



OHIO AUDITOR OF STATE
KEITH FABER



**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY
DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

Public Health – Dayton and Montgomery County
Montgomery County
117 South Main Street
Dayton, Ohio 45422

To the Board of Health:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Public Health – Dayton and Montgomery County, Montgomery County, Ohio (PHDMC), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise PHDMC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of PHDMC, as of December 31, 2021, and the respective changes in cash-basis financial position thereof and the respective budgetary comparisons for the General, Federal, and Air Pollution funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

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 PHDMC, 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.

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of PHDMC. 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 cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. 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 PHDMC'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 *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 PHDMC'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 PHDMC'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 that collectively comprise PHDMC's basic financial statements.

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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2022, on our consideration of PHDMC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 PHDMC'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 PHDMC's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

November 16, 2022

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Public Health - Dayton & Montgomery County
Montgomery County
Statement of Net Position - Cash Basis
December 31, 2021

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash and cash equivalents	<u>\$ 11,906,082</u>
Total assets	<u>11,906,082</u>
Net Position	
Restricted for:	
Federal programs	264,185
Air pollution	1,786,316
Unrestricted	<u>9,855,581</u>
Total net position	<u><u>\$ 11,906,082</u></u>

See accompanying notes to the financial statements.

Public Health - Dayton & Montgomery County
Montgomery County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2021

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Health:				
Public health services	\$ 37,571,467	\$ 7,593,079	\$ 14,717,926	\$ (15,260,462)
Capital outlay	708,264	-	-	(708,264)
Total governmental activities	<u>38,279,731</u>	<u>7,593,079</u>	<u>14,717,926</u>	<u>(15,968,726)</u>

General Receipts

Property taxes levied for:

Human services	16,924,180
Unrestricted gifts and contributions	820
Sale of capital assets	5,269
Miscellaneous	<u>328,797</u>

Total general receipts 17,259,066

Change in net position 1,290,340

Net position beginning of year 10,615,742

Net position end of year \$ 11,906,082

See accompanying notes to the financial statements.

Public Health - Dayton & Montgomery County
Montgomery County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2021

	General	Federal	Air Pollution	Capital Project	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in pooled cash and cash equivalents	\$ 6,903,329	\$ 264,185	\$ 1,786,316	\$ 1,904,780	\$ 1,047,472	\$ 11,906,082
Total assets	<u>\$ 6,903,329</u>	<u>\$ 264,185</u>	<u>\$ 1,786,316</u>	<u>\$ 1,904,780</u>	<u>\$ 1,047,472</u>	<u>\$ 11,906,082</u>
Fund Balances						
Restricted	-	264,185	1,786,316	-	-	2,050,501
Committed	-	-	-	1,904,780	1,047,472	2,952,252
Assigned	2,676,519	-	-	-	-	2,676,519
Unassigned (deficit)	4,226,810	-	-	-	-	4,226,810
Total fund balances	<u>\$ 6,903,329</u>	<u>\$ 264,185</u>	<u>\$ 1,786,316</u>	<u>\$ 1,904,780</u>	<u>\$ 1,047,472</u>	<u>\$ 11,906,082</u>

See accompanying notes to the financial statements.

Public Health - Dayton & Montgomery County
Montgomery County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2021

