



**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Fulton County Health Department, Fulton County, Ohio (the Health Department), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Health Department, as of December 31, 2023, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Health Department, 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.

Efficient • Effective • Transparent

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

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

Emphasis of Matter - Accounting Basis

As discussed in Note 2 to the financial statements, during 2023, the Health Department has elected to change its financial presentation to an accounting basis permitted by the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Department'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 Department's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2024, on our consideration of the Health Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health Department'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 Department's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

July 24, 2024

Fulton County Health Department
Fulton County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	General	Special Revenue	Combined Total
Cash Receipts			
Property Taxes	\$992,195		\$992,195
Charges for Services	585,274		585,274
Fines, Licenses and Permits		\$300,272	300,272
Intergovernmental - General Health	1,439,858		1,439,858
Contractual Services	119,466		119,466
Other Income	51,618	707	52,325
Deliverable Income	22,537		22,537
<i>Total Cash Receipts</i>	<u>3,210,948</u>	<u>300,979</u>	<u>3,511,927</u>
Cash Disbursements			
Current:			
Health:			
General Health	2,022,901		2,022,901
COVID Vaccination	10,438		10,438
Reproductive Health and Wellness (RHW)	170,219		170,219
Women, Infants and Children (WIC)	287,271		287,271
Breast and Cervical Cancer Project (BCCP)	548,639		548,639
Immunization - Get Vaccinated (GV)	71,671		71,671
Public Health Emergency Preparedness (PHEP)	135,094		135,094
Moms Quit for Two (MOMS)	32,860		32,860
HC3	146,625		146,625
Tobacco	108,990		108,990
COVID Enhanced	20,447		20,447
Workforce	87,133		87,133
Environmental Health		570,305	570,305
<i>Total Cash Disbursements</i>	<u>3,642,288</u>	<u>570,305</u>	<u>4,212,593</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(431,340)</u>	<u>(269,326)</u>	<u>(700,666)</u>
Other Financing Receipts (Disbursements)			
Transfers In		250,000	250,000
Transfers Out	(250,000)		(250,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(250,000)</u>	<u>250,000</u>	
<i>Net Change in Fund Cash Balances</i>	(681,340)	(19,326)	(700,666)
<i>Fund Cash Balances, January 1</i>	<u>3,006,558</u>	<u>80,865</u>	<u>3,087,423</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,325,218</u>	<u>\$61,539</u>	<u>\$2,386,757</u>

See accompanying notes to the basic financial statements

Fulton County Health Department
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Fulton County Health Department, Fulton County, Ohio (the Health Department) as a body corporate and politic. A six-member Board of Health, four appointed by the District Advisory Council, one member is appointed by the City of Wauseon and one member is appointed by the Fulton County Licensing Council, governs the Health Department. The Board of Health appoints a Health Commissioner and all employees of the Health Department. The Health Department's services include communicable disease investigations, immunization clinics, inspections, and public health nursing services, the Health Department issues health-related licenses and permits, provides health education and emergency response planning.

Public Entity Risk Pool

The Health Department participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. The Health Department's management believes these financial statements present all activities for which the Health Department is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Health Department's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

Fund Accounting

The Health Department 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 Department are presented below:

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

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Health Department had the following significant Special Revenue Fund:

Environmental Fund This fund receives monies from licenses and permit fees for items such as food service operations, water and sewage permits including EPA Grant funds for installing or upgrading sewage systems, swimming pools, camps, solid waste and all related activities to this department or other non-mandated programs.

Fulton County Health Department
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Basis of Accounting

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

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

Change in Presentation

In 2022, the Health Department reported their financial statements on the cash basis comparable to the requirements of Governmental Accounting Standards. For 2023, the Health Department has elected to follow the financial statement presentation following the regulatory basis of accounting also described in Note 2. The fund financial statements now present a column for each fund type, rather than each major fund in a separate column with nonmajor funds aggregated and presented in a single column. The Health Department also no longer presents entity wide financial statements.

Budgetary Process

The Ohio Revised Code requires the Health Department to budget each fund annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Health Department Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Health Department to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2023 budgetary activity appears in Note 4.

Capital Assets

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

Accumulated Leave

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

Fulton County Health Department
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Leases

The Health Department is the lessee in one lease (as defined by GASB 87) with FP Finance for the lease of PostBase Vision A5 Base/Scale, Auto feeder w/Sealer postage automated posting machine. Lease agreement 1577061 is effective from June 12, 2020 through June 12, 2025. Lease disbursements are recognized when they are received/paid.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Health Department must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Compliance

Contrary to Ohio law, the Health Department's appropriations exceeded the amount certified as available by the budget commission in the Environmental Special Revenue fund by \$121,520 for the year ended December 31, 2023.

