



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

**COMBINED ALLEN COUNTY GENERAL HEALTH DISTRICT
ALLEN COUNTY, OHIO**

**SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Health
Combined Allen County General Health District
219 E. Market St.
Lima, OH 45801

We have reviewed the *Independent Auditor's Report* of the Combined Allen County General Health District, Allen County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Combined Allen County General Health District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 23, 2023

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INDEPENDENT AUDITORS' REPORT

Combined Allen County General Health District
Board of Health
219 E. Market Street
PO Box 1503
Lima, Ohio 45801

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 the Combined Allen County General Health District (the "Health District"), as of and for the year ended December 31, 2022, and related notes to the financial statements, which collectively comprise the Health District'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 the Health District, as of December 31, 2022, and the respective changes in cash-basis financial position and the respective budgetary comparison for the General Fund and Women, Infant and Children Clinical Health Services Fund 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Health 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.

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 cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 Health 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.

Auditors' 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 auditors' 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 the Health 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 Health 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 for the purpose of forming opinions on the financial statements that collectively comprise the Health District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purposes of additional analysis and is not a required part of the basic 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 in the audit of 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, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 2.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023, on our consideration of the Health District's internal control over financial reporting and on 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 Health 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 Health District's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 31, 2023

Combined Allen County General Health District
Statement of Net Position - Cash Basis
December 31, 2022

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,254,559</u>
<i>Total Assets</i>	<u><u>\$1,254,559</u></u>
Net Position	
Restricted for:	
Specific Health Programs (see Note 13)	416,228
Unrestricted	<u>838,331</u>
<i>Total Net Position</i>	<u><u>\$1,254,559</u></u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Current:				
Health:				
Public Health	\$6,705,270	\$1,679,599	\$2,270,955	(\$2,754,716)
Debt Service:				
Principal Retirement	39,534			(39,534)
Interest and Fiscal Charges	17,832			(17,832)
<i>Total Governmental Activities</i>	<u>\$6,762,636</u>	<u>\$1,679,599</u>	<u>\$2,270,955</u>	<u>(2,812,082)</u>
General Receipts:				
Subdivision				715,930
County Payroll Subsidy				1,968,483
Miscellaneous				5,421
<i>Total General Receipts</i>				<u>2,689,834</u>
Change in Net Position				(122,248)
<i>Net Position Beginning of Year</i>				<u>1,376,807</u>
<i>Net Position End of Year</i>				<u>\$1,254,559</u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2022