	General	Federal	Air Pollution	Capital Project	Other Governmental Funds	Total Governmental Funds
Receipts						
Levy funds	\$ 16,915,000	\$ 9,180	\$ -	\$ -	\$ -	\$ 16,924,180
Intergovernmental	2,507,095	10,058,866	2,150,460	-	1,505	14,717,926
Licenses, permits and fees	799,828	-	18,750	-	1,389,747	2,208,325
Charges for services	3,854,516	898,628	548,159	-	81,151	5,382,454
Gifts and contributions	770	50	-	-	-	820
Miscellaneous	328,797	1,881	82	-	337	331,097
Total receipts	24,406,006	10,968,605	2,717,451	-	1,472,740	39,564,802
Disbursements						
Current:						
Salaries and benefits	14,910,566	6,996,929	1,894,173	-	1,182,352	24,984,020
Supplies	831,538	812,380	18,852	-	4,284	1,667,054
Contracted Services	3,601,466	4,170,864	94,539	51,635	21,315	7,939,819
Intergovernmental	1,305,035	-	-	-	78,506	1,383,541
Rentals	819,537	453,483	61,858	-	13,926	1,348,804
Travel and Training	126,228	84,693	7,130	-	34,136	252,187
Other disbursements	(6,034)	2,076	-	-	-	(3,958)
Capital outlay	471,018	138,677	98,569	-	-	708,264
Total disbursements	22,059,354	12,659,102	2,175,121	51,635	1,334,519	38,279,731
Excess of receipts over (under) disbursements	2,346,652	(1,690,497)	542,330	(51,635)	138,221	1,285,071
Other financing sources (uses)						
Sale of capital assets	3,249	2,020	-	-	-	5,269
Transfers in	983,000	2,000,000	389,000	-	-	3,372,000
Transfers out	(2,389,000)	-	-	(983,000)	-	(3,372,000)
Total other financing sources (uses)	(1,402,751)	2,002,020	389,000	(983,000)	-	5,269
Net change in fund balance	943,901	311,523	931,330	(1,034,635)	138,221	1,290,340
Fund balances beginning of year	5,959,428	(47,338)	854,986	2,939,415	909,251	10,615,742
Fund balances end of year	\$ 6,903,329	\$ 264,185	\$ 1,786,316	\$ 1,904,780	\$ 1,047,472	\$ 11,906,082

See accompanying notes to the financial statements.

Public Health - Dayton & Montgomery County
Montgomery County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Levy funds	\$ 16,568,010	\$ 16,568,010	\$ 16,915,000	\$ 346,990
Intergovernmental	2,455,665	2,455,665	2,507,095	51,430
Licenses, permits and fees	783,421	783,421	799,828	16,407
Charges for services	3,775,445	3,775,445	3,854,516	79,071
Gifts and contributions	754	495,564	770	(494,794)
Miscellaneous	962,835	962,835	328,797	(634,038)
Total receipts	24,546,130	25,040,940	24,406,006	(634,934)
Disbursements				
Current:				
Salaries and benefits	17,540,418	21,013,879	14,915,679	6,098,200
Supplies	1,499,051	1,795,902	1,274,734	521,168
Contracted Services	6,309,715	7,559,204	5,365,533	2,193,671
Intergovernmental	2,021,662	2,422,004	1,719,141	702,863
Rentals	984,107	1,178,986	836,846	342,140
Travel and Training	149,210	178,757	126,882	51,875
Other disbursements	3,276	3,925	2,786	1,139
Capital outlay	581,250	696,353	494,272	202,081
Total disbursements	29,088,689	34,849,010	24,735,873	10,113,137
Excess of receipts over (under) disbursements	(4,542,559)	(9,808,070)	(329,867)	9,478,203
Other financing sources (uses)				
Sale of capital assets	-	-	3,249	3,249
Transfers in	-	-	983,000	983,000
Transfers out	-	-	(2,389,000)	(2,389,000)
Total other financing sources (uses)	-	-	(1,402,751)	(1,402,751)
Net change in fund balance	(4,542,559)	(9,808,070)	(1,732,618)	8,075,452
Unencumbered fund balance at beginning of year	3,339,730	3,339,730	3,339,730	-
Prior year encumbrances appropriated	2,619,698	2,619,698	2,619,698	-
Unencumbered fund balance at end of year	<u>\$ 1,416,869</u>	<u>\$ (3,848,642)</u>	<u>\$ 4,226,810</u>	<u>\$ 8,075,452</u>

See accompanying notes to the financial statements.

