



OHIO AUDITOR OF STATE  
**KEITH FABER**





**PIKE COUNTY GENERAL HEALTH DISTRICT  
PIKE COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Pike County General Health District  
Pike County  
116 South Market Street  
Waverly, Ohio 45690

To the Board:

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

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Pike County General Health District, Pike County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, 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 years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by 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.

***Emphasis of Matter***

As discussed in Note 13 to the financial statements for the years ended December 31, 2022 and 2021, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

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

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

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

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

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 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  
February 29, 2024

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**Pike County General Health District**  
*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	Total (Memorandum Only)
Cash Receipts			
Property Taxes	\$533,032	\$0	\$533,032
Intergovernmental	71,661	572,921	644,582
Charges for Services	0	585	585
Fines, Licenses and Permits	304,713	227,328	532,041
Miscellaneous	1,144	1,177	2,321
<b>Total Cash Receipts</b>	<b>910,550</b>	<b>802,011</b>	<b>1,712,561</b>
Cash Disbursements			
Current:			
Health:			
Salaries	181,431	349,896	531,327
Fringe Benefits	129,463	121,753	251,216
Supplies	102,449	76,079	178,528
Remittances to State	31,917	82,469	114,386
Contract Services	35,775	303,030	338,805
Travel	3,987	3,512	7,499
Other	12,140	450	12,590
Debt Service:			
Principal Repayments	0	150,961	150,961
<b>Total Cash Disbursements</b>	<b>497,162</b>	<b>1,088,150</b>	<b>1,585,312</b>
Excess of Receipts Over (Under) Disbursements	413,388	(286,139)	127,249
Other Financing Receipts (Disbursements)			
Loan Proceeds	0	150,961	150,961
Advances In	85,586	200,586	286,172
Advances Out	(200,586)	(85,586)	(286,172)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(115,000)</b>	<b>265,961</b>	<b>150,961</b>
Net Change in Fund Balances	298,388	(20,178)	278,210
Fund Cash Balances, January 1	330,423	806,623	1,137,046
Fund Cash Balances, December 31	<u>\$628,811</u>	<u>\$786,445</u>	<u>\$1,415,256</u>

See the accompanying notes to the basic financial statements.

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**Pike County General Health District**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Pike County General Health District, (the District), as a body corporate and politic. 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 issuing health-related licenses and permits.

Pike County serves as the fiscal agent of the District.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The District's financial statement consists 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 District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

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

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

Water Pollution Control Loan Fund - This fund receives loan proceeds from the Ohio Water Development Authority for the Household Sewage Treatment Systems program, which is a program that allows counties and local health districts to assist low to moderate income homeowners with the repair or replacement of failing household sewage treatment systems along with connections to existing centralized sanitary sewer systems.

**Basis of Accounting**

This financial statement follows the basis of accounting 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 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).

This statement adequately discloses material matters the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Budgetary Process**

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

**Pike County General Health District**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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*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. 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 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 carried over and need not be re-appropriated in the subsequent year.

A summary of 2022 budgetary activity appears in note 3.

**Capital Assets**

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does 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 statement does not include a liability for unpaid leave.

**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*. 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.

**Pike County General Health District**  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2022

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

For regulatory purposes, limited disclosure related to fund balance is included in note 12.

**Note 3 – Budgetary Activity**

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

Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
General	\$252,880	\$996,136	\$743,256
Special Revenue	1,007,906	1,153,558	145,652
Total	\$1,260,786	\$2,149,694	\$888,908

Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$536,298	\$710,065	(\$173,767)
Special Revenue	1,298,875	1,220,161	78,714
Total	\$1,835,173	\$1,930,226	(\$95,053)

**Note 4 – Deposits and Investments**

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

**Note 5 – Intergovernmental Funding and Property Taxes**

***Intergovernmental Funding***

The County apportions 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 financial statement presents 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 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.

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

**Pike County General Health District**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 6 – Interfund Balances**

During the year, the general fund advanced \$50,000 to the enhanced operations 2021 grant fund, \$75,000 to the COVID-19 vaccination grant fund, \$30,000 to the tobacco use prevention and cessation grant fund, and \$10,000 to the enhanced operations 2022 grant fund, which remained unpaid as of December 31, 2022. Additionally, during the prior year, the general fund advanced \$50,000 to the workforce development fund, which also remained unpaid as of December 31, 2022.

**Note 7 – Risk Management**

The District is insured through Pike County, its fiscal agent. Pike County belongs to Buckeye Administrators, Inc., a risk sharing pool among twenty-eight counties in Ohio. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

**Note 8- Defined Benefit Pension Plans**

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

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

**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 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.

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

**Note 10 – Debt**

In 2021, the District entered into loan agreement #9316 with the Ohio Water Development Authority (OWDA) to participate in the 2021 HSTS Program under the Water Pollution Control Loan Fund Program. In 2022, the District received the remaining \$39,853 in loan proceeds for a total of \$150,000. The loan has been paid in full by principal forgiveness from OWDA.

In 2022, the District entered into loan agreement #9799 with the Ohio Water Development Authority (OWDA) to participate in the 2022 HSTS Program under the Water Pollution Control Loan Fund Program. In 2022, the District received \$111,108 in loan proceeds. The District has been authorized for up to a total of \$150,000. The loan has been paid in full by principal forgiveness from OWDA.

**Note 11 – Contingent Liabilities**

The District is not currently party to litigation.

**Pike County General Health District**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

**Note 12 – 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:

	General Fund	Special Revenue Funds	Total
Outstanding Encumbrances	\$12,317	\$46,425	\$58,742

The fund balances of special revenue funds are restricted for programs of the District. These restricted amounts would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The District did not subgrant funds to other governments and organizations nor were any funds returned to grantor agencies or spent on-behalf of other governments. The District also did not receive any funds as on-behalf of grants from another governments.

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

	General	Special Revenue	Total (Memorandum Only)
Cash Receipts			
Intergovernmental	\$52,243	\$868,454	\$920,697
Charges for Services	0	547	547
Fines, Licenses and Permits	130,773	203,207	333,980
Miscellaneous	956	550	1,506
<b>Total Cash Receipts</b>	<b>183,972</b>	<b>1,072,758</b>	<b>1,256,730</b>
Cash Disbursements			
Current:			
Health:			
Salaries	156,956	222,654	379,610
Fringe Benefits	100,224	40,309	140,533
Supplies	62,873	123,228	186,101
Remittances to State	31,303	79,667	110,970
Contract Services	46,861	299,025	345,886
Travel	1,638	2,220	3,858
Other	11,978	0	11,978
Capital Outlay	490	25,875	26,365
Debt Service:			
Principal Repayments	0	256,632	256,632
<b>Total Cash Disbursements</b>	<b>412,323</b>	<b>1,049,610</b>	<b>1,461,933</b>
Excess of Receipts Over (Under) Disbursements	(228,351)	23,148	(205,203)
Other Financing Receipts (Disbursements)			
Proceeds from Sale of Building	150,000	0	150,000
Loan Proceeds	0	256,632	256,632
Transfers In	341	5,552	5,893
Advances In	201,250	180,000	381,250
Transfers Out	(5,552)	(341)	(5,893)
Advances Out	(180,000)	(201,250)	(381,250)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>166,039</b>	<b>240,593</b>	<b>406,632</b>
Net Change in Fund Balances	(62,312)	263,741	201,429
Fund Cash Balances, January 1	392,735	542,882	935,617
Fund Cash Balances, December 31	<u>\$330,423</u>	<u>\$806,623</u>	<u>\$1,137,046</u>

See the accompanying notes to the basic financial statements.

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

---

**Note 1 – Reporting Entity**

The Pike 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 issuing health-related licenses and permits.

Pike County serves as fiscal agent for the District.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The District's financial statement consists 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 District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

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

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

Sewage Treatment System Fund - This fund receives fees for sewage treatment system installation permits, inspections, and certifications to ensure that all one, two and three family dwellings have a properly installed home sewage disposal system and that no health hazards exist through a sewage nuisance.

Solid Waste Fund - This fund receives license fees and other revenues to ensure that all solid waste facilities within the county are properly licensed and inspected, and that all solid waste related nuisances are properly resolved or abated.

Public Health Infrastructure Fund - This fund receives federal funds to ensure the county is prepared and can effectively respond in the event of bioterrorism, communicable disease, chemical emergencies, mass fatality events, or any other public health emergency including natural disasters.

Water Pollution Control Loan Fund - This fund receives loan proceeds from the Ohio Water Development Authority for the Household Sewage Treatment Systems program, which is a program that allows counties and local health districts to assist low to moderate income homeowners with the repair or replacement of failing household sewage treatment systems along with connections to existing centralized sanitary sewer systems.

Miscellaneous Grants Fund - This fund receives grants to provide funding for additional costs incurred to manage the COVID-19 pandemic.

