITOR OF STATE  
**KEITH FABER**





**JEFFERSON COUNTY GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY  
DECEMBER 31, 2021 AND 2020**

**TABLE OF CONTENTS**

TITLE	PAGE
Independent Auditor’s Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2021 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2021 .....	6
Notes to the Financial Statements For the Year Ended December 31, 2021 .....	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2020 .....	15
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2020 .....	16
Notes to the Financial Statements For the Year Ended December 31, 2020 .....	17
Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2021 .....	25
Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2021 .....	27
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	29
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance .....	31
Schedule of Findings 2 CFR § 200.515 December 31, 2021 and 2020 .....	35

**JEFFERSON COUNTY GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY  
DECEMBER 31, 2021 AND 2020**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Prepared by Management:	
Summary Schedule of Prior Audit Findings 2 CFR § 200.511(b) December 31, 2021 and 2020 .....	47
Corrective Action Plan 2 CFR § 200.511(c) December 31, 2021 and 2020 .....	49



**INDEPENDENT AUDITOR'S REPORT**

Jefferson County General Health District  
Jefferson County  
500 Market Street, 6<sup>th</sup> Floor  
Steubenville, Ohio 43952

To the Board of Directors:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Jefferson County General Health District, Jefferson County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2021 and 2020, or the changes in financial position thereof for the years then ended.

***Basis for Opinions***

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

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

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

***Emphasis of Matter***

As discussed in Note 14 to the 2020 financial statements, the beginning balance in several funds were restated. In addition, as discussed in Note 12 to the December 31, 2021 and 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Agency. We did not modify our opinion regarding this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Supplementary Information***

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

The Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 1, 2022

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**Jefferson County General Health District**  
Jefferson County

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2021*

	General	Special Revenue	Total
<b>Cash Receipts</b>			
Intergovernmental:			
Apportionments	\$ 319,603	-	\$ 319,603
Grants	-	\$ 893,846	893,846
Other	-	11,214	11,214
Other Fees	270,787	1,112,927	1,383,714
Licenses	-	75,000	75,000
Contractual Services	85,296	112,643	197,939
Miscellaneous	91,321	18,673	109,994
	<u>767,007</u>	<u>2,224,303</u>	<u>2,991,310</u>
 <b>Cash Disbursements:</b>			
Current:			
Health:			
Salaries	292,125	626,926	919,051
Supplies	29,230	24,959	54,189
Remittance to State	-	161	161
Contracts - Services	-	26,344	26,344
Travel	880	678	1,558
Certifications	95,044	-	95,044
Utilities and Rentals	2,572	193	2,765
Promotional	1,661	-	1,661
Social Security and Medicare	327	-	327
Advertizing and Printing	-	4,000	4,000
Public Employees' Retirement	39,216	85,998	125,214
Unemployment	8,679	-	8,679
Hospitalization	59,954	130,211	190,165
Medicare	4,139	17,048	21,187
Other	90,814	1,158,238	1,249,052
Debt Service:			
Principal Retirement	21,050	-	21,050
	<u>645,691</u>	<u>2,074,756</u>	<u>2,720,447</u>
Excess of Receipts Over/(Under) Disbursements	<u>121,316</u>	<u>149,547</u>	<u>270,863</u>
 <b>Other Financing Receipts</b>			
Sale of Fixed Assets	10,525	-	10,525
	<u>10,525</u>	<u>-</u>	<u>10,525</u>
Net Change in Fund Cash Balances	131,841	149,547	281,388
Fund Cash Balances, January 1	(69,883)	779,796	709,913
<i>Fund Cash Balances, December 31</i>	<u>\$ 61,958</u>	<u>\$ 929,343</u>	<u>\$ 991,301</u>

See accompanying notes to the basic financial statements

**Jefferson County General Health District**  
*Jefferson County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
Proprietary Fund Type  
For the Year Ended December 31, 2021*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Fines, Licenses, and Permits	\$ 289,071
Miscellaneous	2,191
Total Operating Cash Receipts	291,262
<b>Operating Cash Disbursements</b>	
Personal Services	152,219
Supplies and Materials	2,366
Travel	2,428
Certifications	25,200
Public Employees Retirement	21,108
Hospitalization	46,873
Medicare	2,119
Other	31,272
Total Operating Cash Disbursements	283,585
Operating Income (Loss)	7,677
<b>Non-Operating Receipts (Disbursements)</b>	
Sale of Capital Assets	13,100
Principal Retirement	(13,841)
Interest and Other Fiscal Charges	(1,866)
Total Non-Operating Receipts (Disbursements)	(2,607)
Net Change in Fund Cash Balances	5,070
Fund Cash Balances, January 1	157,606
<i>Fund Cash Balances, December 31</i>	\$ 162,676

*See accompanying notes to the basic financial statements*

**Jefferson County General Health District**

*Jefferson County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the right and privileges of the Jefferson County General Health District, Jefferson 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, public health, nursing services, and issuance of 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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type which are 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:

***Covid-19*** – These funds are comprised of the Coronavirus Aid, Relief and Economic Security (CARES) Act funds meant to assist counties in their response to Covid-19.

***Construction and Demolition Debris Disposal Fund*** - This fund is established to account for receipts of tipping fees to be used for the sole purposes as defined by O.R.C. 3714.07(4).

***Enterprise Funds*** – These funds account for operations that are similar to private business enterprises where management intends to recover the significant costs of providing certain goods or services through user charges. The District had the following significant enterprise funds:

**Jefferson County General Health District**

*Jefferson County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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***Food Service Fund*** – This fund receives revenues related to food service licenses. It accounts for the cost of providing various services including site inspections.

***Environmental Health Fund*** – This fund receives fees for licenses and permits relating to sewage systems. It accounts for the cost of providing various services including site inspections.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires the 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. Appropriations lapse at year end.

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

***Encumbrances*** – The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and re-appropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 4.

***Capital Assets***

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**Jefferson County General Health District**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***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:

***Non-spendable*** – The District classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, non-spendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the non-spendable portion of the corpus in permanent funds.

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

***Committed*** – The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

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.