Fulton County Health Department
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023, follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,468,538	\$3,210,948	(\$257,590)
Special Revenue	525,408	550,979	25,571
Total	\$3,993,946	\$3,761,927	(\$232,019)

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,157,943	\$3,947,506	\$210,437
Special Revenue	727,795	628,582	99,213
Total	\$4,885,738	\$4,576,088	\$309,650

Note 5 – Deposits and Investments

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

Note 6 – Intergovernmental Funding and Property Taxes

Intergovernmental Funding

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

Property Taxes

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

Public utilities are also taxed on personal and real property located within the taxing district.

Fulton County Health Department
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

Note 7 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Health Department pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Health Department has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Risk Pool Membership

The Health Department 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 Department'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 (the latest available):

	<u>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$15,724,479

Fulton County Health Department
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Health Department employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Health Department contributed an amount equaling 14 percent of participants’ gross salaries. The Health Department has paid all contributions required through December 31, 2023.

Social Security

The Health Department Board Members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Health Department contributed an amount equal to 6.2 percent of participants’ gross salaries. The Health Department has paid all contributions required through December 31, 2023.

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$55,218	\$58,277	\$113,495
Total	\$55,218	\$58,277	\$113,495

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

Fulton County Health Department
Fulton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the Health Department received COVID-19 funding. The Health Department will continue to spend available COVID-19 funding consistent with the applicable program guidelines

The Health Department suffered personnel impact due to the COVID-19 Pandemic. Each department suffered loss of employees who either left Public Health all together, or found other employment opportunities within another health department. In the following months/year, it has been a struggle to find quality employees to fill vacant positions. The Health Department had to implement a rigorous retention plan to help slow the loss of great employees.

Throughout the initial 2020 Pandemic Response, PPE was obtained from ODH and used as necessary during the Public Health Emergency period and the Federal Emergency Declaration ended May 11, 2023. The remaining PPE that was not utilized is still housed within a temperature controlled storage area.

The Covid Vaccination Grant ended in June 2023, and therefore, the Health Department has had to shift expenses once covered by that grant to other funding sources, and the vast majority is now being covered by General Health Funds.

In 2023, the Health Department re-applied and was awarded the Covid Enhanced Operations Grant by ODH for the FY23 Grant year.

With the COVID-19 Pandemic coming on quickly, and lasting far longer than initially anticipated, it has further demonstrated that the Public Health Emergency Preparedness Grant fall short in funding as compared to actual expenses year after year. It cannot be guaranteed that all Public Emergencies or Pandemics will provide sufficient funding to fulfill the response activities.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Mental Health and Addiction Services			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2300010 2023 2024	\$44,018 27,933 7,602
Total AL # 93.959			<u>79,553</u>
Passed Through Ohio Department of Health and Human Services			
Public Health Emergency Preparedness	93.069	02610012PH1423 02610012PH1524	40,359 31,723
Total AL # 93.069			<u>72,082</u>
Family Planning Services	93.217	02610011RH1223 02610011RH1324	9,568 79,456
Total AL # 93.217			<u>89,024</u>
COVID-19 Immunization Cooperative Agreements	93.268	02610012CN0122 02610012GV0523 02610012GV0624	10,485 38,209 32,718
Total AL # 93.268			<u>81,412</u>
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	02610012EO0222 02610012EO0323	7,029 13,360
Total AL # 93.323			<u>20,389</u>
Public Health Emergency Response:Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	02610012WF0122 0260012WF0223	77,891 5,000
Total AL # 93.354			<u>82,891</u>
National and State Tobacco Control Program (B)	93.387	02610014TU0524	25,397
Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health or Healthcare Crises	93.391	02610012WF0223	5,000
Children's Health Insurance Program	93.767	02610014BC1623	12,322
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	02610014BC1623 02610014BC1724	228,110 232,858
Total AL # 93.898			<u>460,968</u>
Center for Disease Controls Collaboration with Academia to Strengthen Public Health	93.967	02610012WF0223	1,856
Passed Through Fulton County Job and Family Services			
Temporary Assistance for Needy Families Cluster: Temporary Assistance for Needy Families	93.558	Headlice 2023	727
Total AL # 93.558			<u>727</u>
Total U.S. Department of Health and Human Services			<u>931,621</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Ohio Department of Health			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	02610011WA1623 02610011WA1724	228,222 61,746
Total AL # 10.557			<u>289,968</u>
Total U.S. Department of Agriculture			<u>289,968</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Ohio Department of Public Safety			
Highway Safety Cluster			
State and Community Highway Safety	20.600	SC-2023-Fulton County Health Deptar-00028 SC-2024-Fulton County Health Deptar-00036	16,751 4,944
Total Highway Safety Cluster			<u>21,695</u>
Total U.S. Department of Transportation			<u>21,695</u>
Total Expenditures of Federal Awards			<u>\$1,243,284</u>

The accompanying notes are an integral part of this schedule.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Fulton County Health Department, Fulton County, Ohio (the Health Department) under programs of the federal government for the year ended December 31, 2023. 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 Department, it is not intended to and does not present the financial position or changes in net position of the Health Department.