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

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Enhanced Operations Grant Fund - This fund receives grant funds to provide additional resources to help meet the increased operation costs incurred as a result of the COVID-19 pandemic.

Contract Tracing Grant Fund - This fund receives grant funds to provide additional resources to help meet the increased costs incurred to provide contact tracing services and case investigation to citizens within the District's boundaries to help combat the COVID-19 pandemic.

Vaccine Equity Fund - This fund receives grant funds to help prioritize equity in vaccination access and uptake for those groups that experience disparities in immunization, including racial and ethnic minority groups, individuals living with disabilities, rural communities, older adults, individuals with chronic conditions, and more.

**Basis of Accounting**

This financial statement follows the basis of accounting 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 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).

This statement adequately discloses material matters the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Budgetary Process**

The Ohio Revised Code requires 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. 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 2021 budgetary activity appears in note 3.

**Capital Assets**

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does 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 statement does not include a liability for unpaid leave.

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

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**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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in note 12.

**Note 3 – Budgetary Activity**

The District’s budgetary activity for the year ending December 31, 2021 was as follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
General	\$404,386	\$535,563	\$131,177
Special Revenue	1,185,477	1,514,942	329,465
Total	\$1,589,863	\$2,050,505	\$460,642

Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$590,165	\$597,875	(\$7,710)
Special Revenue	1,265,257	1,251,201	14,056
Total	\$1,855,422	\$1,849,076	\$6,346

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

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**Note 4 – Deposits and Investments**

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

**Note 5 – Intergovernmental Funding**

The County apportions 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 financial statement presents these amounts as intergovernmental receipts.

**Note 6 – Interfund Balances**

During the year, the general fund advanced \$50,000 to the enhanced operations grant fund, \$30,000 to the contact tracing grant fund, \$50,000 to the vaccine equity fund, and \$50,000 to the public health workforce fund. Of these amount, \$30,000 and \$50,000 were repaid from the contact tracing grant and vaccine equity funds during the year, leaving balances of \$50,000 and \$50,000 unpaid as of December 31, 2021 in the enhanced operations grant fund and the public health workforce fund, respectively. The general fund also received repayments of prior year advances of \$121,250 from the miscellaneous grants fund.

**Note 7 – Risk Management**

The District is insured through Pike County, its fiscal agent. Pike County belongs to Buckeye Administrators, Inc., a risk sharing pool among twenty-eight counties in Ohio. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

**Note 8- Defined Benefit Pension Plans**

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

**Note 10 – Debt**

In 2020, the District entered into loan agreement #8913 with the Ohio Water Development Authority (OWDA) to participate in the 2020 HSTS Program under the Water Pollution Control Loan Fund Program. In 2021, the District received \$146,485 in loan proceeds, bringing the accumulated grant total to \$150,000, the amount authorized for this award. The loan has been paid in full by principal forgiveness from OWDA.

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

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In 2021, the District entered into loan agreement #9316 with the Ohio Water Development Authority (OWDA) to participate in the 2021 HSTS Program under the Water Pollution Control Loan Fund Program. In 2021, the District received \$110,147 in loan proceeds. The District has been authorized for up to a total of \$150,000. The loan has been paid in full by principal forgiveness from OWDA.

**Note 11 – Contingent Liabilities**

The District is not currently party to litigation.

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 12 – Fund Balances**

The fund balances of special revenue funds are restricted for programs of the District.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The District did not subgrant funds to other governments and organizations nor were any funds returned to grantor agencies or spent on-behalf of other governments. The District also did not receive any funds as on-behalf of grants from another governments.

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
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(800) 282-0370

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

Pike County General Health District  
Pike County  
116 South Market Street  
Waverly, Ohio 45690

To the Board:

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 combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Pike County General Health District, Pike County, (the District) and have issued our report thereon dated February 29, 2024, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

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

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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  
February 29, 2024



**Public Health**  
Prevent. Promote. Protect.  
**Pike County General  
Health District**

# Pike County General Health District

## Administrative Division

116 S. Market Street

Waverly, Ohio 45690

Phone 740-947-7721 ext.2026

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[mbrewster@pike-health.org](mailto:mbrewster@pike-health.org)

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2022 AND 2021

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Financial reporting	Partially Corrected	Reissued as management letter comment
2020-002	Budgetary measures posted to the accounting system	Fully Corrected	



# OHIO AUDITOR OF STATE KEITH FABER



**PIKE COUNTY GENERAL HEALTH DISTRICT**

**PIKE 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 3/21/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)