	<u>General</u>	<u>Women, Infants, and Children</u>	<u>Building Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$698,382	\$14,196	\$142,112	\$399,869	\$1,254,559
<i>Total Assets</i>	<u>\$698,382</u>	<u>\$14,196</u>	<u>\$142,112</u>	<u>\$399,869</u>	<u>\$1,254,559</u>
Fund Balances					
Restricted		14,196		402,032	416,228
Committed	46,196				46,196
Assigned	535,215		142,112		677,327
Unassigned	<u>116,971</u>			<u>(2,163)</u>	<u>114,808</u>
<i>Total Fund Balances</i>	<u>\$698,382</u>	<u>\$14,196</u>	<u>\$142,112</u>	<u>\$399,869</u>	<u>\$1,254,559</u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Women, Infants, and Children	Building Improvement Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Subdivision Fees	\$715,930	\$0	\$0	\$0	\$715,930
Fees, Licenses and Permits	1,051,899	0	0	573,630	1,625,529
Contractual Services	54,070	0	0	0	54,070
Intergovernmental	386,948	553,012	0	1,330,995	2,270,955
Miscellaneous	4,071	0	0	1,350	5,421
County Payroll Subsidy	1,968,483	0	0	0	1,968,483
<i>Total Receipts</i>	<u>4,181,401</u>	<u>553,012</u>	<u>0</u>	<u>1,905,975</u>	<u>6,640,388</u>
Disbursements					
Current:					
Salary	2,425,445	326,841	0	1,078,166	3,830,452
Benefits	843,275	122,921	0	410,734	1,376,930
Materials & Supplies	290,739	14,313	0	399,501	704,553
Services & Charges	336,994	93,245	24,072	50,477	504,788
State Remittances	201,174	0	0	32,430	233,604
Equipment	37,287	0	0	17,656	54,943
Debt Service:					
Principal Retirement	39,420	0	0	0	39,420
Interest and Fiscal Charges	17,946	0	0	0	17,946
<i>Total Disbursements</i>	<u>4,192,280</u>	<u>557,320</u>	<u>24,072</u>	<u>1,988,964</u>	<u>6,762,636</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(10,879)</u>	<u>(4,308)</u>	<u>(24,072)</u>	<u>(82,989)</u>	<u>(122,248)</u>
Other Financing Sources (Uses)					
Transfers In	259,839	0	0	0	259,839
Transfers Out	0	0	0	(259,839)	(259,839)
Advances In	279,000	55,000	0	290,000	624,000
Advances Out	(345,000)	(65,000)	0	(214,000)	(624,000)
<i>Total Other Financing Sources (Uses)</i>	<u>193,839</u>	<u>(10,000)</u>	<u>0</u>	<u>(183,839)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	182,960	(14,308)	(24,072)	(266,828)	(122,248)
<i>Fund Balances Beginning of Year</i>	<u>515,422</u>	<u>28,504</u>	<u>166,184</u>	<u>666,697</u>	<u>1,376,807</u>
<i>Fund Balances End of Year</i>	<u><u>\$698,382</u></u>	<u><u>\$14,196</u></u>	<u><u>\$142,112</u></u>	<u><u>\$399,869</u></u>	<u><u>\$1,254,559</u></u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Subdivision Fees	\$715,930	\$715,930	\$715,930	\$0
Fines, Licenses and Permits	846,500	846,500	1,051,899	205,399
Contractual Services	53,954	73,904	54,070	(19,834)
Intergovernmental	255,000	255,000	386,948	131,948
Miscellaneous	10,000	10,000	4,071	(5,929)
Subsidies and Reimbursements	2,132,516	2,132,516	1,967,604	(164,912)
<i>Total Receipts</i>	<u>4,013,900</u>	<u>4,033,850</u>	<u>4,180,522</u>	<u>146,672</u>
Disbursements				
Current:				
Salary	2,490,683	2,490,683	2,391,343	99,340
Benefits	1,024,041	1,024,041	842,780	181,261
Materials & Supplies	364,480	299,330	290,739	8,591
Services & Charges	305,760	343,150	336,994	6,156
State Remittances	170,000	205,450	201,174	4,276
Equipment	74,626	37,886	37,287	599
Debt Service:				
Principal Retirement	35,347	39,420	39,420	0
Interest and Fiscal Charges	22,019	17,946	17,946	0
<i>Total Disbursements</i>	<u>4,486,956</u>	<u>4,457,906</u>	<u>4,157,683</u>	<u>300,223</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(473,056)</u>	<u>(424,056)</u>	<u>22,839</u>	<u>446,895</u>
Other Financing Sources (Uses)				
Transfers In	0	259,839	259,839	0
Transfers Out	(30,000)	0	0	0
Advances In	224,000	284,000	279,000	(5,000)
Advances Out	(156,000)	(345,000)	(345,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>38,000</u>	<u>198,839</u>	<u>193,839</u>	<u>(5,000)</u>
<i>Net Change in Fund Balances</i>	<u>(435,056)</u>	<u>(225,217)</u>	<u>216,678</u>	<u>441,895</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>435,508</u>	<u>435,508</u>	<u>435,508</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$452</u>	<u>\$210,291</u>	<u>\$652,186</u>	<u>\$441,895</u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Women, Infants, and Children Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$637,929	\$637,929	\$553,012	(\$84,917)
<i>Total Receipts</i>	<u>637,929</u>	<u>637,929</u>	<u>553,012</u>	<u>(84,917)</u>
Disbursements				
Current:				
Salary	388,206	388,206	326,841	61,365
Benefits	118,209	118,209	122,921	(4,712)
Materials & Supplies	25,000	25,000	14,313	10,687
Services & Charges	106,514	106,514	93,245	13,269
<i>Total Disbursements</i>	<u>637,929</u>	<u>637,929</u>	<u>557,320</u>	<u>80,609</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>0</u>	<u>(4,308)</u>	<u>(4,308)</u>
Other Financing Sources (Uses)				
Advances In	65,000	65,000	55,000	(10,000)
Advances Out	(65,000)	(65,000)	(65,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(10,000)</u>	<u>(10,000)</u>
<i>Net Change in Fund Balances</i>	<u>0</u>	<u>0</u>	<u>(14,308)</u>	<u>(14,308)</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>28,504</u>	<u>28,504</u>	<u>28,504</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$28,504</u>	<u>\$28,504</u>	<u>\$14,196</u>	<u>(\$14,308)</u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Combined Allen County General Health District (the Health District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A seven-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading. The Health District's reporting entity does not include component units or other organizations.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District's services include vital statistics, communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, and emergency response planning.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Health District participates in a public entity risk pool. Note 8 to the financial statements provide additional information for this entity.