**Jefferson County General Health District**

*Jefferson County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2021*

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**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the RadX, Public Health Infrastructure, Maternal Child, Mosquito Grant, Public Health Workforce Grant, and CD&D Landfill Special Revenue, and Parks and Camps and Trailer Park Enterprise funds in the amounts of \$43,202, \$4,220, \$9,038, \$7,575, \$18,263, \$238,925, \$334, and \$47 respectively.

Also contrary to Ohio law, at December 31, 2021, the following funds had a cash deficit balance: Solid Waste \$29,555, RadX \$14,275, Public Health Workforce \$14,736, Environmental \$6,224 and Parks and Camps \$86.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021, follows:

2021 Budgeted vs. Actual Report			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	742,773	777,532	34,759
Special Revenue	1,327,856	2,224,303	896,447
Enterprise	319,150	304,362	(14,788)
Total	2,389,779	3,306,197	916,418

  

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	933,536	645,691	287,845
Special Revenue	1,985,277	2,074,756	(89,479)
Enterprise	353,138	299,292	53,846
Total	3,271,951	3,019,739	252,212

**Note 5 – Deposits and Investments**

As required by the Ohio Revised Code, the Jefferson 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 6 – Intergovernmental Funding**

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

**Jefferson County General Health District**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 7 – Risk Management**

***Commercial Insurance***

The District is covered as part of Jefferson County’s insurance coverage. County officials entered into an agreement with the County Risk Sharing Authority (CORSA), in conjunction with the County Commissioners Association of Ohio, to provide insurance coverage on property, buildings, vehicles, and equipment through a self-insurance program. Real property and contents are 100% insured.

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among forty-one counties. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self Insurance program, a primary group and Excess Insurance/Self Insurance and Risk Management Program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage’s provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials’ error and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county’s control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties’ obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County does not have an equity interest in or a financial responsibility.

**Note 8 – Debt**

Debt outstanding at December 31, 2021 was as follows:

<u>Principal</u>	<u>Interest Rate</u>
\$24,873	5.75%

The General Health District entered into a lease-purchase agreement for a 2019 Ford Eco Sport and a 2019 Ford F-150 for 48 months. The 48<sup>th</sup> payment in the amount of \$1.00 will be due and after payment is made, both vehicles will be owned by the District. The vehicles will be used for transportation while conducting food service inspections.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	<u>2019 Ford Eco Sport &amp; 2019 Ford F-150</u>
2022	\$14,327
2023	11,939

**Jefferson County General Health District**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 9 – Defined Benefit Pension Plans**

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

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, 2021.

***Social Security***

The five District Board members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The Board of Health members contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

**Note 10 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was zero (0) percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was four (4) percent during calendar year 2021.

**Note 11 – Contingent Liabilities**

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

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.

**Jefferson County General Health District**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 12 – 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 2021, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**Note 13 – Fund Balances**

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the District did not have outstanding encumbrances.

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

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**Jefferson County General Health District**  
Jefferson 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	Total
<b>Cash Receipts</b>			
Intergovernmental:			
Apportionments	\$ 306,475	-	\$ 306,475
Grants	10,000	\$ 985,358	995,358
Other	-	7,470	7,470
Other Fees	214,337	829,318	1,043,655
Licenses	986	200	1,186
Contractual Services	112,378	-	112,378
Miscellaneous	18,071	957	19,028
Total Cash Receipts	662,247	1,823,303	2,485,550
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	399,248	476,192	875,440
Supplies	22,248	16,892	39,140
Remittance to State			-
Contracts - Services		39,024	39,024
Travel	609	1,610	2,219
Certifications	79,469		79,469
Utilities and Rentals	4,540	283	4,823
Promotional			-
Social Security and Medicare	466		466
Advertizing and Printing			-
Public Employees' Retirement	60,173	67,954	128,127
Unemployment			-
Hospitalization	60,373	116,640	177,013
Medicare	5,723	6,771	12,494
Other	147,957	758,322	906,279
Total Cash Disbursements	780,806	1,483,688	2,264,494
Excess of Receipts Over/(Under) Disbursements	(118,559)	339,615	221,056
Fund Cash Balances, January 1 - Restated, see Note 14	48,676	440,182	488,858
<i>Fund Cash Balance, December 31</i>	<b>\$ (69,883)</b>	<b>\$ 779,796</b>	<b>\$ 709,913</b>

See accompanying notes to the basic financial statements

**Jefferson County General Health District**  
*Jefferson County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
Proprietary Fund Type  
For the Year Ended December 31, 2020*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 3,486
Fines, Licenses, and Permits	310,615
Miscellaneous	978
	315,079
<b>Operating Cash Disbursements</b>	
Personal Services	113,496
Supplies and Materials	2,933
Travel	963
Certifications	26,257
Public Employees Retirement	15,850
Hospitalization	36,917
Medicare	1,615
Other	11,469
	209,500
Operating Income (Loss)	105,579
<b>Non-Operating Receipts (Disbursements)</b>	
Principal Retirement	(9,370)
Interest and Other Fiscal Charges	(1,013)
	(10,383)
Net Change in Fund Cash Balances	95,196
Fund Cash Balances, January 1 - Restated, see Note 14	62,410
<i>Fund Cash Balances, December 31</i>	\$ 157,606

*See accompanying notes to the basic financial statements*

**Jefferson County General Health District**

*Jefferson County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the right and privileges of the Jefferson County General Health District, Jefferson 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, public health, nursing services, and issuance of 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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type.

***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 Health 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:

*Construction and Demolition Debris Disposal Fund* - This fund is established to account for receipts of tipping fees to be used for the sole purposes as defined by O.R.C. 3714.07(4).

***Enterprise Funds*** – These funds account for operations that are similar to private business enterprises where management intends to recover the significant costs of providing certain goods or services through user charges. The District had the following significant enterprise funds:

*Food Service Fund* – This fund receives revenues related to food service licenses. It accounts for the cost of providing various services including site inspections.

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

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*Environmental Health Fund* – This fund receives fees for licenses and permits relating to sewage systems. It accounts for the cost of providing various services including site inspections.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires the 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. Appropriations lapse at year end.

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

*Encumbrances* – The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and re-appropriated in the subsequent year.

A summary of 2020 budgetary activity appears in Note 4.

***Capital Assets***

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Jefferson County General Health District**

*Jefferson County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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***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:

*Non-spendable* – The District classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, non-spendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the non-spendable portion of the corpus in permanent funds.

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

*Committed* – The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

*Assigned* – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Public Health Infrastructure, Mosquito Grant, and CD&D Landfill Enterprise funds in the amounts of \$972, \$7,309, and \$70,358, respectively.

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

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Also contrary to Ohio law, at December 31, 2020, the following funds had a cash deficit balance: General Fund \$69,883, Solid Waste \$53,384, WIC \$7,037, Swimming Pools \$1,268, and Parks and Camps \$753.

**Note 4 – Budgetary Activity**

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

2020 Budgeted vs. Actual Report			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	943,407	662,249	(281,158)
Special Revenue	1,352,324	1,823,303	470,979
Enterprise	323,141	315,079	(8,062)
<b>Total</b>	<b>2,618,872</b>	<b>2,800,631</b>	<b>181,759</b>
2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	1,528,142	780,806	747,336
Special Revenue	1,606,646	1,483,688	122,958
Enterprise	328,753	219,883	108,870
<b>Total</b>	<b>3,463,541</b>	<b>2,484,377</b>	<b>979,164</b>

**Note 5 – Deposits and Investments**

As required by the Ohio Revised Code, the Jefferson 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 6 – Intergovernmental Funding**

***Intergovernmental Funding***

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

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

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**Note 7 – Risk Management**

***Commercial Insurance***

*County Risk Sharing Authority (CORSA)* - The District is covered as part of Jefferson County’s insurance coverage. County officials entered into an agreement with the County Risk Sharing Authority (CORSA), in conjunction with the County Commissioners Association of Ohio, to provide insurance coverage on property, buildings, vehicles, and equipment through a self-insurance program. Real property and contents are 100% insured.

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among forty-one counties. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self Insurance program, a primary group and Excess Insurance/Self Insurance and Risk Management Program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specific insurance coverage’s provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials’ error and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county’s control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties’ obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County does not have an equity interest in or a financial responsibility for CORSA.

**Note 8 – Debt**

Debt outstanding at December 31, 2020 was as follows:

<b><u>Principal</u></b>	<b><u>Vehicle</u></b>	<b><u>Interest Rate</u></b>
\$23,908	Dodge RAM	0%
\$37,377	Ford Eco Sport/Ford F150	5.75%

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

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The General Health District entered into a lease-purchase agreement for a 2018 Dodge Ram with an option to buy after 36 months. This vehicle will be used for transportation while conducting food service inspections. The General Health District entered into a lease-purchase agreement for a 2019 Ford Eco Sport and a 2019 Ford F-150 for 48 months. The 48<sup>th</sup> payment in the amount of \$1.00 will be due and after payment is made, both vehicles will be owned by the District. The vehicles will be used for transportation while conducting food service inspections.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:

	<u>2018 Dodge Ram</u>	<u>2019 Ford Eco Sport &amp; 2019 Ford F-150</u>
2021	\$22,387	\$14,327
2022		14,327
2023		11,939

**Note 9 – Defined Benefit Pension Plans**

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

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 post-retirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants’ gross salaries. The District has paid all contributions required through December 31, 2020.

***Social Security***

Five employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**Note 10 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was zero (0) percent during calendar year 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was four (4) percent during calendar year 2020.

**Jefferson County General Health District**

*Jefferson County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 11 – Contingent Liabilities**

The District is party to a Whistleblower case filed by the former Health Commissioner, who was terminated in September of 2020 due to violation of ORC 2921.42. This case is being handled by the State Personnel Board of Review at the time these notes were prepared. No other legal action/lawsuit is pending at this time. However, it is anticipated one more case may be filed by the former health commissioner.

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 12 – 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 may 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.

**Note 13 – Fund Balances**

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the District did not have any outstanding encumbrances.

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

**Note 14 – Restatement of Beginning Fund Balances**

Fund balance in the General Fund and Special Revenue Fund has been restated for the year beginning January 1, 2020 due to the HIV fund being reported within the General Fund instead of a Special Revenue Fund.

Fund Balances	General Fund	Special Revenue
Fund Balance at December 31, 2019	\$53,911	\$434,947
Adjustments	(5,235)	5,235
Fund Balance at January 1, 2020	<u>\$48,676</u>	<u>\$440,182</u>

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**JEFFERSON COUNTY GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Provided Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPT. OF AGRICULTURE:</b>				
<i>Passed Through Ohio Department of Health:</i>				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	04110011WA1421		\$ 185,116
	10.557	04110011WA1522		<u>\$ 62,227</u>
<i>Total AL #10.557</i>				<u>\$ 247,343</u>
<b>Total U.S. Dept of Agriculture</b>				<b><u>\$ 247,343</u></b>
<b>U.S. DEPT. OF HEALTH AND HUMAN SERVICES:</b>				
<i>Passed Through Ohio Department of Health:</i>				
Public Health Emergency Preparedness	93.069	04110012PH1221		\$ 25,765
	93.069	04110012PH1322		<u>\$ 45,091</u>
<i>Total AL #93.069</i>				<b><u>\$ 70,856</u></b>
<i>Passed Through Ohio Department of Health:</i>				
Maternal and Child Health Services Block Grant to the States	93.994	04110011CK0321 Am. Sub H.B. 166	\$ 12,260	\$ 18,151
	93.994	04110011CK0422 Am. Sub H.B. 110		\$ 4,996
	93.994	04110011MP0422		\$ 13,537
	93.994	04110011MP0321		<u>\$ 33,533</u>
<i>Total AL #93.994</i>				<b><u>\$ 70,217</u></b>
<i>Passed Through Ohio Department of Health:</i>				
Covid-19 Vaccine Equity Supplement Local Health Departments Subgrant	93.268	04110012VE0121		<u>\$ 32,178</u>
<i>Total AL #93.268</i>				<b><u>\$ 32,178</u></b>
<i>Passed Through Ohio Department of Health:</i>				
CDC Emergency Response Cooperative Agreement Public Health Crisis Response 2018	93.354	04110012WF0122		\$ 18,263
<i>Total AL #93.354</i>				<b><u>\$ 18,263</u></b>
<b>Total U.S. Dept. of Health and Human Services</b>				<b><u>\$ 191,515</u></b>
<b>U.S. DEPT. OF THE TREASURY:</b>				
<i>Passed Through Ohio Department of Health:</i>				
Covid-19 Coronavirus Response & Relief Fund				
Covid-19 Coronavirus Response Supplemental	21.019	04110012CO0121		\$ 376,958
Covid-19 Contact Tracing	21.019	04110012CT0120		\$ 51,982
Covid-19 Care Resource Coordination Support	21.019	04110011RC0121		\$ 46,421
Covid-19 Vaccine Needs Assessment	21.019	04110012VN0121		<u>\$ 20,000</u>
<i>Total AL #21.019</i>				<u>\$ 495,361</u>
<b>Total U.S. Dept. of the Treasury</b>				<b><u>\$ 495,361</u></b>

