



OHIO AUDITOR OF STATE
KEITH FABER



**PICKAWAY COUNTY GENERAL HEALTH DISTRICT
PICKAWAY COUNTY
DECEMBER 31, 2023 AND 2022**

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Pickaway County General Health District
Pickaway County
110 Island Rd, Suite C
Circleville, Ohio 43113

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Pickaway County General Health District, Pickaway County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2023 and 2022, 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 combined total as of and for the year ended December 31, 2023 and 2022, 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 Pickaway County General Health District, as of December 31, 2023 and 2022, 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2024

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Pickaway County General Health District*Pickaway 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			
Intergovernmental	727,128	367,388	1,094,516
Charges for Services	361,466	64,277	425,743
Fines, Licenses and Permits	75,027	153,477	228,504
Miscellaneous	8,789	1,244	10,033
<i>Total Cash Receipts</i>	<u>1,172,410</u>	<u>586,386</u>	<u>1,758,796</u>
Cash Disbursements			
Current:			
Health:			
Salaries	562,134	266,454	828,588
Fringe Benefits	256,783	68,605	325,388
Supplies	81,837	61,198	143,035
Remittances to State	55,338	53,201	108,539
Contract Services	210,583	35,388	245,971
Travel	37,714	36,422	74,136
Other	93,923	3,233	97,156
Capital Outlay	5,866	4,478	10,344
<i>Total Cash Disbursements</i>	<u>1,304,178</u>	<u>528,979</u>	<u>1,833,157</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(131,768)</u>	<u>57,407</u>	<u>(74,361)</u>
Other Financing Receipts (Disbursements)			
Advances In	56,000	15,000	71,000
Advances Out	(15,000)	(56,000)	(71,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>41,000</u>	<u>(41,000)</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	(90,768)	16,407	(74,361)
<i>Fund Cash Balances, January 1</i>	<u>735,695</u>	<u>454,614</u>	<u>1,190,309</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$644,927</u></u>	<u><u>\$471,021</u></u>	<u><u>\$1,115,948</u></u>

See accompanying notes to the basic financial statements

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

Description of the Entity

Pickaway County General Health District (the District) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A seven-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

Pickaway County serves as fiscal agent for the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Public Entity Risk Pools

The District participates in a public entity risk pool. Note 9 to the financial statements provides additional information for this entity. The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

These financial statements follow the basis of accounting permitted by the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The District 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 adequately disclose material matters the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Deposits and Investments

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

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies - (continued)

Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

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

Food Service Fund - This fund received license revenues and permits fees for the operations of food services within the county.

Water System Fund - This fund accounts for fees, licenses, and permits associated with water systems within the county.

Public Health Infrastructure Grant Fund - This fund receives grants funds from the State to provide for the establishment of public health preparedness infrastructure to protect the county for disease outbreaks, bioterrorism, and other health related emergencies.

COVID-19 and Get Vaccinated Funds – These grant funds receive monies from the Ohio Department of Health and the US Department of Health and Human Services to help provide relief efforts related to the Coronavirus.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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

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

A summary of 2023 budgetary activity appears in Note 4.

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies - (continued)

Fund Balances

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

Nonspendable: The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. 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 District 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: Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend 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*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the General Fund, assigned amounts represent intended uses established by Board of Trustees or a District official delegated that authority by resolution, or by State Statute. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

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

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

Property, Plant and Equipment

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

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.

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the following funds:

Fund Name	Variance
General	\$(115,593)
Food Service	(12,443)
Water Systems	(2,332)
Swimming Pool	(1,009)
Solid Waste	(723)
Public Health Workforce	(17,891)

Note 4 – Budgetary Activity

The District’s budgetary activity for the years ending December 31, 2023, was as follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$1,165,918	\$1,228,410	\$62,492
Special Revenue	593,398	601,386	7,988
<i>Total</i>	\$1,759,316	\$1,829,796	\$70,480

2023 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,188,585	\$1,304,178	(\$115,593)
Special Revenue	657,162	528,979	128,183
<i>Total</i>	\$1,845,747	\$1,833,157	\$12,590

Note 5 – Equity Pooled Cash

The Pickaway County Auditor, as fiscal agent for the District, maintains a cash and investments pool used by all the Pickaway County Auditor’s funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments, and the Pickaway County Auditor is responsible for compliance. The carrying amount of deposits and investments December 31, 2023 was \$1,115,948 respectively.

