



OHIO AUDITOR OF STATE
KEITH FABER



**COMBINED ALLEN COUNTY GENERAL HEALTH DISTRICT
ALLEN COUNTY
DECEMBER 31, 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Combined Allen County General Health District
Allen County
219 East Market Street
P.O. Box 1503
Lima, Ohio 45801

To the Members of the Board of Health:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Combined Allen County General Health District, Allen County, Ohio (the Health District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 Health 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 Health 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.

Efficient • Effective • Transparent

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Combined Allen County General Health District, Allen County, Ohio, as of December 31, 2020, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Women, Infants and Children, and the Covid Response funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Health District. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2021, on our consideration of the Health 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 Health District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 2, 2021

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Combined Allen County General Health District

Statement of Net Position - Cash Basis

December 31, 2020

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,127,964</u>
<i>Total Assets</i>	<u><u>\$1,127,964</u></u>
Net Position	
Restricted for:	
Other Purposes	510,744
Unrestricted	<u>617,220</u>
Total Net Position	<u><u>\$1,127,964</u></u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District

Statement of Activities - Cash Basis

For the Year Ended December 31, 2020

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Health:				
Public Health	4,072,873	1,272,798	2,393,433	(\$406,642)
Debt Service:				
Principal Retirement	47,815			(47,815)
Interest and Fiscal Charges	24,306			(24,306)
<i>Total Governmental Activities</i>	<u>\$4,144,994</u>	<u>\$1,272,798</u>	<u>\$2,393,433</u>	<u>(478,763)</u>
General Receipts:				
Subdivision				715,929
Miscellaneous				81,015
Total General Receipts				<u>796,944</u>
Change in Net Position				318,181
Net Position Beginning of Year				<u>809,783</u>
Net Position End of Year				<u>\$1,127,964</u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2020

	General	Women, Infants and Children	Building Improvement Fund	COVID Response Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$551,036	\$53,602	\$66,184	\$2,504	\$454,638	\$1,127,964
Total Assets	<u>\$551,036</u>	<u>\$53,602</u>	<u>\$66,184</u>	<u>\$2,504</u>	<u>\$454,638</u>	<u>\$1,127,964</u>
Fund Balances						
Restricted		\$53,602		\$2,504	\$454,638	510,744
Committed	\$75,583					75,583
Assigned	179,085		66,184			245,269
Unassigned	296,368					296,368
Total Fund Balances	<u>\$551,036</u>	<u>\$53,602</u>	<u>\$66,184</u>	<u>\$2,504</u>	<u>\$454,638</u>	<u>\$1,127,964</u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2020

	General	Women, Infants and Children	Building Improvement Fund	COVID Response Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Subdivision fees	715,929	0	0	0	0	715,929
Fines, Licenses and Permits	784,058	0	0	0	462,312	1,246,370
Contractual Services	26,428	0	0	0	0	26,428
Federal Grants	92	678,489	0	404,524	987,892	2,070,997
State Grants	200,520	0	0	0	121,916	322,436
Miscellaneous	32,564	18,926	0	0	29,525	81,015
Total Receipts	1,759,591	697,415	0	404,524	1,601,645	4,463,175
Disbursements						
Current:						
Salary	695,013	388,620	0	325,302	867,258	2,276,193
Benefits	216,690	158,902	0	84,384	287,378	747,354
Materials & Supplies	200,258	24,713	0	4,645	74,612	304,228
Services & Charges	173,319	80,977	0	2,253	106,273	362,822
State Remittances	176,313	0	0	0	32,343	208,656
Equipment	64,735	6,195	0	15,436	87,254	173,620
Debt Service:						
Principal Retirement	47,815	0	0	0	0	47,815
Interest and Fiscal Charges	24,306	0	0	0	0	24,306
Total Disbursements	1,598,449	659,407	0	432,020	1,455,118	4,144,994
Excess of Receipts Over (Under) Disbursements	161,142	38,008	0	(27,496)	146,527	318,181
Other Financing Sources (Uses)						
Transfers In	0	0	15,000	0	0	15,000
Transfers Out	(15,000)	0	0	0	0	(15,000)
Advances In	189,000	65,000	0	30,000	209,000	493,000
Advances Out	(304,000)	(65,000)	0	0	(124,000)	(493,000)
Total Other Financing Sources (Uses)	(130,000)	0	15,000	30,000	85,000	0
Net Change in Fund Balances	31,142	38,008	15,000	2,504	231,527	318,181
Fund Balances Beginning of Year	519,894	15,594	51,184	0	223,111	809,783
Fund Balances End of Year	\$551,036	\$53,602	\$66,184	\$2,504	\$454,638	\$1,127,964

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Subdivision fees	\$715,930	\$715,930	\$715,929	(1)
Fines, Licenses and Permits	831,040	831,040	784,058	(46,982)
Contractual Services	42,359	42,359	26,428	(15,931)
Federal Grants	0	0	92	92
State Grants	236,000	236,000	200,520	(35,480)
Miscellaneous	10,000	10,000	32,564	22,564
Reimbursements	1,880,232	1,880,232	2,146,032	265,800
<i>Total Receipts</i>	3,715,561	3,715,561	3,905,623	190,062
Disbursements				
Current:				
Salary	1,653,745	1,870,429	1,525,125	345,304
Benefits	698,612	594,528	503,535	90,993
Materials & Supplies	344,780	241,780	211,556	30,224
Services & Charges	275,900	244,800	212,556	32,244
State Remittances	170,000	178,000	176,313	1,687
Equipment	75,700	83,700	72,965	10,735
Debt Service:				
Principal Retirement	40,000	48,585	47,815	770
Interest and Fiscal Charges	32,192	25,107	24,306	801
<i>Total Disbursements</i>	3,290,929	3,286,929	2,774,171	512,758
<i>Excess of Receipts Over (Under) Disbursements</i>	424,632	428,632	1,131,452	702,820
Other Financing Sources (Uses)				
Transfers Out	(30,000)	(30,000)	(30,000)	0
Advances In	230,000	230,000	189,000	(41,000)
Advances Out	(230,000)	(304,000)	(304,000)	0
<i>Total Other Financing Sources (Uses)</i>	(30,000)	(104,000)	(145,000)	(41,000)
Net Change in Fund Balance	394,632	324,632	986,452	661,820
Unencumbered Fund Balance Beginning of Year	446,213	446,213	446,213	0
Unencumbered Fund Balance End of Year	\$840,845	\$770,845	\$1,432,665	\$661,820

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Women, Infants and Children Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Federal Grants	697,477	697,477	678,489	(18,988)
Miscellaneous	0	0	18,926	18,926
<i>Total Receipts</i>	<u>697,477</u>	<u>697,477</u>	<u>697,415</u>	<u>(62)</u>
Disbursements				
Current:				
Salary	459,407	390,823	388,620	2,203
Benefits	172,530	171,114	158,902	12,212
Materials & Supplies	10,540	40,540	24,713	15,827
Services & Charges	65,000	98,000	80,977	17,023
Equipment	0	7,000	6,195	805
<i>Total Disbursements</i>	<u>707,477</u>	<u>707,477</u>	<u>659,407</u>	<u>48,070</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>38,008</u>	<u>(48,008)</u>
Other Financing Sources (Uses)				
Advances In	65,000	65,000	65,000	0
Advances Out	(65,000)	(65,000)	(65,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	38,008	(48,008)
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>15,594</u>	<u>15,594</u>	<u>15,594</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$5,594</u></u>	<u><u>\$5,594</u></u>	<u><u>\$53,602</u></u>	<u><u>(\$48,008)</u></u>

See accompanying notes to the basic financial statements

Combined Allen County General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
COVID Response Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Federal Grants	0	432,020	404,524	(27,496)
<i>Total Receipts</i>	0	432,020	404,524	(27,496)
Disbursements				
Current:				
Salary	0	337,303	325,302	12,001
Benefits	0	86,717	84,384	2,333
Materials & Supplies	0	6,500	4,645	1,855
Services & Charges	0	11,000	2,253	8,747
Equipment	0	15,500	15,436	64
<i>Total Disbursements</i>	0	457,020	432,020	25,000
<i>Excess of Receipts Over (Under) Disbursements</i>	0	(25,000)	(27,496)	(2,496)
Other Financing Sources (Uses)				
Advances In	0	25,000	30,000	5,000
<i>Total Other Financing Sources (Uses)</i>	0	25,000	30,000	5,000
<i>Net Change in Fund Balance</i>	0	0	2,504	2,504
<i>Unencumbered Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Unencumbered Fund Balance End of Year</i>	\$0	\$0	\$2,504	\$2,504

See accompanying notes to the basic financial statements

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Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Combined Allen County General Health District (the Health District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A seven-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading. The Health District's reporting entity does not include component units or other organizations.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District's services include vital statistics, communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, and emergency response planning.