**JEFFERSON COUNTY GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(continued)**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Provided Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>NATIONAL INSTITUTES OF HEALTH:</b>				
<i>Passed Through The Ohio State University</i>				
The OSU Center for Clinical and Translational Science: Advancing Today's Discoveries to Improve Health	93.310	SPC-1000004786/ GR122612		\$ 43,202
<i>Total AL #93.310</i>				\$ 43,202
<b><i>Total National Institutes of Health</i></b>				<b>\$ 43,202</b>
<b>CENTERS FOR DISEASE CONTROL AND PREVENTION:</b>				
<i>Passed Through Canton City Health Department</i>				
HIV Prevention Activities	93.940	07620012HP0815		\$ 3,182
<i>Total AL #93.940</i>				\$ 3,182
<i>Passed Through Ohio Department of Health:</i>				
Get Vaccinated Ohio - Public Initiative	93.268	04110012GV0119		\$ 633
<i>Total AL #93.268</i>				\$ 633
<b><i>Total Centers for Disease Control and Prevention</i></b>				<b>\$ 3,815</b>
<b><i>Total Expenditures of Federal Awards</i></b>				<b>\$ 981,236</b>

The accompanying notes are an integral part of this schedule.

**JEFFERSON COUNTY GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Jefferson County General Health District (the District) under programs of the federal government for the year ended December 31, 2021. 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 or changes in net position 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, *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 - SUBRECIPIENTS**

The District passes certain federal awards received from Ohio Department of Health to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE E - 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.

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# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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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

Jefferson County General Health District  
Jefferson County  
500 Market Street, 6<sup>th</sup> Floor  
Steubenville, Ohio 43952

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Jefferson County General Health District, Jefferson County, (the District) and have issued our report thereon dated December 1, 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 noted a restatement of fund balance in the 2020 financial statements, and we also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District.

### ***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 and 2021-004 that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2021-001 through 2021-003.

***District's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 1, 2022

# OHIO AUDITOR OF STATE KEITH FABER



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

Jefferson County General Health District  
Jefferson County  
500 Market Street 6<sup>th</sup> Floor  
Steubenville, OH 43952

To the Board of Directors:

### Report on Compliance for the Major Federal Program

#### ***Qualified Opinion***

We have audited Jefferson County General Health District's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Jefferson County General Health District's major federal program for the year ended December 31, 2021. Jefferson County General Health District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

#### ***Qualified Opinion on Coronavirus Relief Fund***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* section of our report, Jefferson County General Health District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus Relief Fund for the year ended December 31, 2021.

#### ***Basis for Qualified Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

**Matters Giving Rise to Qualified Opinion on Coronavirus Relief Fund**

As described in findings 2021-005 through 2021-007 in the accompanying schedule of findings, the District did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2021-005	21.019	Coronavirus Relief Fund	Activities Allowed or Unallowed Allowable Costs/Cost Principles
2021-006	21.019	Coronavirus Relief Fund	Reporting
2021-007	21.019	Coronavirus Relief Fund	Reporting

Compliance with these requirements is necessary, in our opinion, for the District to comply with requirements applicable to that program.

**Responsibilities of Management for Compliance**

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2021-005 through 2021-007, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and corrective action plan. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 1, 2022

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**JEFFERSON COUNTY GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021 AND 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>	Yes
<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>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	Yes
<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>	Qualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	AL# 21.019 – Coronavirus Relief Fund
<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**

**FINDING NUMBER 2021-001**

**Noncompliance and Material Weakness – Finding for Recovery – Annette Stewart**

Salary Increase

**Ohio Admin. Code § 117-2-01(D)(1)** requires, in part, that entities ensure that all transactions are properly authorized in accordance with management's policies. During the Period January 1, 2017 through September 30, 2019, the Jefferson County General Health District (District) Board approved employee hiring and salary changes. The District's Assistant Administrator was also the District Board Clerk and responsible for maintaining the Board meeting minutes.

**FINDING NUMBER 2021-001 (Continued)**

A special audit identified the District’s Assistant Administrator, Annette Stewart, altered the April 25, 2017 District Board minutes, entered them into public record, and submitted documents to the county auditor to receive a salary increase. Eye witnesses and the audio recording of the April 25, 2017 District Board meeting indicated Ms. Stewart was not authorized to receive a salary increase. Ms. Stewart received a \$12 per hour raise in May 2017, retroactive to April 14, 2017. Ms. Stewart received the salary increase until her resignation in September 2019, resulting in a \$63,107 overpayment.

Improper Credit Card Purchases

**State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)**, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

The District’s **Credit Card Policy Section 8.21** states, in part, “The Jefferson County Health Department Master Card may be used for official business and for the benefit of the Jefferson County Health Department. The Jefferson County Health Department Master Card shall be used only to pay the following work-related expenses: a) approved supplies/equipment purchased through the internet, b) approved memberships/subscriptions purchased through the internet, and c) to hold or pay for room reservations to accommodate employees for approved overnight stays...Also the following expenditures are strictly prohibited: entertainment, alcoholic beverages, or personal services. No late charges or financial charges shall be allowed as an allowable expense, unless otherwise authorized by the Jefferson County Board of Health.”