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent’s pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Intergovernmental Funding

The County apportions 60 percent of the excess of the District's appropriations over other estimated receipts among the township and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The District Advisory Council has a contractual agreement with the City of Circleville to match the township and municipalities' contribution at 66.66 percent. The financial statements present these amounts as intergovernmental receipts.

Note 7- Defined Benefit Pension Plans

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes plan benefits, including postretirement healthcare, and survivor and disability benefits.

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

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefits postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualified benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2023.

Note 9 – Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The (local entity) 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 (local entity's) policy. The Pool covers the following risks:

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

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Risk Management - (continued)

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

	<u>2022</u>
Cash and Investments	\$42,310,794
Actuarial Liabilities	(15,724,479)

Note 10 – Contingent Liabilities

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

Note 11 – Interfund Balances Advances

During 2023, the amount of \$15,000 was advanced to the Safe Community Grant Fund to provide working capital for operations. The amount of \$41,000 was advance from the PHI Grant Fund to the General Fund. Outstanding advances at December 31, 2023, consisted of (\$56,491).

Note 12 - Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were zero. The fund balance of Special Revenue Funds is either restricted or committed.

Note 13- Ohio Department of Health Funds

Note 13 – Ohio Department of Health Funds During the year ended December 31, 2023, the District received the federal funding passed through the Ohio Department of Health as follows:

U.S. Department of Health and Human Services Grant: ALN 93.069; Grant Awards 06510012PH1524; these funds were for Public Health and Emergency Preparedness and federal awards received from the Ohio Department of Health were \$60,160.

U.S. Department of Health and Human Services Grant: ALN 93.323; Grant Awards 06510012EO0323 these funds were for COVID-19 Enhanced Operations, and federal awards received from the Ohio Department of Health were \$33,982.

U.S. Department of Health and Human Services Grant: ALN 93.994; Grant Awards 06510012ck0123; these funds were for Reproductive Health and Wellness, and federal awards received from the Ohio Department of Health were \$25,650.

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Pickaway County General Health District*Pickaway County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2022*

	General	Special Revenue	Combined Total
Cash Receipts			
Intergovernmental	741,845	394,900	1,136,745
Charges for Services	490,475	5,509	495,984
Fines, Licenses and Permits	101,551	148,287	249,838
Miscellaneous	1,641	3,970	5,611
<i>Total Cash Receipts</i>	<u>1,335,512</u>	<u>552,666</u>	<u>1,888,178</u>
Cash Disbursements			
Current:			
Health:			
Salaries	499,898	301,958	801,856
Fringe Benefits	202,961	131,983	334,944
Supplies	62,273	46,880	109,153
Remittances to State	66,423	15,994	82,417
Contract Services	202,268	17,294	219,562
Travel	5,953	2,284	8,237
Other	58,185	1,397	59,582
Capital Outlay	5,646	0	5,646
<i>Total Cash Disbursements</i>	<u>1,103,607</u>	<u>517,790</u>	<u>1,621,397</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>231,905</u>	<u>34,876</u>	<u>266,781</u>
Other Financing Receipts (Disbursements)			
Advances In	0	47,000	47,000
Advances Out	(47,000)	0	(47,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(47,000)</u>	<u>47,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	184,905	81,876	266,781
<i>Fund Cash Balances, January 1</i>	<u>550,790</u>	<u>372,738</u>	<u>923,528</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$735,695</u></u>	<u><u>\$454,614</u></u>	<u><u>\$1,190,309</u></u>

See accompanying notes to the basic financial statements

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

Description of the Entity

Pickaway County General Health District (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A seven-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

Pickaway County serves as fiscal agent for the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Public Entity Risk Pools

The District participates in a public entity risk pool. Note 9 to the financial statements provides additional information for this entity. The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

These financial statements follow the basis of accounting permitted by the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The District 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 adequately disclose material matters the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Deposits and Investments

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

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies - (continued)

Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

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

Food Service Fund - This fund received license revenues and permits fees for the operations of food services within the county.