The Health District's management believes these financial statements present all activities for which the Health District 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

The Health District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no fiduciary funds or business-type activities.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

The statement of net position presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health District'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 the Health District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Health District, 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 the Health District.

Fund Financial Statements During the year, the Health District segregates transactions related to certain Health District 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 the Health District 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

The Health 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 Health District are presented as governmental.

Governmental Funds Governmental funds are those through which governmental functions of the Health District are financed. The following are the Health District's major governmental funds:

General 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.

Women, Infants, and Children Special Revenue Fund This fund accounts for and reports federal grant monies restricted to the Women, Infants, and Children program. This grant is awarded annually by the Ohio Department of Health and all funds are federal funds.

Building Improvement Special Revenue Fund This fund accounts for a reserve for major building improvements or repairs. The balance of the fund includes transfers from the general fund with the sole purpose of expenses related to major improvements or repairs to our building located at 219 E. Market St., Lima OH.

The other governmental funds of the Health District account for and report grants and other resources whose use is restricted, committed or assigned to a particular purpose.

Combined Allen County General Health District

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Basis of Accounting

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

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services 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 tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. 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, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District 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 Health District if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, the Health District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, 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 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.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Cash and Investments

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District'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 the County. The Allen County Treasurer is Krista Bohn, 301 N Mail St., Suite 203, Lima, OH 45801, phone 419-223-8515, email kbohn@allencountyohio.com.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. 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

The Health District 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.

Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement 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 other postemployment benefits (OPEB).

Long-Term Obligations

The Health District's 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 (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Leases

For 2022, GASB Statement No. 87, *Leases* was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Health District is the lessee (as defined by GASB 87) in various leases related to a building and other equipment under noncancelable leases. Lease payable is not reflected under the Health District's cash basis of accounting. Lease disbursements are recognized when they are paid (see Note 11).

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for improving nutrition among women, infants and children, water pollution control, operation and maintenance of household sewage treatment systems, safe sleep for infant, and naloxone access and infrastructure.

The Health District'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 five classifications based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Health District 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.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

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.

The Health 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.

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.

Note 3 – Accountability

Negative fund balance reported within Public Health Workforce Fund in the amount of \$(460). Payment was expected before year-end but arrived in January. A deposit was made on January 9, 2023 resolving the balance. Negative fund balance reported within the Public Health Emergency Preparedness Fund in the amount of \$(1,240). Payment was expected before year-end but arrived in January. A deposit was made on January 9, 2023 resolving the balance. Negative fund balance reported within the Water Pollution Control Loan Fund in the amount of \$(463). Payment was expected before year-end but arrived in January. Negative balance was resolved following a deposit on January 1, 2023. These deficit balances in other governmental funds are reported as unassigned fund balance.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and the Women, Infants, and Children fund are prepared on the budgetary basis to provide meaningful comparison of the actual results with the budget. The severance reserve fund is included in the general fund (cash basis), but has a separate legally adopted budget (budget basis).