We examined credit card purchases made by Ms. Stewart during the Period using the District issued credit card. We identified 57 purchases totaling \$8,522 where the purchase was not for a proper public purpose of the District. The following chart identifies the improper credit card purchases:

	<b>Number of Purchases</b>	<b>Amount</b>
Unsupported Expenses	17	\$2,149
Food Items	20	\$4,395
Late Fees/Finance Charges	11	\$305
Alcohol Purchases	2	\$73
Miscellaneous Items	7	\$1,600
<b>Total</b>	<b>57</b>	<b>\$8,522</b>

Improper Personal Reimbursements

The District’s **Expense Reimbursement Policy, Section 6.10**, states, in part, “...employees are to receive reimbursements for expenses incurred while on official business. Employees are eligible for expense reimbursements only when authorized in writing by the Health Commissioner/designee. Expenses shall be reimbursed in the following manner: a) mileage, parking, tolls, b) meals, and c) overnight expenses.”

**FINDING NUMBER 2021-001 (Continued)**

We examined reimbursement payments made to Ms. Stewart during the Period by the District. Of the 19 reimbursement payments to Ms. Stewart, 12, totaling \$1,638, were not for a proper public purpose, as follows:

	<b>Amount</b>
Unsupported Reimbursements	\$322
Unallowable Health Reimbursement	900
Late Fees	220
Alcohol Purchases	10
Unauthorized fuel purchases	186
<b>Total</b>	<b>\$1,638</b>

Finding for Recovery Conclusion

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Annette Stewart for \$73,267, and in favor of the Jefferson County General Health District's General Fund.

**Officials' Response:** See Corrective Action Plan

**FINDING NUMBER 2021-002**

**Noncompliance – Negative Fund Balances**

**Ohio Rev. Code § 5705.10(I)** requires that money paid into any fund shall be used only for the purposes for which such fund is established.

Therefore, a negative fund cash balance in any fund indicates that money from another fund or funds has been used to pay the obligations of the fund carrying the deficit balance.

The Solid Waste, RadX, Public Health Workforce, and Environmental Special Revenue, and Parks and Camps Enterprise funds had a deficit fund balance of \$29,555, \$14,275, \$14,736, \$6,224 and \$86, respectively, at December 31, 2021, and the General, Solid Waste, WIC, and Swimming Pools Special Revenue, and Parks and Camps Enterprise funds had a deficit fund balance of \$69,883, \$53,384, \$7,037, \$1,268 and \$753, respectively, at December 31, 2020.

Negative fund balances could result in the use of restricted receipts for unallowable purposes. A procedure(s) and control(s), such as the Management and/or Board's periodic review of reports that show cash fund balances, and budgeted versus actual receipts and disbursements, should be implemented to identify those funds that may potentially develop a negative balance.

Advances or transfers should be made for these funds or appropriations modified to prevent a negative cash balance. The District should refer to Ohio Compliance Supplement (OCS) Chapter 1 and/or Auditor of State Bulletin 97-003 for information regarding the accounting treatment and approval process for advances.

**Officials' Response:** See Corrective Action Plan

**FINDING NUMBER 2021-003**

**Noncompliance – Expenditures Exceeding Appropriations**

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the District's following funds had expenditures in excess of appropriations as of December 31, 2021 and 2020, respectively:

2021:

<b>Fund Name</b>	<b>Appropriations</b>	<b>Disbursements Plus Encumbrances</b>	<b>Variance</b>
<b>Special Revenue Funds:</b>			
RADX	\$0	\$43,202	\$43,202
Public Health Infrastructure	66,636	70,856	4,220
Maternal Child	38,032	47,070	9,038
Mosquito Grant	0	7,575	7,575
Public Health Workforce Grant	0	18,263	18,263
C D & D/ Landfill	681,704	920,629	238,925
<b>Enterprise Funds:</b>			
Parks & Camps	2,684	3,018	334
Trailer Park	1,555	1,602	47

2020:

<b>Fund Name</b>	<b>Appropriations</b>	<b>Disbursements Plus Encumbrances</b>	<b>Variance</b>
<b>Special Revenue Funds:</b>			
Public Health Infrastructure	\$63,807	\$64,779	\$972
Mosquito Grant	0	7,309	7,309
C D & D/Landfill	666,242	736,600	70,358

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Director of Finance and Administration should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

**Officials' Response:** See Corrective Action Plan

**FINDING NUMBER 2021-004**

**Material Weakness – Financial Reporting**

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.

The Director of Finance and Administration did not abide by the adopted chart of account in coding and classifying various transactions in 2021 and 2020 which resulted in adjustments and reclassifications to the filed financial statements. The Director of Finance and Administration and management have agreed to and posted the adjustments to the District's accounting records and the corrected amounts are reflected in the accompanying financial statements.

**2021 Adjustment:**

<b>Fund Adjusted From:</b>	<b>Fund Adjusted To:</b>	<b>Amount</b>	<b>Explanation</b>
General	Tattoo Enterprise	\$542	To report beginning fund balance to proper fund.

**2021 Reclassifications:**

<b>Fund</b>	<b>Reclassified To</b>	<b>Amount</b>	<b>Reclassified From</b>
General	Intergovernmental Receipts	\$96,788	Contract Service Receipts
General	Principal Disbursements	21,050	Other Disbursements
Environmental Enterprise	Principal Disbursements	1,337	Other Disbursements
Food Enterprise	Principal Disbursements	12,504	Other Disbursements
	Interest Disbursements	1,866	
General	Miscellaneous Receipts	61,772	Transfer In

**2020 Reclassifications:**

<b>Fund</b>	<b>Reclassified To</b>	<b>Amount</b>	<b>Reclassified From</b>
General	Medicare and Other Disbursements	\$4,908 and \$126,001	Supplies, Contract Services, and Social Security and Medicare Disbursements
PNC WOW Special Revenue	Miscellaneous Receipts	85,000	Intergovernmental Receipts
Environmental Enterprise	Principal Disbursements	4,010	Other Disbursements
	Interest Disbursements	45	
Food Enterprise	Principal Disbursements	5,359	Other Disbursements
	Interest Disbursements	968	