Water System Fund - This fund accounts for fees, licenses, and permits associated with water systems within the county.

Public Health Infrastructure Grant Fund - This fund receives grants funds from the State to provide for the establishment of public health preparedness infrastructure to protect the county for disease outbreaks, bioterrorism and other health related emergencies.

COVID-19 and Get Vaccinated Funds – These grant funds receive monies from the Ohio Department of Health and the US Department of Health and Human Services to help provide relief efforts related to the Coronavirus.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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

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

A summary of 2022 budgetary activity appears in Note 4.

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies - (continued)

Fund Balances

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

Nonspendable: The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. 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 District 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: Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend 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*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the General Fund, assigned amounts represent intended uses established by Board of Trustees or a District official delegated that authority by resolution, or by State Statute. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

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

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

Property, Plant and Equipment

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

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.

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3- Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Cots Healthcare Coalition, Covid-19 Vaccination, Enhanced Operations, and Solid Waste funds by \$4,739, \$39,869, \$11,914 and \$259 respectively for the year ended December 31, 2022.

Note 4 – Budgetary Activity

The District’s budgetary activity for the years ending December 31, 2022 was as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$1,228,904	\$1,335,512	\$106,608
Special Revenue	783,559	599,666	(183,893)
<i>Total</i>	\$2,012,463	\$1,935,178	(\$77,285)

2022 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Disbursements	
General	\$1,225,435	\$1,103,607	\$121,828
Special Revenue	721,221	517,790	203,431
<i>Total</i>	\$1,946,656	\$1,621,397	\$325,259

Note 5 – Equity Pooled Cash

The Pickaway County Auditor, as fiscal agent for the District, maintains a cash and investments pool used by all of the Pickaway County Auditor’s funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments, and the Pickaway County Auditor is responsible for compliance. The carrying amount of deposits and investments December 31, 2022 was \$1,190,309 respectively.

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent’s pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

Note 6 – Intergovernmental Funding

The County apportions 60 percent of the excess of the District’s appropriations over other estimated receipts among the township and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The District Advisory Council has a contractual agreement with the City of Circleville to match the township and municipalities’ contribution at 66.66 percent. The financial statements present these amounts as intergovernmental receipts.

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7- Defined Benefit Pension Plans

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

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent, respectively, of participants’ gross salaries. The District has paid all contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefits postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualified benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Note 9 – Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

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

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021:

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

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Contingent Liabilities

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

Note 11 – Interfund Balances Advances

During 2022, the amount of \$47,000 was advanced to the COVID-19 Vaccination, Enhanced Operations and Public Health Workforce Grant Funds to provide working capital for operations. Outstanding advances at December 31, 2022, consisted of (\$97,491).

Note 12 - Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. The fund balance of Special Revenue Funds is either restricted or committed. For the General Fund and Special Revenue funds, there were no encumbrances at year-end.

Note 13- Ohio Department of Health Funds

Ohio Department of Health Funds During the year ended December 31, 2022, the District received the federal funding passed through the Ohio Department of Health as follows:

U.S. Department of Health and Human Services Grant: ALN 93.069; Grant Awards 06510012PH1524; these funds were for Public Health and Emergency Preparedness and federal awards received from the Ohio Department of Health were \$24,334.

U.S. Department of Health and Human Services Grant: ALN 93.323; Grant Awards 06510012EO0323 these funds were for COVID-19 Enhanced Operations, and federal awards received from the Ohio Department of Health were \$21,522.

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Pickaway County General Health District
Pickaway County
110 Island Road, Suite C
Circleville, Ohio 43113

To the Board of Trustees:

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 cash balances, receipts and disbursements for each governmental fund type of the Pickaway County General Health District, Pickaway County, (the District) as of and for the year ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 25, 2024, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 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 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 2023-001.

District's Response to Findings

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2024

**PICKAWAY COUNTY GENERAL HEALTH DISTRICT
PICKAWAY COUNTY**

SCHEDULE OF FINDINGS

DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-001

Material Noncompliance- Expenditures in excess of appropriations

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code. Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the District's General, Food Service, Water Systems, Swimming Pool, Solid Waste, and Public Health Workforce funds has expenditures in excess of appropriations, as of December 31, 2023. For the year ending December 31, 2022 the Cots Healthcare Coalition, Covid-19 Vaccinations, Enhancing Operations, and Solid Waste Funds had expenditures in excess of appropriations. See tables below:

As of December 31, 2022				
Fund Number	Fund Name	Appropriations	Expenditures	Variance
602	Cots Healthcare Coalition	7,000	11,739	(4,739)
606	Covid-19 Vaccination	-	39,869	(39,869)
611	Enhanced Operations	-	11,914	(11,914)
613	Solid Waste	671	930	(259)

As of December 31, 2023				
Fund Number	Fund Name	Appropriations	Expenditures	Variance
605	General	1,188,585	1,304,178	(115,593)
607	Food Service	93,150	105,593	(12,443)
609	Water Systems	28,498	30,830	(2,332)
610	Swimming Pool	7,388	8,397	(1,009)
613	Solid Waste	613	1,336	(723)
617	Public Health Workforce	118,116	136,007	(17,891)

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices. The Board of Trustees and Finance Director Board should closely monitor expenditures and appropriations and make the necessary appropriation amendments through resolution, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal officer and Fiscal agent should deny payment requests exceeding appropriations when appropriations are inadequate to cover expenditures.

Officials' Response: Refer to Management's Corrective Action Plan

PICKAWAY COUNTY GENERAL HEALTH DISTRICT
PICKAWAY COUNTY

SCHEDULE OF FINDINGS (Continued)

DECEMBER 31, 2023 AND 2022

2. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. This issue did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2023-002

Finding for Recovery

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

On December 4th, 2022, the Pickaway County General Health District Board of Trustees approved Angela Fairchild to receive a temporary hourly rate of \$34.00 for taking on the internal role of Director of Clinical Health Services. Ms. Fairchild’s temporary rate was effective immediately through January 15th, 2023.

Although Ms. Fairchild’s regular rate of \$26.54 was effective January 16, 2023, Ms. Fairfield continued to be compensated at the temporary rate of \$34.00 until April 23, 2023. Failing to adjust Ms. Fairchild’s compensation from January 16th through April 23rd resulted in 560 hours being paid \$7.46 over her approved hourly rate. As a result, an overpayment of \$4,177.60 occurred.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Angela Fairchild in the amount of \$4,177 in favor of the Pickaway County General Health District.

On September 24, 2024, Angela Fairchild paid via check for the full amount.

Officials’ Response: Refer to Management’s Corrective Action Plan

Pickaway County Public Health

110 Island Road, Suite C, Circleville, OH 43113
Phone 740-477-9667 | Fax 740-474-5523 | Clinical Health Fax 740-420-6102



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS December 31, 2023 and 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Partially corrected	All funds were reported by the District for the years ending December 31, 2023 and 2022, however, there were additional immaterial financial reporting errors identified. This control deficiency was reported in the management letter for the current audit.

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Pickaway County Public Health

110 Island Road, Suite C, Circleville, OH 43113
Phone 740-477-9667 | Fax 740-474-5523 | Clinical Health Fax 740-420-6102



**PICKAWAY COUNTY
PUBLIC HEALTH**
We Care.

CORRECTIVE ACTION PLAN December 31, 2023 and 2022

Finding Number:	2023-001
Planned Corrective Action:	The District will review our processes over appropriating funds and ensure amendments passed through resolution are made and submitted to budget commission as necessary moving forward.
Anticipated Completion Date:	09/30/2024
Responsible Contact Person:	Kaleigh Fields
Finding Number:	2023-002
Planned Corrective Action:	We will review our payroll controls to help ensure this type of error doesn't occur moving forward
Anticipated Completion Date:	09/30/2024
Responsible Contact Person:	Kaleigh Fields

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OHIO AUDITOR OF STATE KEITH FABER



PICKAWAY COUNTY GENERAL HEALTH DISTRICT

PICKAWAY 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 10/1/2024

65 East State 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