The \$33,718 difference in the results of operations reported for the General Fund on the budget basis to the cash basis reported on the Statement of Receipts, Disbursements, and Changes in Fund Balances for all governmental funds resulted from the Severance Reserve Fund being legally budgeted as a separate fund but combined with the General Fund for reporting purposes.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 5 – Deposits and Investments

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

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

Note 7 – Interfund Balances and Transfers

Interfund Balances

Interfund balances, created by advances out and advances in on the cash basis of account, as of December 31, 2022, consisted of the following amounts:

	Advances Owed	Advances Due
Major Funds		
General Fund	\$295,000	
Women, Infants and Children Fund		\$55,000
Other Governmental Funds		
Get Vaccinated Fund		\$10,000
Cribs for Kids Fund		\$15,000
Public Health Workforce Fund		\$20,000
Creating Healthy Communities Fund		\$15,000
Reproductive Health and Wellness		\$15,000
Integrated Naloxone Fund		\$15,000
Public Health Emergency Preparedness Fund		\$25,000
STI Prevention Fund		\$35,000
HIV Prevention Fund		\$20,000
COVID-19 Vaccine Fund		\$30,000
COVID-19 Enhanced Operations Fund		\$40,000
<i>Total Governmental Activities</i>	<u>\$295,000</u>	<u>\$295,000</u>

Interfund balances at December 31, 2022, consisted of \$295,000 advanced from the General Fund to the Women, Infants, and Children fund and other nonmajor governmental funds to provide working capital for operations or projects. The interfund receivables/payables are expected to be repaid within one year.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Transfers

During 2022, the following transfers were made:

Transfer to	Transfer from Nonmajor Governmental Funds	Total
General Fund	\$259,838	\$259,838

The above-mentioned Transfers From nonmajor governmental funds were made as earned revenue transfers to the general fund. Non-routine transfers from nonmajor governmental funds complied with requirements established by the granting agency and accounting policies adopted by the Health District.

Note 8 – Risk Management

The Health District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the Health District contracted with several companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Grange Insurance Company		
Blanket Property and Contents, Replacement	\$935,000	\$1,000
Building Coverage	\$1,731,000	\$1,000
Spoilage Coverage	\$100,000	\$500
Building Earthquake	\$1,731,000	10%
Contents Earthquake	\$857,000	10%
Furniture and Fixtures	\$10,000	\$1,000
Employee Theft	\$10,000	\$250
Other Theft	\$10,000	\$250
Outside Premises	\$10,000	\$250
Automobile Liability	\$1,000,000	\$500

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

During 2022, the Health District offered health insurance to employees working on average 30 hours or more during the look back period, October 1, 2020 to September 30, 2021. Health insurance offered by the Health District is through the Allen County Commissioners, contracting with County Employee Benefit Consortium of Ohio (CEBCO). The Health District pays 88% of monthly premiums for employees working 37.50 hours per week and, 78% of the monthly premiums for employees that average 30 or more hours per week, but under 37.50 hours.

The Health District insures against injuries to employees through the Ohio Bureau of Worker's Compensation. This coverage is obtained through the Allen County Commissioners.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Risk Pool Membership

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

- Casualty
- Legal Defense and Claim Payment
- Cyber Breach
- Pollution liability
- Active Assailant
- Law enforcement liability
- Automobile liability
- Property
- Public Officials Wrongful Acts
- Equipment Breakdown
- Telecommunications Fraud
- Sewer Back-up

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

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

Note 9 – Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	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 amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). 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. 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-

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

	<u>State and Local</u>
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 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.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2022, the Health District's contractually required contribution was \$324,773.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Social Security

Three members of the Health District Board of Health contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Health District contributed an amount equal to 6.2 percent of participants' gross salaries. The Health District has paid all contributions required through December 31, 2022.