Public Entity Risk Pools

The Health District participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Health District's accounting policies.

Basis of Presentation

The Health District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no fiduciary funds or business-type activities.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

The statement of net position presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health District.

Fund Financial Statements During the year, the Health District segregates transactions related to certain Health District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Health District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The Health 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 Health District are presented as governmental.

Governmental Funds Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District's major governmental funds:

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

Women, Infants and Children Fund This fund accounts for and reports federal grant monies restricted to the Women, Infants and Children program. This grant is awarded annually by the Ohio Department of Health and all funds are Federal Funds. All federal and state guidelines are followed in disbursements of expenditures.

COVID Response Fund This fund accounts for and reports federal grant monies restricted to COVID-19 response activities. This grant was awarded in 2020 with three mitigation goals: slow transmission of the disease, minimize morbidity and mortality and preserve healthcare, workforce, and infrastructure functions and minimize social and economic impacts of the disease. The Centers for Disease Control and Prevention (CDC) provided funding to the Ohio Department of Health through the Coronavirus Response Cooperative Agreement. The Health District is a subrecipient of the Coronavirus Subgrant, as a result, the Health District received funding for COVID-19 response activities.

Building Improvement Fund – This fund accounts for a reserve for major building improvements or repairs. This fund was originally established for the proceeds and expenditures related to the building improvement loan with First National Bank of New Bremen. The proceeds from the loan have been fully expensed and currently the balance of the funds includes transfers

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

from the General Fund with the sole purpose of expenses related to major improvements or repairs to our building located at 219 E. Market St., Lima OH.

The other governmental funds of the Health District account for and report grants and other resources whose use is restricted, committed or assigned to a particular purpose.

Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The County Auditor cannot allocate property taxes from the municipalities and townships within the Health District if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, the Health District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Health.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

Cash and Investments

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. The Allen County Treasurer is Krista Bohn, 301 N Main St., Suite 203, Lima, OH 45801, phone 419-223-8515.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Health District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Health District's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

transaction, neither other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for Supplemental Nutrition for Women, Infants and Children. Environmental Health, Reproductive Health and Wellness, Emergency Preparedness, Nursing Immunizations and Mom's and Babies First.

The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a Health District 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 contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Health District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

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.

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, the COVID response fund and the Women, Infants and Children fund are prepared on the budgetary basis to provide meaningful comparison of the actual results with budget. The difference between the budgetary basis and the cash basis is as follows: The Salary Reserve fund is included in the general fund (cash basis), but has a separate legally adopted budget (budget basis).

General Fund Cash Accounting Basis -	\$551,036
Perspective Difference:	
Net Activity of funds reclassified	
Disbursement allocations for WIC and COVID	\$957,212
2020 Salary Reserve fund balance	<u>\$(75,583)</u>
Budget Basis	<u>\$1,432,665</u>

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding

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

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 6 – Interfund Balances and Transfers

Transfers

During 2020, the following transfers were made:

<u>Transfer to</u>	<u>General Fund</u>	<u>Total</u>
Building Improvement Fund	\$15,000	\$15,000

The above-mentioned transfer was unrestricted receipts collected in the General Fund to finance Building Improvement Fund activities in accordance with budgetary authorization

Interfund Balances

Interfund balances at December 31, 2020, consisted of the following individual fund receivables and payables:

<u></u>	<u>Receivable Interfund</u>	<u>Payable Interfund</u>
Major Funds		
General Fund	\$304,000	
Women, Infants and Children Fund		\$65,000
COVID Response Fund		\$30,000
Other Governmental Funds		
Creating Healthy Communities		\$15,000
Reproductive Health and Wellness		\$15,000
Public Health Emergency Preparedness		\$25,000
STD Prevention		\$15,000
HIV Prevention		\$20,000
Moms and Babies First		\$24,000
Coronavirus Contact Tracing		\$95,000
Total Governmental Activities	<u>\$304,000</u>	<u>\$304,000</u>
Total Inter-fund Receivables/Payables	<u><u>\$304,000</u></u>	<u><u>\$304,000</u></u>

Interfund balances at December 31, 2020, consisted of \$304,000 advanced from the General Fund to the Women, Infants and Children fund, COVID Response fund and other governmental funds to provide working capital for operations or projects. The interfund receivables/payables are expected to be repaid within one year.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 7 – Risk Management

The Health District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Health District contracted with several companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Grange Insurance Company		
Blanket Property and Contents, Replacement	\$877,000	\$1,000
Building Coverage	\$1,663,000	\$1,000
Spoilage Coverage	\$100,000	\$500
Building Earthquake	\$1,663,000	10%
Contents Earthquake	\$823,000	10%
Employee Theft	\$10,000	\$250
Other Theft	\$10,000	\$250
Outside Premises	\$10,000	\$250
Automobile Liability	\$1,000,000	\$500

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

During 2020, the Health District offered health insurance to employees working on average 30 hours or more during the look back period, October 1, 2018 to September 30, 2019. Health insurance offered by the Health District is through the Allen County Commissioners, contracting with County Employee Benefit Consortium of Ohio (CEBCO). The Health District pays 88% of monthly premiums for employees working 37.50 hours per week and, 78% of the monthly premiums for employees that average 30 or more hours per week, but under 37.50 hours.

The Health District insures against injuries to employees through the Ohio Bureau of Worker's Compensation. This coverage is obtained through the Allen County Commissioners.

Risk Pool Membership

The Health 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 (local entity'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

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

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

	<u>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$14,111,510

Note 8 – Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Health District employees, other than board of health members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three-member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022. Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions.

	State and Local	Law Enforcement	Public Safety
2020 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	13.0 %	12.0 %
2020 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	13.0 %	12.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$312,204 for the year 2020.

Social Security

Seven members of the Health District Board of Health contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Health District contributed an amount equal to 6.2 percent of participants' gross salaries. The Health District has paid all contributions required through December 31, 2020.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by the OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020 OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$0.00 for the year 2020.

Note 10 – Debt

Loans Payable

The Health District's long-term loan activity for the year ended December 31, 2020, was as follows:

Loan	Interest Rate	Balance December 31, 2019	Retired	Balance December 31, 2020	Due Within One Year
Building	4.67%	\$ 506,249	\$ (38,305)	\$467,944	\$ 40,180
Improvements	5.50%	\$ 15,331	\$ (9,510)	\$ 5,821	\$ 5,821
Total		\$ 521,580	\$ (47,815)	\$473,765	\$ 46,001

The Health District secured a mortgage loan from the Union Bank Company in the amount of \$800,000, bearing interest at 4.67% to complete the purchase and renovation of its office building. The Health District principal and interest payments are due monthly with final payment due July 18, 2030. The loan is collateralized by the property located at 219 E. Market Street, Lima, Ohio.

During 2011, the Health District entered into a loan agreement with the First National Bank for improvements to the Property at 219 E. Market Street. The principal amount of the loan is \$75,000 bearing an interest rate of 6.50% with principal and interest payments due monthly with the final payment due July 29, 2021. This loan although amortized through July 29, 2021, required a balloon payment after 5 years, July 29, 2016. The balloon payment was paid with the proceeds of a new loan secured by the Health District with First National Bank with a principal amount of the loan \$44,300 bearing an interest rate of 5.50%. The loan is collateralized by the full faith and credit of the Health District.

The following is a summary of the Health District's future annual debt service requirements:

Year	Improvements		Building	
	Principal	Interest	Principal	Interest
2021	5,821	103	40,180	21,786
2022	0	0	42,631	19,335
2023	0	0	44,694	17,272
2024	0		46,812	15,154
2025	0		49,122	12,844
2026-2030	0		244,505	26,701
Total	<u>\$5,821</u>	<u>\$103</u>	<u>\$ 467,944</u>	<u>\$ 113,092</u>

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Leases

During 2016, the Health District entered into two agreements for the rental of space for the WIC Division. Both leases were effective August 1, 2016 and terminated September 30, 2017, both leases having the option to extend each lease for (6) consecutive (1) years. In 2019, the Health District took the option not to extend both leases for a term of one year, but instead signed an addendum with the lessor with the provision of leasing month to month at the 2019 rate of \$2,393 per month.

The Health District signed a Letter of Intent with a new lessor in November 2019 for office space to house the WIC Division located at 2200 Allentown Rd., Lima Oh. The Lease with 2200 Allentown Rd, LLC was entered into the initial term beginning May 1, 2020 and ending September 30, 2020, at the monthly rate of \$4,050, with the option to renew for six years. The first two renewal years rate is \$13.50 per square foot, or a monthly rental of \$4,050 ending September 30, 2022. The next two-year renewable rate beginning October 1, 2022, is at \$14.00 per square foot, or \$4,200 per month ending September 30, 2024. The final two-year renewable term beginning October 1, 2024 is at \$14.50 per square foot, or \$4,350 ending September 30, 2026.

Office Equipment

In October 2017 the Health District entered into a five-year equipment lease with US Bank. This lease covers two new Konica Minolta bizhubs/copiers and replaces three equipment leases the Health District had entered into previously. Two of the completed lease agreements were with US Bank, and one with Konica. The Health District leases the equipment under non-cancellable leases. The Final lease payment for the new lease is 2022, with a total lease cost of \$45,000.

The Health District has also entered into two lease agreements with Mail Finance both are for postage meter equipment. Since entering into the leases Mail Finance has now changed their name to Quadient. The lease for Postage Meter 1 is a five-year lease which was signed April 2018 and ends July 2023. The lease for the Postage Meter 2 is also a five-year lease, and is signed in January 2019, and will end March 2024. The Health District leases the equipment under non-cancellable leases. The leases are for a total cost of \$6,174 and \$11,277 respectively.

Future lease payments for the above leases are as follows:

Year	US Bank Amount Due	Postage Meter 1 Amount Due	Postage Meter 2 Amount Due
2021	9,000	1,176	2,148
2022	7,500	1,176	2,148
2023	-0-	686	2,148
2024	-0-	-0-	537
Total	\$ 16,500	\$ 3,038	\$ 6,981

Note 11 – Contingent Liabilities

- A. Litigation – The Health District is not a party to any litigations.
- B. Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

Combined Allen County General Health District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 12 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented on the following page:

Fund Balances	General Fund	Women, Infants and Children Fund	Building Improvement Fund	COVID Response Fund	Other Governmental Funds	Total Governmental Funds
Restricted for						
Women, Infants and Children		\$53,602				\$53,602
COVID Response				\$2,504		\$2,504
Moms and Babies First					\$22,405	\$22,405
Maternal Child Health					\$32,819	\$32,819
Food Service					\$61,722	\$61,722
Campground Program					\$3,474	\$3,474
Water Program					\$6,366	\$6,366
Creating Healthy Communities					\$15,922	\$15,922
Pools/Spa Program					\$28,532	\$28,532
Immunization Action Plan					\$1,695	\$1,695
Naloxone Program					\$45,108	\$45,108
Public Health Emergency Preparedness					\$41,049	\$41,049
DIS/STD Prevention					\$14,031	\$14,031
Sewage Program					\$31,948	\$31,948
HIV/AIDS Prevention					\$3,610	\$3,610
Get Vaccinated					\$39,110	\$39,110
Cribs for Kids					\$23,725	\$23,725
Contact Tracing					\$34,967	\$34,967
Reproductive Health and Wellness					\$28,155	\$28,155
Vaccine Needs Assessment Program					\$20,000	\$20,000
Total Restricted		\$53,602		\$2,504	\$454,638	\$510,744
Committed to						
Sick & Vacation Leave Payout	\$75,583					\$75,583
Total Committed	\$75,583					\$75,583
Assigned to						
Future Capital Improvements			\$66,184			\$66,184
Subsequent Year Budget	\$179,085					\$179,085
Total Assigned	\$179,085		\$66,184			\$245,269
Unassigned (Deficits)	\$296,368					\$296,368
<i>Total Fund Balances</i>	<i>\$551,036</i>	<i>\$53,602</i>	<i>\$66,184</i>	<i>\$2,504</i>	<i>\$454,638</i>	<i>\$1,127,964</i>

Combined Allen County General Health District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 14 – 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. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Health District. In addition, the impact on the Health District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Health District received \$404,524.22 for the Coronavirus Response grant, \$308,868.12 for the Coronavirus Contact Tracing grant and \$20,000 for the Vaccine Needs Assessment grant. All three grants were received through the Ohio Department of Health. The Coronavirus Response grant is recorded in Fund #8826, the Coronavirus Contact Tracing grant is recorded in Fund #8830, and the Vaccine Needs Assessment grant is recorded in Fund #8824.

Combined Allen County General Health District
Allen County

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Health			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WA-14-21	\$ 122,951
		WA-13-20	536,462
Total Special Supplemental Nutrition Program for Women, Infants, and Children			<u>659,413</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>659,413</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Health			
Public Health Emergency Preparedness (PHEP)	93.069	PH-12-21	49,115
		PH-11-20	70,580
Total Public Health Emergency Preparedness (PHEP)			<u>119,695</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	CO-01-20	139,688
Preventive Health and Health Services Block Grant	93.991	CC-10-20	70,751
		CC-11-19	1,982
Total Preventive Health and Health Services Block Grant			<u>72,733</u>
Family Planning Services	93.217	RH-10-21	59,729
		RH-09-20	9,408
Total Family Planning Services			<u>69,137</u>
Maternal and Child Health Service Block Grant to the States	93.994	RH-09-20	9,737
		MB-03-21	27,331
		MB-02-20	93,337
		MP-04-20	14,578
Total Maternal and Child Health Services Block Grant to the States			<u>144,983</u>
Immunization Cooperative Agreements	93.268	GV-03-21	26,704
		GV-02-20	21,731
Total Immunization Cooperative Agreements			<u>48,435</u>
Opioid STR	93.788	IN-02-21	37,000
		IN-03-22	11,750
Total Opioid STR			<u>48,750</u>
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	ST-02-19	1,721
		ST-03-20	39,237
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants			<u>40,958</u>
HIV Prevention Activities_Health Department Based	93.940	HP-02-20	56,165
		HP-01-19	5,917
Total HIV Prevention Activities_Health Department Based			<u>62,082</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>746,461</u>
U.S. DEPARTMENT OF THE TREASURY			
Passed Through Ohio Department of Health			
COVID-19 - Coronavirus Relief Fund Coronavirus Response Supplement Coronavirus Contact Tracing Total COVID-19 - Coronavirus Relief Fund	21.019	CO-01-21	292,332
		CT-01-20	368,901
			<u>661,233</u>
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>661,233</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through Ohio Water Development Authority			
Clean Water State Revolving Fund Cluster Capitalization Grants for Clean Water State Revolving Funds Total Clean Water State Revolving Fund Cluster	66.458	OWDA 8581	1,895
			<u>1,895</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>1,895</u>
Total Expenditures of Federal Awards			<u>\$2,069,002</u>

The accompanying notes are an integral part of this schedule.

**Combined Allen County General Health District
Allen County**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Combined Allen County General Health District (the Health District) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Health District, it is not intended to and does not present the financial position or changes in net position of the Health District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The Health District did not pass through funds to subrecipients for the year ending December 31, 2020.

NOTE E - MATCHING REQUIREMENTS

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

NOTE F – MEDICAID ADMINISTRATIVE CLAIMING ADJUSTMENTS

During the calendar year, the Health District received a deferred payment from the Ohio Department of Health (ODH) for the Medicaid program (CFDA #93.778) in the amount \$72,601.60. The deferred payment was for Medicaid Administrative Claiming (MAC) expenses the Health District incurred in prior reporting periods due to federal funding received by ODH to reimburse these expenses and also due to changes in the health district's Medicaid Eligibility Rate (MER) for certain activity codes within MAC. This revenue is not listed on the Health District's Schedule of Expenditures of Federal Awards since the underlying expenses are on a cost reimbursement basis and occurred in prior reporting periods.

OHIO AUDITOR OF STATE KEITH FABER



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

Combined Allen County General Health District
Allen County
219 East Market Street
P.O. Box 1503
Lima, Ohio 45801

To the Members of 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 cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Combined Allen County General Health District, Allen County, (the Health District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated September 2, 2021, wherein we noted the Health District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Health District.

Internal Control Over Financial Reporting

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



Keith Faber
Auditor of State
Columbus, Ohio

September 2, 2021

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Combined Allen County General Health District
Allen County
219 East Market Street
P.O. Box 1503
Lima, Ohio 45801

To the Members of the Board of Health:

Report on Compliance for each Major Federal Program

We have audited the Combined Allen County General Health District's (the Health District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Combined Allen County General Health District's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies each of the Health District's major federal programs.

Management's Responsibility

The Health District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Health District's compliance for each of the Health District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the the Health District's major programs. However, our audit does not provide a legal determination of the Health District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Combined Allen County General Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Health District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Health District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Health District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 2, 2021

**COMBINED ALLEN COUNTY GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants, and Children – CFDA #10.557 COVID-19 - Coronavirus Relief Fund CFDA #21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Material weakness - Accuracy of Financial Reporting	Partially corrected.	Repeated in the management letter.



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OHIO AUDITOR OF STATE KEITH FABER



COMBINED ALLEN COUNTY GENERAL HEALTH DISTRICT

ALLEN 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 10/7/2021

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This report is a matter of public record and is available online at
www.ohioauditor.gov