Public Health - Dayton & Montgomery County
Montgomery County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Federal Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Levy funds	\$ 6,812	\$ 6,812	\$ 9,180	\$ 2,368
Intergovernmental	7,464,105	7,464,105	10,058,866	2,594,761
Charges for services	666,820	666,820	898,628	231,808
Gifts and contributions	37	37	50	13
Miscellaneous	1,396	1,396	1,881	485
Total receipts	8,139,170	8,139,170	10,968,605	2,829,435
Disbursements				
Current:				
Salaries and benefits	4,835,011	7,974,621	6,996,929	977,692
Supplies	590,404	973,783	854,396	119,387
Contracted Services	3,210,370	5,295,021	4,645,849	649,172
Rentals	376,836	621,534	545,333	76,201
Travel and Training	61,368	101,217	88,807	12,410
Other disbursements	1,434	2,365	2,076	289
Capital outlay	154,635	255,048	223,779	31,269
Total disbursements	9,230,058	15,223,589	13,357,169	1,866,420
Excess of receipts over (under) disbursements	(1,090,888)	(7,084,419)	(2,388,564)	4,695,855
Other financing sources (uses)				
Sale of capital assets	-	-	2,020	2,020
Transfers in	-	-	2,000,000	2,000,000
Total other financing sources (uses)	-	-	2,002,020	2,002,020
Net change in fund balance	(1,090,888)	(7,084,419)	(386,544)	6,697,875
Unencumbered fund balance at beginning of year	(1,268,656)	(1,268,656)	(1,268,656)	-
Prior year encumbrances appropriated	1,221,318	1,221,318	1,221,318	-
Unencumbered fund balance at end of year	<u>\$ (1,138,226)</u>	<u>\$ (7,131,757)</u>	<u>\$ (433,882)</u>	<u>\$ 6,697,875</u>

See accompanying notes to the financial statements.

Public Health - Dayton & Montgomery County
Montgomery County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Air Pollution Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	1,925,108	1,925,108	\$ 2,150,460	\$ 225,352
Licenses, permits and fees	16,785	16,785	18,750	1,965
Charges for services	490,716	490,716	548,159	57,443
Miscellaneous	73	73	82	9
Total receipts	2,432,682	2,432,682	2,717,451	284,769
Disbursements				
Current:				
Salaries and benefits	2,111,554	2,111,554	1,894,173	217,381
Supplies	35,293	35,293	31,660	3,633
Contracted Services	132,415	132,415	118,783	13,632
Rentals	68,957	68,957	61,858	7,099
Travel and Training	7,948	7,948	7,130	818
Capital outlay	164,963	164,963	147,980	16,983
Total disbursements	2,521,130	2,521,130	2,261,584	259,546
Excess of receipts over (under) disbursements	(88,448)	(88,448)	455,867	544,315
Other financing sources (uses)				
Transfers in	-	-	389,000	389,000
Total other financing sources (uses)	-	-	389,000	389,000
Net change in fund balance	(88,448)	(88,448)	844,867	933,315
Unencumbered fund balance at beginning of year	848,833	848,833	848,833	-
Prior year encumbrances appropriated	6,153	6,153	6,153	-
Unencumbered fund balance at end of year	\$ 766,538	\$ 766,538	\$ 1,699,853	\$ 933,315

See accompanying notes to the financial statements.

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Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 1 – Reporting Entity

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

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

Primary Government

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

Component Units

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

Public Entity Risk Pools

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

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Health District’s accounting policies.

Basis of Presentation

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

Public Health – Dayton & Montgomery County
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

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

Fund Accounting

PHDMC uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. PHDMC utilizes the governmental category of funds only; it does not have any fiduciary funds.

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

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

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

Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Air Pollution Fund This fund accounts for and reports financial resources that are restricted to expenditure for monitoring and controlling air pollution within Montgomery and surrounding counties.

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

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

Basis of Accounting

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

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

Budgetary Process

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

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

ORC Section 3709.28 establishes budgetary requirements for general health districts, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, PHDMC must adopt an appropriation measure for the next fiscal year. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission.

Public Health – Dayton & Montgomery County
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Subject to estimated resources, PHDMC may transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

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

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

Cash and Investments

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

Restricted Assets

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

Inventory and Prepaid Items

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

Capital Assets

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

Public Health – Dayton & Montgomery County
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

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

Long-Term Obligations

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

Net Position

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

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

Fund Balance

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

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

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

Public Health – Dayton & Montgomery County
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 3 – Budgetary Basis of Accounting

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

Fund	Outstanding Encumbrances 12/31/2021
General Fund	\$ 2,676,519
Federal Fund	698,067
Capital Projects Fund	10,168
Air Pollution Fund	86,463
Other Governmental Funds	8,486
Outstanding Encumbrances as of 12/31/2021	<u>\$ 3,479,703</u>

Note 4 – Deposits and Investments

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

Note 5 – Property Taxes

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

PHDMC receives an award of Human Services Levy funds as a result of an agency request and review process. These funds are released to Public Health on a semi-annual basis through an intergovernmental transfer by the Montgomery County Office of Management and Budget.

Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 6 – Interfund Transfers

Transfers

During 2021, the following transfers were made:

Transfer to	Transfers From		Total
	General	Capital Fund	
General Fund	\$ -	\$ 983,000	\$ 983,000
Federal Fund	2,000,000	-	2,000,000
Air Pollution Fund	389,000	-	\$ 389,000
Total	\$ 2,389,000	\$ 983,000	\$ 3,372,000

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

Note 7 – Risk Management

Risk Pool Membership

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

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

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

	<u>2021</u>
Cash and Investments	\$41,996,850
Actuarial liabilities	\$14,974,099

Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 7 – Risk Management (continued)

Blanket real and personal property including boiler and machinery coverage has a limit of \$ 6,669,104 and a \$ 1,000 deductible. Total coverage decreased significantly in 2021 due to PHDMC not being able to substantiate the \$10,000,000 in coverage, when completing an inventory of all business equipment.

Workers' Compensation

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

Note 8 – Employee Benefits

Health Insurance

PHDMC offers health, dental and vision coverage to its employees. Health insurance is provided through Anthem, Blue Cross/Blue Shield and pharmacy benefits are provided through Ingenio Rx. Employees have the option of participating in a Basic or Enhanced health plan. Employees who are covered under another health plane receive a waiver payment. HSA accounts are set up through Optum Bank and employees make pre-tax contributions via payroll deduction. PHDMC offers a match up to \$1,000 for each enrolled employee in the HSA plan.

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

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

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

Tuition Reimbursement Program

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

Public Health – Dayton & Montgomery County
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Employee Benefits (continued)

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

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System (OPERS)

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

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

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

Public Health – Dayton & Montgomery County
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Defined Benefit Pension Plans (continued)

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

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

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections.

Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 9 – Defined Benefit Pension Plans (continued)

Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

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

	<u>State and Local</u>
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The PHDMC’s contractually required contribution was \$2,363,161 for the year 2021.

Note 10 – Post-Employment Benefits

Ohio Public Employees Retirement System (OPERS)

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

Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 10 – Post-Employment Benefits (continued)

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021 OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The PHDMC’s contractually required contribution was \$0 for the year 2021.

Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 11 – Leases

PHDMC leases several sites for its operations. PHDMC disbursed \$1,317,485 to pay lease costs for the year ended December 31, 2021. All leases include cancellation provisions. The largest lease is with Montgomery County for the Reibold Building at \$788,411 for the calendar year.

Note 12 – Fund Balances

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

2021 Fund Balances	General Fund	Federal Fund	Capital Project	Air Pollution Fund	Other Governmental Funds	Total
Restricted for						
Federal Programs	\$ -	\$ 264,185	\$ -	\$ -	\$ -	\$ 264,185
Air Pollution Program	-	-	-	1,786,316	-	1,786,316
<i>Total Restricted</i>	-	264,185	-	1,786,316	-	2,050,501
Committed to						
Capital Projects and Equipment	-	-	1,904,780	-	-	1,904,780
Food Service Program	-	-	-	-	1,047,472	1,047,472
<i>Total Committed</i>	-	-	1,904,780	-	1,047,472	2,952,252
Assigned to						
Encumbrances - General Fund	2,676,519	-	-	-	-	2,676,519
<i>Total Assigned</i>	2,676,519	-	-	-	-	2,676,519
Unassigned (deficits)	4,226,810	-	-	-	-	4,226,810
Total Fund Balances	\$ 6,903,329	\$ 264,185	\$ 1,904,780	\$ 1,786,316	\$ 1,047,472	\$ 11,906,082

Public Health – Dayton & Montgomery County

Montgomery County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 13 – Contractual Commitments

At December 31, 2021, PHDMC had contractual commitments for services. Some of these commitments will be funded by federal and state program grants. Below is a list of the most significant contract amounts and vendors:

Vendor Name	Amount	Vendor Name	Amount
4 Imprint Inc.	\$ 18,622	HOR Community Solutions	\$ 125,100
Ace Healthy Products	7,000	Kenner Technologies	9,350
Amazon.Com, Inc.	15,930	Ktownsend Consulting	9,000
App Architecture	10,168	Mechanical Systems Of Dayton	24,909
Ascendant Strategy Management Group	5,000	Miami Valley Interpreters	17,837
Blue Chip Brothers & Harris Harbor LLC	37,965	MNJ Technologies Direct Inc.	110,965
Campbells Property M	8,810	Montgomery County Community College	12,000
Catholic Social Services of the Miami Valley	93,782	Ohio Organizing Collaborative	44,632
CDW Government Inc.	17,888	Open Text Inc.	17,714
Center For Disease Control Dayton	24,850	Preble County Solid Waste District	5,730
Change Healthcare Solutions LLC	7,743	Progressive Services	89,856
Charter Communications	26,056	Quest Media & Supplies Inc.	73,319
Cirrus Concept Consulting Inc.	182,271	Riverside Office Center	17,675
City Of Dayton	18,601	Robert Half International	217,525
Clark County	17,717	Sanofi Pasteur Inc.	81,518
Compunet Clinical Laboratory	21,825	Schiff Kreidler Shell Insurance	200,000
Dakota Center Inc.	5,050	Security 101 Ohio LLC	5,000
Dave Purchase Project	12,295	Shiver Security Systems, Inc.	9,596
Dayton Power And Light Company	32,351	Sonoma Technology Inc.	11,000
Dell Marketing LP	256,042	Speech And Language Associates	7,840
Donnellon Mccarthy Enterprises	46,672	St Vincent Depaul Social Services Inc.	27,500
Dr Linda J Burrs	9,000	Staples Contract & Commercial Inc	13,449
Eclinicalworks LLC	29,819	State of Ohio	15,949
Elearningforce Corporation	14,500	Supplemental Health Care Services	127,921
Elizabeth Place Holdings LLC	14,019	Surveygizmo	7,440
Emocha Mobile Health	11,700	Target Corporation	15,000
Equitas Health	12,605	Teledyne Instruments	38,185
Esolutions Inc	17,652	The C-3 Group LLC	13,554
Farber Specialty Vehicles	15,000	Time Warner Cable	5,374
Five Rivers Health Centers	220,532	Treasurer State Of Ohio	400,720
FOA Foundation	7,250	Vectren Energy Delivery	12,483
Friends Service Company	18,817	Vocalink Inc	5,854
Garda CL Great Lakes Inc.	5,374	Waibel Energy System	5,979
Greater Dayton Area	96,439	Walgreens Co	23,961
Greene County	9,210	Welco Lka Inc	5,909
Hamilton County	6,548	Wesley Community Center Inc.	103,122
Heather Demetriades	35,900	William T Burkhart	5,645
Henry Schein Inc.	5,804	Yeck Brothers Company	8,797
		Subtotal	3,324,215
		Other contract (less than \$5,000) each	155,488
		Total	\$ 3,479,703

Public Health – Dayton & Montgomery County
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 14 – Contingent Liabilities

Grants

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

Note 15 – 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 will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The 2021 activity includes \$1,760,271 which was spent on-behalf of other governments. These amounts are reflected as various expenditures in the General and Federal Funds and included local shares of the expenses as well as Federal dollars.

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

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures	Provided Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Health</i>				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	05710011WA1522 05710011WA1421	\$405,118 1,551,264	
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children			<u>1,956,382</u>	
Total U.S. Department of Agriculture			<u>1,956,382</u>	
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>Direct Program</i>				
Air Pollution Control Program Support	66.001	A-00526417	331,816	
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-98577209	162,167	
Total U.S. Environmental Protection Agency			<u>493,983</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Health</i>				
Public Health Emergency Preparedness	93.069	05710012PH1322 05710012PH1221	53,418 198,645	
Total Public Health Emergency Preparedness			<u>252,063</u>	
HIV Prevention Activities Health Department Based	93.940	05710012HP1421	329,983	
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	05710012CO0121	1,956,147	
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	05710012ST1321	113,507	
Maternal and Child Health Services Block Grant to the States	93.994	05710011MB0321 05710011OH0121 05710011MP0622 05710011MP0521 05710011OE0321	150,676 28,600 33,750 117,000 336,733	
Total Maternal and Child Health Services Block Grant to the States			<u>666,759</u>	
Immunization Cooperative Agreements	93.268	05710012GV0422 05710012GV0321 05710012VE0121	19,156 26,369 471,483	
Total Immunization Cooperative Agreements			<u>517,008</u>	
State Physical Activity and Nutrition (SPAN)	93.439	05710011CK0321	59,250	
Injury Prevention and Control Research and State and Community Based Programs	93.136	05710014DR0322 05710014DR0321	79,333 142,333	
Total Injury Prevention and Control Research and State and Community Based Programs			<u>221,666</u>	
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	05710011DM0222	58,750	
National and State Tobacco Control Program	93.387	05710014TU0722 05710014TU0520	28,950 145,783	
Total National and State Tobacco Control Program			<u>174,733</u>	
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs Financed in part by 2018 Prevention and Public Health funds (PPHF)	93.305	05710014TU0520	7,142	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	05710012CT0121 05710012EO0121	360,558 1,432,306	
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			<u>1,792,864</u>	
Total U.S. Department of Health and Human Services			<u>6,149,872</u>	

PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures	Provided Through to Subrecipients
U.S. DEPARTMENT OF THE TREASURY				
<i>Passed through Ohio Department of Health</i>				
COVID-19 Coronavirus Relief Fund	21.019	05710012CT0120	425,545	
		05710011RC0121	75,384	\$1,554
		05710012VN0121	40,000	
<i>Passed through Montgomery County</i>				
COVID-19 Coronavirus Relief Fund	21.019	N/A	292,117	
Total COVID-19 Coronavirus Relief Fund			<u>833,046</u>	<u>1,554</u>
Total U.S. Department of the Treasury			<u>833,046</u>	<u>1,554</u>
U.S. DEPARTMENT OF JUSTICE				
<i>Direct Program</i>				
Harold Rogers Prescription Drug Monitoring Program	16.754	2018-PM-BX-K094	272,800	
Total U.S. Department of Justice			<u>272,800</u>	
Total Expenditures of Federal Awards			<u>\$9,706,083</u>	<u>\$1,554</u>

The accompanying notes are an integral part of this schedule.

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

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Public Health – Dayton & Montgomery County (PHDMC) under programs of the federal government for the year ended December 31, 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 PHDMC, it is not intended to and does not present the financial position, changes in net position, or cash flows of PHDMC.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

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

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

NOTE F – SAPT BLOCK GRANT

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

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

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

NOTE G – COMMINGLING

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

- Maternal and Child Health Services Block Grant to the States (AL #93.994)
- State Physical Activity and Nutrition (SPAN) (AL #93.439)
- National and State Tobacco Control Program (AL #93.387)
- HIV Prevention Activities Health Department Based (AL #93.940)

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

NOTE H – MEDICAID REIMBURSEMENT CLAIMING

PHDMC receives Medicaid Administrative Claiming (MAC) reimbursements AL #93.778 from the Ohio Department of Health (ODH). Based on the agreement between ODH and PHDMC, MAC reimbursements disbursed by ODH to PHDMC are not considered federal dollars. In 2021, PHDMC spent \$332,021 of the MAC reimbursements from the Ohio Department of Health. The monies are not reported on PHDMC's federal schedule.

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States 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 governmental activities, each major fund, and the aggregate remaining fund information of Public Health - Dayton and Montgomery County, Montgomery County, (PHDMC) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise PHDMC's basic financial statements and have issued our report thereon dated November 16, 2022, wherein we noted PHDMC uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of PHDMC.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PHDMC'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 PHDMC's internal control. Accordingly, we do not express an opinion on the effectiveness of PHDMC'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 PHDMC's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PHDMC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 PHDMC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PHDMC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 16, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Health:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Public Health - Dayton and Montgomery County's (PHDMC) 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 each of Public Health - Dayton and Montgomery County's major federal programs for the year ended December 31, 2021. Public Health - Dayton and Montgomery County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Public Health - Dayton and Montgomery County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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 PHDMC 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 each major federal program. Our audit does not provide a legal determination of PHDMC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

PHDMC'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 PHDMC'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 PHDMC'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 PHDMC's compliance with the requirements of each 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 PHDMC'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 PHDMC'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 PHDMC'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

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Public Health – Dayton and Montgomery County
Montgomery County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance Required by Uniform Guidance
Page 3

However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

November 16, 2022

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**PUBLIC HEALTH – DAYTON AND MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	ALN #21.019 – COVID-19 Coronavirus Relief Fund ALN #93.994 - Maternal and Child Health Services Block Grant to the States ALN #93.323 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) ALN #93.354 – COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/29/2022

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