



OHIO AUDITOR OF STATE
KEITH FABER



**WILLIAMS COUNTY DISTRICT BOARD OF HEALTH
WILLIAMS COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Williams County District Board of Health
Williams County
310 Lincoln Avenue
Montpelier, Ohio 43543-0146

To the Members of the Board:

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 Williams County District Board of Health, Williams County, Ohio (the Board of Health) as of and for the year ended December 31, 2019.

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 Board of Health'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 Board of Health'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.

Efficient • Effective • Transparent

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

As described in Note 2 of the financial statements, the Board of Health 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 Board of Health 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 Board of Health as of December 31, 2019, and the respective changes in financial position thereof for the year 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 Williams County District Board of Health, Williams County, Ohio, as of December 31, 2019, for the year 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 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Board of Health. We did not modify our opinion regarding this matter

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2020, on our consideration of the Board of Health'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 Board of Health's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 10, 2020

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**WILLIAMS COUNTY DISTRICT BOARD OF HEALTH
WILLIAMS COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
State Funds	\$46,796	\$21,622	\$68,418
Federal Funds	24,884	391,988	416,872
Taxes	634,932	0	634,932
Charges for Services	228,294	0	228,294
Fines, Licenses and Permits	0	198,915	198,915
Intergovernmental:			
Apportionments	83,928	0	83,928
Grants	0	100,000	100,000
Contractual Services	185,852	192,057	377,909
Other Receipts	28,737	7,027	35,764
<i>Total Cash Receipts</i>	<u>1,233,423</u>	<u>911,609</u>	<u>2,145,032</u>
Cash Disbursements			
Salaries	419,918	513,177	933,095
Medicare	5,862	6,656	12,518
Public Employee's Retirement	56,327	71,620	127,947
Workers' Compensation	2,767	2,692	5,459
Auditing Fees	5,740	0	5,740
Contractual Services	107,431	207,934	315,365
Equipment/Computers and Maintenance	28,729	7,906	36,635
Insurance	95,657	97,519	193,176
Other Expenses	22,559	13,784	36,343
Retirement	19,337	0	19,337
Remittance to State	41,599	15,653	57,252
Supplies and Postage	107,417	32,607	140,024
Advertising and Printing	93,577	3,419	96,996
Travel and Expenses	15,885	22,974	38,859
<i>Total Cash Disbursements</i>	<u>1,022,805</u>	<u>995,941</u>	<u>2,018,746</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>210,618</u>	<u>(84,332)</u>	<u>126,286</u>
Other Financing Receipts (Disbursements)			
Transfers In	28,629	96,500	125,129
Advances In	30,500	48,500	79,000
Transfers Out	(96,500)	(28,629)	(125,129)
Advances Out	(48,500)	(30,500)	(79,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(85,871)</u>	<u>85,871</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	124,747	1,539	126,286
<i>Fund Cash Balances, January 1</i>	<u>560,106</u>	<u>118,146</u>	<u>678,252</u>
Fund Cash Balances, December 31			
Nonspendable		791	791
Restricted		118,894	118,894
Committed	85,450		85,450
Assigned	2,476		2,476
Unassigned	596,927		596,927
<i>Fund Cash Balances, December 31</i>	<u>\$684,853</u>	<u>\$119,685</u>	<u>\$804,538</u>

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

Williams County District Board of Health

Williams 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 Williams County District Board of Health, Williams County, (the Board of Health) as a body corporate and politic. A nine-member Board and a Health Commissioner govern the Board of Health. The Board of Health's services include recording of vital statistics; inspection of food services facilities, water wells, sewers, campgrounds, and trailer parks; public health and home nursing services; and investigation of complaints made to the Board of Health concerning the health and welfare of the County.

Public Entity Risk Pool

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Board of Health 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 Board of Health 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 Board of Health 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 Board of Health had the following significant Special Revenue Funds:

Women, Infants, and Children (WIC) Fund This is a Federal grant fund that accounts for the Special Supplemental Nutrition Program.

Environmental Health Fund This fund receives fees generated by licenses for the following programs: food service operations, retail food service for providing home nursing services to elderly and homebound persons.

Williams County District Board of Health

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

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 Board of Health to budget each fund annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Health 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 approve estimated resources.

Encumbrances The Ohio Revised Code requires the Board of Health to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

Capital Assets

The Board of Health 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 Board of Health must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Board of Health classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Williams County District Board of Health

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

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 Board of Health 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 Board of Health official delegated that authority by resolution, or by State Statute.

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 Board of Health 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.

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	\$1,234,242	\$1,262,052	\$27,810
Special Revenue	1,013,496	1,008,109	(5,387)
Total	<u>\$2,247,738</u>	<u>\$2,270,161</u>	<u>\$22,423</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,332,078	\$1,119,305	\$212,773
Special Revenue	1,099,918	1,024,570	75,348
Total	<u>\$2,431,996</u>	<u>\$2,143,875</u>	<u>\$288,121</u>

Williams County District Board of Health

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Williams County Treasurer is custodian for the Board of Health's deposits. The County's deposit and investment pool holds the Board of Health'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 Board of Health's appropriations over other estimated receipts among the townships and municipalities composing the Board of Health, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the Board of Health. The financial statements present these amounts as intergovernmental receipts.

Property Taxes

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

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

Note 6 – Interfund Balances

Advances

Outstanding advances due to the General Fund at December 31, 2019, consisted of \$7,000 advanced to the Women, Infant and Children Fund, \$5,500 to the Preventive Health Infrastructure Grant Fund, and \$5,500 to the Highway Safety Fund, to provide working capital for operations.

Transfers

The Board of Health transferred \$96,500 to the Environmental Health Fund from the General Fund to provide working capital for operations. Also, with the approval of the Ohio Department of Health, the Board of Health transferred \$28,629 from the Women, Infant and Children Fund to General Fund to close out unused grant funds.

Williams County District Board of Health

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

Note 7 – Risk Management

Risk Pool Membership

The Board of Health 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 Board of Health’s policy. The Pool covers the following risks:

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

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

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Board of Health’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 Board of Health contributed an amount equaling 14 percent of participants’ gross salaries. The Board of Health has paid all contributions required through December 31, 2019.

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 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.

Williams County District Board of Health

Williams County

Notes to the Financial Statements

For the Year Ended December 31, 2019

(Continued)

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Board of Health 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 11 – Subsequent Events

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 Board of Health. In addition, the impact on the Board of Health's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

Williams County District Board of Health
Williams County
310 Lincoln Avenue
Montpelier, Ohio 43543-0146

To the Members of the Board:

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 Williams County District Board of Health, Williams County, Ohio (the Board of Health) as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated June 10, 2020 wherein we noted the Board of Health 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 the Board of Health for subsequent periods.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board of Health'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 Board of Health'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 Board of Health'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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Board of Health'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*.

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 Board of Health's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Board of Health's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

June 10, 2020

OHIO AUDITOR OF STATE KEITH FABER



WILLIAMS COUNTY DISTRICT BOARD OF HEALTH

WILLIAMS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 2, 2020**