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

NOTE D – SUBRECIPIENTS

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

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

NOTE E – MATCHING REQUIREMENTS

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

NOTE F – MEDICAID ADMINISTRATIVE CLAIMING (MAC)

During the calendar year, the Health Department received reimbursements passed through the Ohio Department of Health for the Medicaid program (CFDA #93.778) in the amount of \$31,933. These MAC reimbursements are for administrative costs by participating in a quarterly time study, and are considered to be earned state revenue. The MAC fund is based on time study results and calculated using a Medicaid Eligible Rate (MER) specific to the Health Department. The underlying expenses are on a cost reimbursement basis and occurred in prior reporting periods and are not listing on the Health Department's Schedule of Expenditures of Federal Awards.

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

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43587-1712

To the Board of Health:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2023 and the related notes to the financial statements of Fulton County Health Department, Fulton County, Ohio (the Health Department), and have issued our report thereon dated July 24, 2024, wherein we noted the Health Department followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the Health Department elected to change its financial presentation to an accounting basis permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) for 2023

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Health Department'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-002.

Health Department's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health Department'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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

July 24, 2024

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

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fulton County Health Department, Fulton County, Ohio's, (the Health Department) 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 Fulton County Health Department's major federal programs for the year ended December 31, 2023. Fulton County Health Department's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Fulton County Health Department 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, 2023.

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 the Health Department 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 the Health Department's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Health Department'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 Department'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 Department'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 Department'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 Department'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. 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

July 24, 2024

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**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(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):	Special Supplemental Nutrition Program for Women, Infants and Children – AL #10.557 Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations – AL #93.898
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2023-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in accompanying financial statements:

- Budgetary expenditures in the budgetary activity note to the financial statements were overstated in the Environmental Special Revenue Fund in the amount of \$58,277.
- Intergovernmental receipts in the amount of \$62,782 were incorrectly classified as charges for services in the General Fund.

These errors were not identified and corrected prior to the Health Department preparing its financial statements due to deficiencies in the Health Department's internal controls over financial statement monitoring. The accompanying financial statements have been adjusted to correct these errors. Failing to prepare accurate financial statements could lead to the Board or financial statement user to make misinformed decisions. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$21,972 to \$48,002 that we have brought to the Health Department's attention.

The Board should adopt policies and procedures, including a final review of the financial statement and notes to the financial statements by the Fiscal Supervisor and the Board to help identify and correct errors and omissions.

Officials' Response:

See corrective action plan.

FINDING NUMBER 2023-002

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At December 31, 2023 the Health Department's appropriations exceeded the amount certified as available by the budget commission in the Environmental Special Revenue Fund by \$121,520.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Health Department's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Health Department should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Health Department should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board to reduce the appropriations.

Officials' Response:

See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

None



FULTON COUNTY HEALTH DEPARTMENT

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	This finding was first reported in 2020. Material weakness due to financial statement reporting errors.	Not corrected and repeated as Finding 2023-001 in this report	Additional errors occurred which were not detected by management. Management is aware of and understands the importance of the information presented on the financial statements and will ensure these errors will be accurately identified and reported.



FULTON COUNTY HEALTH DEPARTMENT

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**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2023**

Finding Number:	2023-001
Planned Corrective Action:	Management is aware of and understands the importance of the information presented on the financial statements and will ensure all monies be correctly reported on the financial statements.
Anticipated Completion Date:	December 31, 2024
Responsible Contact Person:	Melanie Gilders, Fiscal Supervisor
Finding Number:	2023-002
Planned Corrective Action:	Management is aware of and understands the importance of Ohio Revised Code requirements and will ensure compliance with budgetary laws going forward.
Anticipated Completion Date:	December 31, 2024
Responsible Contact Person:	Melanie Gilders, Fiscal Supervisor

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OHIO AUDITOR OF STATE KEITH FABER



FULTON COUNTY HEALTH DEPARTMENT

FULTON 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 8/13/2024

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov