

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

REGULAR AUDIT

For the Years Ended December 31, 2019 and 2018



OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPARreport@ohioauditor.gov
(800) 282-0370

Members of the Board
Washington County District Board of Health
342 Muskingum Drive
Marietta, Ohio 45750

We have reviewed the *Independent Auditor's Report* of the Washington County District Board of Health, Washington County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2020

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**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Washington County General Health District
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Washington County General Health District, Washington County, Ohio (the District) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above 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, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Washington Board of Health, Washington County, Ohio as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinions regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2020, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Charles E. Harris & Associates, Inc.
August 31, 2020

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Charges for Services:				
Vital Statistics	\$ 53,447	\$ -	\$ -	\$ 53,447
Plan Review	-	810	-	810
HSTS Inspections (Requested)	-	51,350	-	51,350
Water Samples (Requested)	-	4,000	-	4,000
Rabies Clinic	-	950	-	950
Immunizations	-	85,450	-	85,450
MHP Inspection Contract	2,000	-	-	2,000
C-Harmed Contract	-	20,000	-	20,000
Lice Mitigation Contract	-	2,211	-	2,211
Chronic Pain Management Class Contract	996	-	-	996
Dental Sealant (Medicaid)	-	18,054	-	18,054
Fines, Licenses and Permits	2,295	165,814	-	168,109
Intergovernmental:				
Apportionments	258,500	-	-	258,500
Grants:				
Creating Healthy Communities	-	88,073	-	88,073
Dental Sealant	-	24,300	-	24,300
Falls Prevention	-	100,000	-	100,000
Public Health Emergency Preparedness	-	138,543	-	138,543
Tobacco Prevention & Cessation	-	80,040	-	80,040
RCORP Planning - PIRE (HRSA)	-	30,960	-	30,960
PAX - Hopewell (HRSA)	-	41,500	-	41,500
ACR POWER - Marshall Univ. High-Risk Diabetes	-	27,000	-	27,000
Other:				
MAC	-	13,219	-	13,219
CMH	6,806	18,960	-	25,766
ODH Hep A Subsidy	-	10,105	-	10,105
State Subsidy	11,375	-	-	11,375
Donations	-	10,167	-	10,167
Mileage Reimbursement for Co. Vehicle Use/Indirect Costs	60,837	-	6,475	67,312
Miscellaneous	9,745	190	-	9,935
Total Cash Receipts	\$ 406,001	\$ 931,696	\$ 6,475	\$ 1,344,172

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Cash Disbursements	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Health:				
Administration	\$ -	\$ 14,532	\$ -	\$ 14,532
Accreditation	29,711	16,542	-	46,253
Vital Statistics	13,409	-	-	13,409
Remittance	29,656	9,481	-	39,137
General Administration	293,961	51,625	-	345,586
Nursing:				
Immunizations	6,863	84,621	-	91,484
CMH	6,043	23,639	-	29,682
C-Harmed	434	5,150	-	5,584
Infectious Disease	1,092	4,775	-	5,867
Other Nursing	448	4,069	-	4,517
Lice Education and Mitigation	-	1,799	-	1,799
Pax Program	429	39,792	-	40,221
Project Dawn	538	748	-	1,286
Environmental:				
Swimming Pool	112	985	-	1,097
Mobile Home Parks	498	-	-	498
Food Service	-	46,348	-	46,348
Private Water Systems	3	-	-	3
Rabies Prevention	58	1,102	-	1,160
Commercial Plumbing	393	31,535	-	31,928
Home Sewage Treatment	1,446	101,221	-	102,667
Tattoo/Body Art	32	82	-	114
Recreational Park/Camps	-	1,015	-	1,015
Other Environmental (Nuisance, Consults, etc.)	7,851	567	-	8,418
Population Health:				
Creating Healthy Communities	2,827	84,066	-	86,893
Dental Sealant	1,080	30,108	-	31,188
Public Health Emergency Preparedness	2,668	108,442	-	111,110
Tobacco Prevention & Cessation	1,020	53,788	-	54,808
RCORP (Opioid Response Collaborative)	3,606	26,644	-	30,250
Self-Management Programs	4,786	-	-	4,786
High-Risk Diabetes Community Health	404	58,193	-	58,597
Falls Prevention	1,801	70,832	-	72,633
Debt Service				
Principal Retirement	-	89,648	-	89,648
Total Cash Disbursements	411,169	961,349	-	1,372,518
Total Cash Receipts Over/(Under) Cash Disbursements	(5,168)	(29,653)	6,475	(28,346)
Other Financing Receipts (Disbursements)				
Proceeds of Debt	-	89,648	-	89,648
Total Other Financing Receipts (Disbursements)	-	89,648	-	89,648
Excess of Cash Receipts and Other Financing Receipts Under Cash Disbursements and Other Financing Disbursements	(5,168)	59,995	6,475	61,302
Fund Cash Balances, January 1 (Restated)	172,142	625,647	7,005	804,794
Fund Cash Balances, December 31				
Restricted	-	685,642	-	685,642
Committed	-	-	13,480	13,480
Assigned	19,876	-	-	19,876
Unassigned (Deficit)	147,098	-	-	147,098
Fund Cash Balances, December 31	\$ 166,974	\$ 685,642	\$ 13,480	\$ 866,096

The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2019

	Fiduciary Fund Type
	Agency
Cash Receipts:	
Escrow Payments (WPCLF)	\$ 1,198
Total Cash Receipts	1,198
Cash Disbursements	
Home Sewage Treatment	8,698
Total Cash Disbursements	8,698
Total Cash Receipts Over/(Under) Cash Disbursements	(7,500)
Fund Cash Balances, January 1	7,500
Fund Cash Balances, December 31	\$ -

The notes to the financial statements are an integral part of this statement

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Washington County General Health District, Washington County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, population health initiatives, public health nursing services and issues health-related licenses and permits.

Public Entity Risk Pool

The District participates in the Public Entities Pool of Ohio (The Pool), a public entity risk pool. Note 6 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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are 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 the 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:

Public Health Nursing Fund This fund receives fees for providing immunizations; School Nurse services; BCMH service coordination; PAX programs in the schools; C-Harm-ed program.

Food Service Fund This fund receives licenses, plan review fees, and late fees for Food Service and Retail Food Establishments.

Sewage Fund This fund receives fees for home sewage disposal system inspections, system designs, installation permits and operation licenses; commercial plumbing plan reviews and permits.

PIRE Fund This fund is significant in that it is a new fund. The department received a HRSA planning grant, and subsequently an implementation grant through the Pacific Institute for Research and Evaluation.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project fund:

Capital Improvement Fund The Board of Health established a capital improvement fund in 2017 for the purpose of setting aside part of the fleet vehicle use charges to purchase a vehicle. The first funds to be deposited were for the November 2017 fleet use reimbursements.

Agency Funds Agency funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the District's own programs.

WPCLF Escrow Fund The District's agency fund was established by Resolution 2016-004 and is for the benefit of recipients of the Water Pollution Control Loan Fund contract. The required match funds are collected from eligible applicants and held in escrow to pay the contractor completing the work. Any unused funds are required to be returned to the recipient. Monies collected into this fund do not belong to the District, nor can they be used for any District program.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The 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 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 reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

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

Accumulated Leave

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

Fund Balance

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.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. 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 the Board or a District official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget in the general fund.

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.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019, follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 410,627	\$ 406,001	\$ (4,626)
Special Revenue	1,071,947	1,021,344	(50,603)
Capital Projects	5,250	6,475	1,225

2019 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 434,261	\$ 431,045	\$ 3,216
Special Revenue	1,168,261	1,052,011	116,250
Capital Projects	-	-	-

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Washington 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

Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the townships 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 statements present these amounts as intergovernmental receipts.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Risk Management

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:

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$14,705,917

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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 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, 2019.

Social Security

Some District employees contributed to Social Security. The plan provides retirement benefits, including survivor and disability benefits to participants. Members contributed 6.2 percent of their gross salaries. The District contributed an amount equal 6.2 percent of members' gross salaries. The District has paid all contributions required through December 31, 2019.

Note 8 – 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, and 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 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Contingent Liabilities

The District is defendant in one lawsuit. Although management cannot presently determine the outcome of that suit, management believes that the resolution of this matter will not materially adversely affect the District's financial condition.

Additionally, the District is the defendant in an EEOC complaint against the District. Management cannot presently determine the outcome of the complaint, however, management believes it will not adversely affect the District's financial condition.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the Ohio Department of Health. 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 10 – Prior Period Restatement

The following adjustment is reflected in the January 1, 2019 fund balance.

	Special Revenue Funds
December 31, 2018 ending balance	\$ 649,086
Adjustment to remove WV Americorps fund	(23,438)
January 1, 2019 beginning balance	\$ 625,648

During 2019, the District designated funds in the WV Americorps fund that were the District's responsibility to the Washington County Behavioral Board of Health. The beginning balance was restated to reflect this change.