**FINDING NUMBER 2021-004 (Continued)**

In addition, adjustments were made to beginning of the year fund balances from the General Fund as the result of mispostings identified in a prior year and the result of funds not being properly classified, which are as follows:

**2020:**

<b>Fund Adjusted To:</b>	<b>Amount</b>	<b>Explanation</b>
HIV Special Revenue	\$5,235	To move a line item from the General Fund to a Special Revenue fund for proper financial reporting.
General	24,118	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
General	1,394	To properly record a phone expense recorded on the County's ledgers but not on the District's.
General	40	To properly record a voided check.
COVID Special Revenue	178,462	To adjust for disbursements charged to the General Fund which should have been recorded in the COVID Special Revenue Fund.
PHEP Special Revenue	1,473	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
Maternal Child/Cribs Special Revenue	12,495	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
Scabies Special Revenue	5,963	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
Solid Waste Special Revenue	451	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
CD&D Special Revenue	279	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
WIC Special Revenue	1,485	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
IAP Special Revenue	2,324	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
Mosquito Special Revenue	140	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
RC21 Special Revenue	381	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
HIV Special Revenue	325	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
Maternal Child Special Revenue	646	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
Parks & Camps Enterprise	2,982	To correct beginning balance for posting errors identified by the new Director of Finance and Administration.
Parks & Camps Enterprise	61	To adjust for posting errors made to the accounting system.

Other mispostings were identified, however they were not material and the District decided not to make the adjustments.

**FINDING NUMBER 2021-004 (Continued)**

Adjustments to the 2021 and 2020 Financial Statement Notes include:

- The Summary of Significant Accounting Policies Note did not include the proper and most current information within the Auditor Of State (AOS) OCBOA shell available on the AOS internet, the Special Revenue funds listed were not proper, and the Fund Balance Classifications information was not accurate;
- The Budgetary Activity Note did not include accurate comparison tables and figures;
- The Defined Benefits Plan Note was included, however, the 2020 filed report did not include the most current information as per shell;
- The 2020 filed report did not include the Debt Note;
- The COVID-19 Note did not include the most current information in 2021, and was not included in the 2020 Notes; and
- The Fund Balances Note was not included in the 2021 and 2020 filed report.

The District did not have procedures in place to record transactions properly or procedures in place to include updated disclosures.

Failure to consistently follow a uniform chart of accounts increases the possibility the District will not be able to identify, assemble, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements.

The Director of Finance and Administration should maintain the accounting system to enable the District to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the chart of accounts to help ensure that financial activity of the District is accurately recorded and reported. In addition, the District should review the financial statements and notes prior to report submission and ensure the most current version of the notes are used, which is located on the Auditor of State's website under Reference Material, and includes accurate information.

**Officials' Response:** See Corrective Action Plan

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

**1. Payroll Controls**

<b>Finding Number:</b>	<b>2021-005</b>
<b>Assistance Listing Number and Title:</b>	<b>AL # 21.019 Coronavirus Relief Fund</b>
<b>Federal Award Identification Number / Year:</b>	<b>2021</b>
<b>Federal Agency:</b>	<b>U.S. Department of Treasury</b>
<b>Compliance Requirement:</b>	<b>Activities Allowed or Unallowed Allowable Costs/Cost Principles</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Health</b>
<b>Repeat Finding from Prior Audit?</b>	<b>No</b>

**Noncompliance and Material Weakness**

**Uniform Guidance Policies 2 CFR Section 200.303** on internal controls states the non-Federal entity must, in part, establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The District has not established effective internal control over federal payroll expenditures to ensure charges were made to the proper funds. This has resulted in various issues in compliance related to Allowable Costs and Costs Principles and Reporting and is due to a lack of reviewing established policies. As a result of this we are issuing a modified opinion with respect to the major federal program.

The District should develop and implement internal control procedures that may help ensure federal awards are properly managed in accordance with the Uniform Guidance.

**Officials’ Response:** See Corrective Action Plan

**2. Reporting Requirements**

<b>Finding Number:</b>	<b>2021-006</b>
<b>Assistance Listing Number and Title:</b>	<b>AL # 21.019 Coronavirus Relief Fund</b>
<b>Federal Award Identification Number / Year:</b>	<b>2021</b>
<b>Federal Agency:</b>	<b>U.S. Department of Treasury</b>
<b>Compliance Requirement:</b>	<b>Reporting</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Health</b>
<b>Repeat Finding from Prior Audit?</b>	<b>No</b>

**Noncompliance and Material Weakness**

**2 CFR Section 200.302(a)** states, in part, that the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

**FINDING NUMBER 2021-006 (Continued)**

**2 CFR Section 200.302(b)** states that in addition, the financial management system of each non-Federal entity must provide for certain requirements , including: the comparison of expenditures with budget amounts for each Federal award, written procedures to implement the requirements of § 200.305, and written procedures for determining the allowability of costs in accordance with subpart E of this part and the terms and conditions of the Federal award (see also **2 CFR §§ 200.334, 200.335, 200.336, and 200.337.2 CFR §§200.334, 200.335, 200.336, and 200.337.**

The District's accounting ledgers lacked the ability to permit the preparation of reports to be used for meeting Grants Management Information System (GMIS) reporting requirements. This led to discrepancies in the amounts reported in GMIS as compared to amounts recorded in the accounting system. In addition, the accounting system lacked the ability to produce a fund report that would report beginning balance, receipts, expenditures, and ending fund balance at any given point in time and to generate a comparison of expenditures with budget amounts for federal programs. The lack of these capabilities does not promote the ability to effectively monitor grant activity and may lead to over spending, which could result in federal questioned costs.

The District should review the requirements regarding the GMIS system and implement the necessary changes to help ensure compliance.

**Officials' Response:** See Corrective Action Plan

**3. Ohio Department of Health Grants Administration Policies and Procedures (OGAPP) Manual Section E**

<b>Finding Number:</b>	<b>2021-007</b>
<b>Assistance Listing Number and Title:</b>	<b>AL # 21.019 Coronavirus Relief Fund</b>
<b>Federal Award Identification Number / Year:</b>	<b>2021</b>
<b>Federal Agency:</b>	<b>U.S. Department of Treasury</b>
<b>Compliance Requirement:</b>	<b>Reporting</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Health</b>
<b>Repeat Finding from Prior Audit?</b>	<b>No</b>

**Noncompliance and Material Weakness**

**The Ohio Department of Health Grants Administration Policies and Procedures Manual (OGAAP) Section E-2.1** states that subrecipients are required to submit performance reports to ODH on the project activities of each grant. Program reports are required to be submitted monthly, quarterly, or as indicated in the Solicitation by the ODH program. If the Solicitation requires a monthly Program Reports, it must be completed and submitted via GMIS by the 10th of each month.

Monthly Program Reports were required for Covid-19 Contact Tracing (CT20) and Covid-19 Coronavirus Response Supplemental (CO21) grants. Due to a lack of internal controls over the reporting cycle, the reports were not always filed by the required date.

**FINDING NUMBER 2021-007 (Continued)**

<b>Program</b>	<b>Reporting Month</b>	<b>Due Date</b>	<b>Date Filed</b>
CT20	January 2021	February 10, 2021	April 27, 2021
	February 2021	March 10, 2021	May 5, 2021
	March 2021	April 10, 2021	May 6, 2021
	April 2021	May 10, 2021	May 11, 2021
	June 2021	July 10, 2021	August 2, 2021
	July 2021	August 10, 2021	January 24, 2022
	August 2021	September 10, 2021	January 24, 2022
	September 2021	October 10, 2021	January 24, 2022
	October 2021	November 10, 2021	January 24, 2022
	November 2021	December 10, 2021	January 24, 2022
	December 2021	January 10, 2022	January 24, 2022

Section E-2.2 states, in part, that subrecipient monthly or quarterly expenditure reports must be completed and submitted via GMIS within 10 calendar days following the end of the reporting period which is designated in the Solicitation. These reports provide details on the funds received, disbursed, or obligated.

Subrecipient monthly or quarterly expenditure reports must be completed and submitted via GMIS by the 10th of each month.

The monthly or quarterly report must be based on the subrecipient's accounting records and supporting documentation. The reporting of expenditures and revenues must be on the cash basis; thereby reporting actual expenses paid during the month or quarter.

The CT20 monthly reports were not filed by the required date. In addition, there were two expenditures totaling \$459 that were reported in GMIS twice. The amounts reported in GMIS also did not agree to the District's accounting records.

The monthly reports were not always filed by the required date. In addition, the amounts reported in GMIS did not agree to the District's accounting records.

Errors are as follows:

<b>Program</b>	<b>Reporting Month</b>	<b>Due Date</b>	<b>Date Filed</b>
CT20	January	February 10, 2021	June 10, 2021
	February	March 10, 2021	July 9, 2021
	March	April 10, 2021	August 2, 2021
	April	May 10, 2021	August 9, 2021
	May	June 10, 2021	September 9, 2021
	June	July 10, 2021	October 12, 2021
	September	October 10, 2021	January 24, 2022
	November	December 10, 2021	January 24, 2022

**FINDING NUMBER 2021-007 (Continued)**

Program	Reporting Month	Due Date	Date Filed
CO21	January 2021	February 10, 2021	November 1, 2021
	February 2021	March 10, 2021	November 1, 2021
	March 2021	April 10, 2021	November 1, 2021
	April 2021	May 10, 2021	November 1, 2021
	May 2021	June 10, 2021	November 1, 2021
	June 2021	July 10, 2021	November 1, 2021
	July 2021	August 10, 2021	November 1, 2021
	August 2021	September 10, 2021	November 1, 2021
	September	October 10, 2021	November 1, 2021
	December 2021	January 10, 2022	February 18, 2022

Program	Reporting Month	Due Date	Date Filed
RC21	January 2021	February 10, 2021	June 23, 2021
	February 2021	March 10, 2021	August 26, 2021
	March 2021	April 10, 2021	August 26, 2021
	April 2021	May 10, 2021	September 8, 2021
	May 2021	June 10, 2021	September 21, 2021
	June 2021	July 10, 2021	October 1, 2021
	July 2021	August 10, 2021	October 7, 2021
	September 2021	October 10, 2021	January 26, 2022
	October 2021	November 10, 2021	February 1, 2022
	November 2021	December 10, 2021	February 2, 2022
	December 2021	January 10, 2022	February 8, 2022

Program	Expenditure Category	GMIS Expenditures	District Ledger Expenditures	Variance
CT20	Payroll	\$44,237	\$45,874	\$1,637
CT20	Non Payroll	12,019	6,108	5,911
CO21	Payroll	295,747	281,041	14,706
CO21	Non Payroll	93,728	95,917	2,189

The variances were determined to be due to prior year expenditures being recorded in GMIS in the current year due, movement of expenditures between programs where the expenditures were moved in GMIS and not in the District's ledgers, and general errors in reporting. Errors occurred due to a lack of controls in place over their reporting cycle.

**Section E-2.3** states the subrecipient Final Expense Report (FER) and any overpayments must be submitted to ODH within thirty-five (35) calendar days following the end of the grant year. The Subrecipient Final Expense Report details the total expenditures for the project period. The FER for the CO21 and RC21 grants were not filed by the required date as denoted below.

Program	Due Date	Date Filed
CO21	February 25, 2022	April 25, 2022
RC21	February 25, 2022	April 12, 2022

**FINDING NUMBER 2021-007 (Continued)**

Finally, the CT 20 monthly reports were not filed by the required date as denoted below.

<b>Month</b>	<b>Due Date</b>	<b>Date Filed</b>
January	February 10, 2021	June 10, 2021
February	March 10, 2021	July 9, 2021
March	April 10, 2021	August 2, 2021
April	May 10, 2021	August 9, 2021
May	June 10, 2021	September 9, 2021
June	July 10, 2021	October 12, 2021
September	October 10, 2021	January 24, 2022
November	December 20, 2021	January 24, 2022

The District should implement procedures over federal reporting to help ensure all federal reporting requirements are met.

**Officials' Response:** See Corrective Action Plan



**Public Health**  
Prevent. Promote. Protect.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**DECEMBER 31, 2021 AND 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2015-001	<b>Material Weakness- Accurate Posting of Transactions</b>	Not Corrected	Re-Issued as Finding 2021-004
2019-001	<b>Noncompliance – Expenditures Exceeding Appropriations</b>	Not Corrected	Re-Issued as Finding 2021-003

**500 MARKET STREET, 6TH FLOOR  
STEUBENVILLE, OH 43952**

**EQUAL OPPORTUNITY EMPLOYER PROVIDER**  
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# JEFFERSON COUNTY General Health District

— Prevent. Promote. Protect. —

## CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) DECEMBER 31, 2021 AND 2020

**Finding Number:**

**Planned Corrective Action:**

**2021-001**

Salary Increases: Annette Stewart is no longer employed by the JCGHD. Her employment ended 8/23/2019. There is a different health commissioner and director of finance and administration at the helm. The health commissioner now has an administrative assistant who is responsible for taking minutes at each Board of Health meeting. The minutes are prepared in draft form and are designated such. The health commissioner and director of finance and administration both review the draft minutes. The draft minutes are then presented to the Board of Health for approval. The minutes then have the draft designation removed and the Board president's signature is obtained, as well as the health commissioner. When salary increases are recommended, they are detailed on the Board agenda, as well as within the minutes. Any approval of salary increases/decreases are addressed specifically within the minutes. After approval of any increases/decreases, the health commissioner takes the approval and prepares a memo to the payroll clerk outlining any changes to salaries. All of the documentation is kept in the payroll binder for audit purposes.

Improper Credit Card Purchases: Annette Stewart is no longer employed by the JCGHD. In addition, a revised Credit Card Usage policy was adopted by the Board in August of 2020. An update/revision of all policies will be conducted in 2023 and necessary revisions made and then recommended to the Board for approval.

Improper Personal Reimbursements: All requests for personal reimbursement will be reviewed/initialed by both the Director of Finance and Administration, as well as the Health Commissioner before they are presented to the accounts payable clerk to process the reimbursement.

Finding for Recovery Conclusion: It should be noted that Annette Stewart stood trial in Jefferson County for Theft in Office, Tampering with Records and Falsification and was found Not Guilty on all charges on September 15, 2022. The JCGHD does not anticipate any success in recovering any of the \$73,267.

**Anticipated Completion Date:**  
**Responsible Contact Person:**

All policies reviewed/revise by 06/20/2023  
Kelly Wilson

**Finding Number:** 2021-002  
**Planned Corrective Action:** Negative Fund Balances:

The current Director of Finance and Administration began her duties on April 4, 2021. At this time, she worked to fix all of the different fund balances. There was no clear report that detailed all of the fund balances. She worked to develop new reports that the Board of Health approved. Figuring out the balances took many months and ran into December of 2021. Thus, we were aware at the end of 2021 that we would once again be reporting negative fund balances, but we had to take one step at a time in fixing things.

The Board now reviews cash balances and the reports at the end of each month. The Board can approve any transfers or advances in/out of funds so that ending 12/31/2022 and going forward, no negative fund balances exist.

The Director of Finance and Administration will also review the recommended Ohio Compliance Supplement (OCS) Chapter 1 and/or Auditor of State Bulletin 97-003 for information regarding the accounting treatment and approval process for advances.

**Anticipated Completion Date:** 12/31/2022

**Responsible Contact Person:** Kelly Wilson

**Finding Number:** 2021-003  
**Planned Corrective Action:** Noncompliance - Expenditures Exceeding Appropriations:

The Director of Finance and Administration will ensure that adjusted appropriations are prepared and presented to the Board for approval upon receipt of any new grants that were not in the Original budget.

**Anticipated Completion Date:** Immediately and Ongoing

**Responsible Contact Person:** Kelly Wilson

**Finding Number:** 2021-004

**Planned Corrective Action:** Material Weakness – Financial Reporting: The Director of Finance and Administration now reviews all transactions posted to the general ledger at the end of each month to ensure that transactions have been classified appropriately. If errors are found, adjustments/reclassifications will be made immediately. When preparing the financial statements every effort will be made not to misclassify any items presented on the financial statements.

**Anticipated Completion Date:** Immediately and Ongoing

**Responsible Contact Person:** Kelly Wilson

**Finding Number:** 2021-005

**Planned Corrective Action:** Payroll Controls: Anytime a new federal award is received, a new fund is set up to handle that specific grant fund. The grants are not co-mingled in other funds. Any health department employee who works less than 100% of their time on a grant must complete a time and effort sheet for time spent working on that particular grant.

**Anticipated Completion Date:** Put in place 2022.

**Responsible Contact Person:** Kelly Wilson

**Finding Number:** 2021-006

**Planned Corrective Action:** Reporting Requirements: The Director of Finance and Administration will work with the Jefferson County Auditor's office/Data Processing department to transition the health department back to true fund accounting so reports showing beginning balance, receipts, expenditures and budget amounts can be run at any time. Currently everything is done through a system set up by the county for the health department via reports entitled RIP and DIP codes. This does not allow for individual fund balances. All detail by fund is kept by the Director of Finance and Administration manually in a spreadsheet. This has to be approved by the County Auditor's office.

**Anticipated Completion Date:** July 2023

**Responsible Contact Person:** Kelly Wilson

**Finding Number:** 2021-007

**Planned Corrective Action:** Ohio Department of Health Grants Administration Policies and Procedures (OGAPP) Manual Section E: Monthly program and expenditure reports were timely all through 2022.

**Anticipated Completion Date:** Complete and ongoing.

**Responsible Contact Person:** Kelly Wilson

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# OHIO AUDITOR OF STATE KEITH FABER



**JEFFERSON COUNTY GENERAL HEALTH DISTRICT**

**JEFFERSON 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 12/29/2022**

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

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[www.ohioauditor.gov](http://www.ohioauditor.gov)