Note 10 – Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Combined Allen County General Health District

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report 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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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 2022, 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 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$0 for the year 2022.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 11 – Debt Obligations

Loans Payable

The Health District’s long-term loan activity for the year ended December 31, 2022, was as follows:

<u>Debt Type</u>	<u>Interest Rate</u>	<u>Principal Outstanding 1/1/2022</u>	<u>Principal Issued During Year</u>	<u>Principal Retired During Year</u>	<u>Principal Outstanding 12/31/2022</u>	<u>Due Within One Year</u>
Building Mortgage	4.25%	\$ 430,165	\$ -	\$ 39,420	\$ 390,631	\$ 41,201
Total		<u>\$ 430,165</u>	<u>\$ -</u>	<u>\$ 39,420</u>	<u>\$ 390,631</u>	<u>\$ 41,201</u>

The Health District secured a mortgage loan from the Union Bank Company in the amount of \$800,000, bearing a variable interest rate of 4.67%, subject to change every 5 years, to complete the purchase and renovation of its office building. Effective 2/18/2021 the interest rate decreased from 4.67% to 4.25%. The interest rate is subject to change again on 2/18/2026. The Health District principal and interest payments are due monthly with final payment due January 18, 2031. The loan is collateralized by the property located at 219 E. Market Street, Lima, Ohio. The following is a summary of the Health District’s future annual debt service requirements related to the above noted mortgage loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$41,201	\$16,165	\$57,366
2024	43,114	14,252	57,366
2025	45,051	12,315	57,366
2026	47,031	10,335	57,366
2027	49,098	8,268	57,366
2027-2031	<u>165,136</u>	<u>11,508</u>	<u>176,644</u>
Total	<u>\$390,631</u>	<u>\$72,843</u>	<u>\$463,474</u>

Lease Obligations

In November 2019, the Health District entered into a lease agreement for office space designated for use by the Women, Infants, and Children (WIC) Division. The Health District signed a Letter of Intent with C & C Property Management (formerly known as 2200 Allentown Rd, LLC) in November 2019 for office space to house the WIC Division located at 2200 Allentown Rd., Lima, OH. The initial term of the lease was May 1, 2020 through September 30, 2020 at the monthly rate of \$4,050, with the option to renew for six years. The monthly rate from October 1, 2020 through September 30, 2022 was \$4,050. The monthly rate from October 1, 2022 to September 2024 is \$4,200. The monthly rate from October 1, 2024 through September 30, 2026 is \$4,350. In September 2022, the Health District renewed the lease for the period October 1, 2022 through September 30, 2023 at the rate of \$4,200 per month.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

In September 2022, the Health District entered into a five-year equipment lease with US Bank. This lease covers four Konica Minolta bizhubs/copiers. The Health District leases the equipment under non-cancellable leases. The final lease payment for the new lease is 2027, with a total lease cost of \$55,800. Payments on this lease agreement did not begin until the start of 2023.

The Health District entered into two lease agreements with Quadient (formerly known as Mail Finance) for postage meter equipment. Postage Meter 1 is a five-year lease which commenced April 2018 and ends July 2023. Postage Meter 2 is a five-year lease which commenced January 2019 and ends March 2024. The Health District leases the equipment under non-cancellable leases. The leases are for a total cost of \$6,174 and \$11,277 respectively.

Future lease payments for the above noted leases are as follows:

<u>Year</u>	<u>US Bank</u>	<u>Postage Meter 1</u>	<u>Postage Meter 2</u>	<u>Total</u>
2023	\$11,160	\$686	\$2,148	\$13,994
2024	11,160	0	537	11,697
2025	11,160	0	0	11,160
2026	11,160	0	0	11,160
2027	11,160	0	0	11,160
Total	\$55,800	\$686	\$2,685	\$59,171

Note 12 – Contingent Liabilities

Amounts the Ohio Department of Health paid to the Health District through the COVID-19 Vaccination Grant (CN22) are subject to audit and adjustment by the Ohio Department of Health. On October 5, 2022, the Ohio Department of Health issued guidance clarifying the collection and use of project income generated from the CN22 grant. Guidance was retroactive to January 1, 2022 and effects the Health District’s treatment of COVID-19 vaccination income. The Ohio Department of Health may require refunding any disallowed costs. Management cannot presently determine amounts the grantor may disallow. However, based on management’s estimate, the Health District believes any refunds would be immaterial to the financial position of the Health Department.

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Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 13 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Health District 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:

Fund Balances	General Fund	Women, Infants, and Children Fund	Building Improvement Fund	Other Governmental Funds	Total
Restricted for					
Women, Infants and Children		\$14,196			\$14,196
Get Vaccinated				10,010	10,010
Cribs for Kids				11,095	11,095
Moms & Babies First				4,087	4,087
Food Service				68,075	68,075
Campgrounds				12,164	12,164
Community Water				39,573	39,573
Creating Healthy Communities				10,650	10,650
Reproductive Health and Wellness				11,084	11,084
Pools				30,909	30,909
Naloxone				81,588	81,588
STI Prevention Program				12,014	12,014
Sewage Program				60,536	60,536
HIV Prevention				8,541	8,541
COVID-19 Enhanced Operations				11,706	11,706
COVID-19 Vaccinations				30,000	30,000
<i>Total Restricted</i>	0	14,196	0	402,032	416,228
Committed to					
Sick & Vacation Leave Payout	46,196				46,196
<i>Total Committed</i>	46,196	0	0	0	46,196
Assigned to					
Future Capital Improvements			142,112		142,112
Subsequent Year Budget	535,215				535,215
<i>Total Assigned</i>	535,215	0	142,112	0	677,327
Unassigned					
	116,971			(2,163)	114,808
<i>Total Fund Balances</i>	\$698,382	\$14,196	\$142,112	\$399,869	\$1,254,559

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 14 – 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 ended in 2023. During 2022, 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 funding, either federal or state, cannot be estimated.

During 2022, the Health District received \$383,657 as a subrecipient of COVID-19 funding, a decrease of 55% compared to 2021, all of which was spent on COVID-19 projects or operations. The amounts are recorded in multiple Special Revenue Funds. A comparison between 2022 and 2021 receipts is presented below.

Fund Name	Receipts	
	2022	2021
Contact Tracing – CT21 Grant		\$73,996
FEMA Mass Vaccination Grant		68,948
COVID-19 Response Grant		274,647
Contact Tracing – CT20 Grant		60,033
COVID-19 Vaccine Equity Grant		47,802
COVID-19 Enhanced Operations Grant	156,782	328,662
COVID-19 Vaccination Grant	63,828	
Public Health Workforce Grant	163,047	
Total	<u>\$383,657</u>	<u>\$854,088</u>

**Combined Allen County General Health District
Allen County**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children WIC Administration	10.557	WA-15-22 WA-16-23	\$439,171 114,928
Total AL # 10.557			<u>554,099</u>
Total U.S. Department of Agriculture			<u>554,099</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Immunization Cooperative Agreements Get Vaccinated Ohio - Public Health Initiative Get Vaccinated Ohio - Public Health Initiative COVID-19 Vaccination Total AL # 93.268	93.268	GV-04-22 GV-05-23 CN-01-22	22,984 28,993 63,828
			<u>115,805</u>
Family Planning Services Reproductive Health and Wellness Total AL # 93.217	93.217	RH-11-22 RH-12-23	20,961 47,564
			<u>68,525</u>
Maternal and Child Health Services Block Grant to the States Reproductive Health and Wellness Total AL # 93.994	93.994	RH-11-22	3,596
			<u>3,596</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Public Health Workforce Total AL # 93.354	93.354	WF-01-22	181,867
			<u>181,867</u>
Preventive Health and Health Services Block Grant Creating Healthy Communities Total AL # 93.991	93.991	CC-13-22	98,469
			<u>98,469</u>
Opioid STR Integrated Naloxone Access and Infrastructure Total AL # 93.788	93.788	IN-04-23	58,500
			<u>58,500</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) COVID-19 Enhanced Operations Total AL # 93.323	93.323	EO-01-21 EO-02-22	82,285 14,554
			<u>96,839</u>