Note 11 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The District's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Charges for Services	\$ 208,771	\$ 205,969	\$ -	\$ 414,740
Fines, Licenses and Permits	2,055	170,777	-	172,832
Intergovernmental:				
Apportionments	269,826	-	-	269,826
Grants				
Creating Healthy Communities (ODH)	-	98,170	-	98,170
Community Health Workers	-	98,700	-	98,700
Dental Sealant	-	22,240	-	22,240
Public Health Emergency Preparedness (ODH)	-	163,619	-	163,619
Tobacco Use Prevention & Cessation (ODH)	-	78,946	-	78,946
Other	48,109	50,726	-	98,835
Mileage Reimbursement fo Co. Vehicle Use/Indirect Costs	61,803	-	6,205	68,008
Workers Comp Refund	3,387	-	-	3,387
Miscellaneous	4,160	8,041	-	12,201
Total Cash Receipts	598,111	897,188	6,205	1,501,504
Cash Disbursements				
Current:				
Health:				
Administration	118,416	31,741	-	150,157
Accreditation	15,643	29,992	-	45,635
Americorps/National Service	-	11,613	-	11,613
Personnel Costs	309,987	-	-	309,987
Board of Health Costs	4,154	-	-	4,154
Environmental	1,766	183,002	-	184,768
Nursing	7,677	154,955	-	162,632
Preparedness	1,172	122,402	-	123,574
Chronic Disease Prevention and Management	90,759	4,116	-	94,875
Creating Healthy Communities	722	76,939	-	77,661
Community Health Workers	298	95,980	-	96,278
Tobacco Use and Cessation	-	44,522	-	44,522
Dental Sealants	4	25,270	-	25,274
Vital Statistics	503	-	-	503
Remittance to State	24,827	8,015	-	32,842
Return of Unused Funds	889	18,542	-	19,431
Debt Service:				
Principal Retirement	-	68,634	-	68,634
Total Cash Disbursements	576,817	875,723	-	1,452,540
Total Cash Receipts Over/(Under) Cash Disbursements	21,294	21,465	6,205	48,964
Other Financing Receipts (Disbursements)				
Advances In	13,000	-	-	13,000
Advances Out	-	(13,000)	-	(13,000)
Transfer In	-	90,000	-	90,000
Transfer Out	(90,000)	-	-	(90,000)
Proceeds of Debt	-	68,634	-	68,634
Total Other Financing Receipts (Disbursements)	(77,000)	145,634	-	68,634
Net Change in Fund Cash Balances	(55,706)	167,099	6,205	117,598
Fund Cash Balances, January 1	227,848	481,988	800	710,636
Fund Cash Balances, December 31				
Restricted	-	649,087	-	649,087
Committed	-	-	7,005	7,005
Assigned	17,519	-	-	17,519
Unassigned (Deficit)	154,623	-	-	154,623
Fund Cash Balances, December 31	\$ 172,142	\$ 649,087	\$ 7,005	\$ 828,234

The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Fiduciary Fund Type
	Agency
Cash Receipts:	
Miscellaneous	\$ 24,000
Total Cash Receipts	24,000
Cash Disbursements	
Environmental	13,410
Return of Unused Funds	3,572
Total Cash Disbursements	16,982
Total Cash Receipts Over/(Under) Cash Disbursements	7,018
Fund Cash Balances, January 1	482
Fund Cash Balances, December 31	\$ 7,500

The notes to the financial statements are an integral part of this statement.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Washington County General Health District, Washington County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, population health initiatives, public health nursing services and issues health-related licenses and permits.

Public Entity Risk Pool

The District participates in the Public Entities Pool of Ohio. (The Pool), a public entity risk pool. Note 7 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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are 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 the 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:

Public Health Nursing Fund This fund receives fees for providing immunizations; School Nurse services; BCMH service coordination; PAX programs in the schools; C-Harm-ed program.

Food Service Fund This fund receives licenses, plan review fees, and late fees for Food Service and Retail Food Establishments.

Sewage Fund This fund receives fees for home sewage disposal system inspections, system designs, installation permits and operation licenses; commercial plumbing plan reviews and permits.

WV Americorps This fund was added during FY2018 to track the WV Americorps grant funding. The grant was awarded under the County Commissioners' DUNS number and is included in the County Financial Statements and Federal Schedule, but project activity and fiscal reporting are the responsibility of the District.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project fund:

Capital Improvement Fund The Board of Health established a capital improvement fund in 2017 for the purpose of setting aside part of the fleet vehicle use charges to purchase a vehicle. The first funds to be deposited were for the November 2017 fleet use reimbursements.

Agency Funds Agency funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the District's own programs.

WPCLF Escrow Fund The District's Agency Fund fund was established by Resolution 2016-004 and is for the benefit of recipients of the Water Pollution Control Loan Fund contract. The required match funds are collected from eligible applicants and held in escrow to pay the contractor completing the work. Any unused funds are required to be returned to the recipient. Monies collected into this fund do not belong to the District, nor can they be used for any District program.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The 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 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 reappropriated.

A summary of 2018 budgetary activity appears in Note 3.

Capital Assets

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

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

Fund Balance

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.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. 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 the Board or a District official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget in the general fund.

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.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018, follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 591,797	\$ 598,111	\$ 6,314
Special Revenue	1,111,430	1,055,822	(55,608)
Capital Projects	5,500	6,205	705

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 687,159	\$ 684,336	\$ 2,823
Special Revenue	1,120,712	943,601	177,111
Capital Projects	-	-	-

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Washington 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

Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the townships 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 statements present these amounts as intergovernmental receipts.

Note 6 – Interfund Activity

Transfers

Transfers out of the General Fund during FY2018 were made in the sum of \$90,000 to Community Health Workers (\$20,000), Opioid Planning and Response (\$30,000), and Falls Prevention (\$40,000) to provide working capital for operations.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 – Risk Management

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:

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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 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, 2018.

Social Security

Some District employees contributed to Social Security. The plan provides retirement benefits, including survivor and disability benefits to participants. Members contributed 6.2 percent of their gross salaries. The District contributed an amount equal 6.2 percent of members' gross salaries. The District has paid all contributions required through December 31, 2018.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018.

Note 10 – Contingent Liabilities

The District continues to be a defendant in one lawsuit. Although management cannot presently determine the outcome of that suit, management believes that the resolution of these matters will not materially adversely affect the District's financial condition.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the Ohio Department of Health. 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 – Subsequent Event

The Health Department transitioned from the proprietary Capstone database used for bookkeeping to the Financial Edge NXT system through Blackbaud as of January 1, 2019. The system is an accrual based system and the department purchased the General Ledger, Payroll, Accounts Payable, Accounts Receivable, Cash Receipts, Grants Management, Inventory, and Web Portal modules.

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

Washington County General Health District
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Washington County General Health District, Washington County, (the District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated August 31, 2020, wherein we noted the Board followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. *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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We also noted certain other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 31, 2020.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
August 31, 2020

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2019-001 – Material Weakness

Posting of Receipts and Disbursements

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code.

During 2019 and 2018, receipts and disbursements were not always posted correctly. The following posting errors were noted:

- A receipt received as Intergovernmental was posted to the Dental Sealant Grant fund instead of the Healthy Communities fund;
- Debt proceeds in 2019 were improperly recorded to Miscellaneous Revenue instead of Proceeds of Debt;
- Principal retirement debt expenditure was improperly recorded in the Environmental line item during 2018;
- Principal retirement debt expenditure was improperly recorded as a Capital Outlay expenditure in 2019;
- All receipts and disbursements relating to customer deposits for septic projects were incorrectly accounted for as a Governmental Fund rather than an Agency Fund;
- Mileage reimbursement receipts were improperly recorded as Miscellaneous revenue instead of classified as Vehicle Use & Indirect Cost Reimbursement in the General fund and the Capital Projects fund during 2019;
- Receipt and disbursement classifications in 2019 were broken down further than recommended by AOS template.

Not posting receipts and disbursements accurately resulted in the financial statements requiring adjustments and reclassifications. The financial statements and District's records reflect all adjustments and reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts are properly identified and classified on the financial statements. We also recommend the Fiscal Officer refer to Ohio Administrative Code and Auditor of State guidance to determine the account classifications.

Managements' Response – See Corrective Action Plan

WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS –
PREPARED BY MANGEMENT
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting receipts and fund balances	Not corrected	The problem has not been corrected
2017-002	Posting debt proceeds and principal forgiveness	Not corrected	The problem has not been corrected

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

**CORRECTIVE ACTION PLAN –
PREPARED BY MANGEMENT
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2019-001	Fiscal Officer will follow the guidance obtained during the current audit process to complete upcoming annual financial statements filed on the Hinkle System or hire an outside firm to prepare them.	Immediately	Jeannie Farnsworth, Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



WASHINGTON COUNTY DISTRICT BOARD OF HEALTH

WASHINGTON 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 10/6/2020

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