(continued)

**Combined Allen County General Health District
Allen County**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
Public Health Emergency Preparedness			
Public Health Emergency Preparedness	93.069	PH-13-22	61,325
		PH-14-23	39,164
Total AL # 93.069			<u>100,489</u>
Sexually Transmitted Diseases (STD) Prevention and Control Grants			
STI Prevention	93.977	ST-05-22	195,766
Total AL # 93.977			<u>195,766</u>
HIV Prevention Activities Health Department Based			
HIV Prevention	93.940	HP-04-22	38,068
Total AL # 93.940			<u>38,068</u>
Total U.S. Department of Health and Human Services			<u>957,924</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
<i>Passed Through Ohio Water Development Authority</i>			
Clean Water State Revolving Fund Cluster			
Capitalization Grants for Clean Water State Revolving Funds	66.458	OWDA 8581	3,071
		OWDA 9288	140,064
		OWDA 9711	129,200
Total AL # 66.458			<u>272,335</u>
Total U.S. Environmental Protection Agency			<u>272,335</u>
Total Expenditures of Federal Awards			<u>\$1,784,358</u>

The accompanying notes are an integral part of this schedule.

**COMBINED ALLEN COUNTY GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Combined Allen County General Health District (the Health District) under programs of the federal government for the year ended December 31, 2022. 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 Health District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Health District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The Health District did not pass through funds to subrecipients in the year ending December 31, 2022.

NOTE E - MATCHING REQUIREMENTS

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

NOTE F – MEDICAID ADMINISTRATIVE CLAIMS

During the calendar year, the Health District received a deferred payment from the Ohio Department of Health (ODH) for the Medicaid program (CFDA #93.778) in the amount of \$88,349. The deferred payment was for Medicaid Administrative Claims (MAC) expenses the Health District incurred in prior reporting periods. The Ohio Department of Health receives federal funding to reimburse these expenses according to the Health District's Medicaid Eligibility Rate (MER) for certain activity codes within the MAC program. MAC receipts are not listed on the Health District's Schedule of Expenditures of Federal Awards as the underlying expenses are on a cost reimbursement basis incurred in prior reporting periods.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Combined Allen County General Health District
Board of Health
219 E. Market Street
PO Box 1503
Lima, Ohio 45801

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, business-type activities, each major fund, and the aggregate remaining fund information of the Combined Allen County General Health District (the "Health District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements, and have issued our report thereon dated May 31, 2023, wherein we noted the Health District reported on the cash basis of accounting.

Report on Internal Control Over Financial Reporting

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 31, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Combined Allen County General Health District
Board of Health
219 E. Market Street
PO Box 1503
Lima, Ohio 45801

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

We have audited the Combined Allen County General Health District's (the "the Health District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Health District's major federal programs for the year ended December 31, 2022. The Health District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Health District 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, 2022.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Health 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 each major federal program. Our audit does not provide a legal determination of Health District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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 Health District's federal programs.

Auditors' 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 Health 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 Health District'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 the Health 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 Health 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 Health 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

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 a 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 Auditors' 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. 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio

May 31, 2023

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
ALN 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	
ALN 66.458 – Clean Water State Revolving Fund Cluster	
Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted



ALLEN COUNTY PUBLIC HEALTH

Allen County Combined Health District
Schedule of Prior Audit Findings
December 31, 2022

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Explanation Of Correction</u>
2021-001	Health District did not file its final expenditure report through the GMIS by the required date.	Corrected	Health District implemented review procedures during 2022 during monthly reconciliations to ensure compliance with required due dates.



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OHIO AUDITOR OF STATE KEITH FABER



COMBINED ALLEN COUNTY GENERAL HEALTH DISTRICT

ALLEN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/6/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov