



**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2020-2019**

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Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

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St. Clairsville, OH 43950  
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OHIO AUDITOR OF STATE  
KEITH FABER



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

Board of Trustees  
District Board of Health  
350 State Route 664 N  
Logan, Ohio 43138

We have reviewed the *Independent Auditor's Report* of the District Board of Health, Hocking County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

April 14, 2022

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**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

March 4, 2022

District Board of Health  
Hocking County  
350 State Route 664 N  
Logan, Ohio 43138

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type, as of and for the years ending December 31, 2020 and 2019, and related notes of **District Board of Health**, Hocking County, Ohio (the District).

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2020 and 2019, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type, as of and for the years ending December 31, 2020 and 2019, and related notes of District Board of Health, Hocking County, 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 14 in 2020 and Note 12 in 2019 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. As discussed in Note 13 to the 2020 financial statements, the District made several changes to its reporting model. We did not modify our opinions regarding these matter



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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property Taxes	\$ 750,821	\$ -	\$ -	\$ 750,821
Services and Fees	307,768	336,626	-	644,394
Intergovernmental	140,858	933,657	-	1,074,515
<i>Total Cash Receipts</i>	<u>1,199,447</u>	<u>1,270,283</u>	<u>-</u>	<u>2,469,730</u>
<b>Cash Disbursements</b>				
Current:				
Health:				
Salaries and Wages	374,214	569,962	-	944,176
Fringe Benefits	-	143,594	-	143,594
Supplies	171,534	64,205	-	235,739
Equipment	-	4,844	-	4,844
Contracts - Services and Repair	39,816	56,057	6,315	102,188
Telephone	5,409	2,611	-	8,020
Travel and Expenses	4,159	13,032	-	17,191
Public Employees Retirement	50,120	22,307	-	72,427
Workers Compensation	2,482	515	-	2,997
Unemployment	2,651	-	-	2,651
Medicare	4,822	1,997	-	6,819
Hospitalization	90,118	24,030	-	114,148
Remittance to State	25,844	26,707	-	52,551
Rent and Utilities	8,957	17,643	-	26,600
Other Expenses	-	3,749	-	3,749
Auditor and Treasurer Fees	17,860	-	-	17,860
<i>Total Cash Disbursements</i>	<u>797,986</u>	<u>951,253</u>	<u>6,315</u>	<u>1,755,554</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>401,461</u>	<u>319,030</u>	<u>(6,315)</u>	<u>714,176</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	18,985	-	100,000	118,985
Transfers Out	(100,000)	(18,985)	-	(118,985)
Advances In	-	80,000	-	80,000
Advances Out	(80,000)	-	-	(80,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(161,015)</u>	<u>61,015</u>	<u>100,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	240,446	380,045	93,685	714,176
<i>Fund Cash Balances, January 1</i>	<u>914,121</u>	<u>304,944</u>	<u>652,202</u>	<u>1,871,267</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,154,567</u>	<u>\$ 684,989</u>	<u>\$ 745,887</u>	<u>\$ 2,585,443</u>

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

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the District Board of Health, Hocking County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include inspection and licensing of food establishments, inspections of sewer and water systems, inspection and licensing of solid waste facilities, tuberculosis screening, inspection of trailer parks, birth and death certificates, administration of public health nursing programs and other related services.

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Public Health Infrastructure Fund*** – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

***Sewage Fund*** – This fund receives charges for services from residents to cover sewer service costs.

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

***Moms Quit for Two*** – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

***Public Health Emergency Response*** – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

***Tobacco Prevention*** – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

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

***Public Health Contingency Fund*** – This fund receives money from transfers from the General Fund to provide funds for capital improvements to the District’s facilities and allow monies to be available for nuisance abatement.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

***Capital Assets***

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

***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.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Fund Balance**

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

**Nonspendable** The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

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

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

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Estimated Resources	Actual Receipts	Variance
General	\$ 923,050	\$ 1,218,432	\$ 295,382
Special Revenue	904,985	1,270,283	365,298
Capital Projects	-	100,000	100,000
Total	\$ 1,828,035	\$ 2,588,715	\$ 760,680

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 3 - Budgetary Activity (Continued)**

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,260,240	\$ 897,986	\$ 362,254
Special Revenue	1,211,974	970,238	241,736
Capital Projects	100,000	6,315	93,685
Total	\$ 2,572,214	\$ 1,874,539	\$ 697,675

**Note 4 – Deposits and Investments**

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

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

***Intergovernmental Funding***

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

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the District is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner-occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include credits and/or deduction amounts the State pays as 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.

Public utilities are also taxed on personal and real property located within the taxing District.

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

**Note 6 – Subrecipients**

The District passes certain federal awards received from Ohio Department of Health to other government or not-for profit agencies (subrecipients). As a recipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 6 – Subrecipients (Continued)**

The following identifies pass thru amounts as of December 31, 2020:

**Fund 80 CFHS**

Department of Health and Human Services  
Ohio Department of Health  
Crib for Kids and Safe Sleep, CFHS  
CFDA# AM. Sub H.B. 49  
Project Number: 03710011CK0119  
Total Money Received: \$28,456

**Fund 550 Mom’s Quit for Two**

Department of Health and Human Services  
Ohio Department of Health  
Moms Quit for Two  
CFDA# AM. Sub H.B. 49  
Project Number: 03710011MQ0219  
Total Money Received: \$13,772

**Fund 710 WIC**

Department of Agriculture Food and Nutrition Service  
Ohio Department of Health  
WIC  
CFDA# 10.557  
Project Number: 03710011WA1219  
Total Money Received: \$201,911

**Fund 064 Public Health Emergency Preparedness**

Department of Health and Human Services  
Ohio Department of Health  
PHI  
CFDA# 93.074  
Project Number: 03710012PH1019  
Total Money Received: \$266,029

**Fund 860 TUPFC**

Department of Health and Human Services  
Ohio Department of Health  
Tobacco Use and Prevention and Cessation  
CFDA# 93.283  
Sub H.B. 49  
Project Number: 03710014TU0319  
Total Money Received: \$55,187

**Note 7 – Interfund Balances**

Outstanding advances at December 31, 2020 consisted of \$12,000 advanced to the Public Health Emergency Preparedness Fund, \$9,000 advanced to the Mothers Quit for Two Fund, \$20,000 advanced to the Contact Tracing Fund, \$20,000 advanced to the Women, Infants, and Children (WIC) Fund, and \$40,000 advanced to the COVID-19 Fund from the General Fund to provide working capital for operations.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 8 - Risk Management**

The Hocking County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured. The District is covered by these policies.

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2020.

**Note 10 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan was 0% during calendar year 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4% during calendar year 2020.

**Note 11 - Contingent Liabilities**

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

**Note 12 – Fund Balances**

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpended corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The District had no outstanding encumbrances as of December 31, 2020.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.



**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 13 – Change in Accounting Principles**

For 2020, the District has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) – All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Government Fund Types.

**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 will impact subsequent periods of the District. The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the District received \$289,493 as an on-behalf of grant from another government. These amounts are recorded in the COVID-19 Special Revenue Fund.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property Taxes	\$ 573,042	\$ -	\$ -	\$ 573,042
Services and Fees	318,584	305,290	-	623,874
Intergovernmental	173,595	457,993	-	631,588
<i>Total Cash Receipts</i>	<u>1,065,221</u>	<u>763,283</u>	<u>-</u>	<u>1,828,504</u>
<b>Cash Disbursements</b>				
Current:				
Health:				
Salaries and Wages	482,596	441,259	-	923,855
Fringe Benefits	-	106,435	-	106,435
Supplies	177,835	38,167	-	216,002
Equipment	742	2,925	-	3,667
Contracts - Services and Repair	28,166	38,493	32,580	99,239
Telephone	4,707	2,578	-	7,285
Travel and Expenses	9,317	13,338	-	22,655
Public Employees Retirement	60,507	19,568	-	80,075
Workers Compensation	2,491	505	-	2,996
Medicare	6,726	2,054	-	8,780
Hospitalization	83,643	19,609	-	103,252
Remittance to State	26,711	30,303	-	57,014
Rent and Utilities	9,952	56,837	-	66,789
Other Expenses	485	14,940	-	15,425
Auditor and Treasurer Fees	16,832	-	-	16,832
<i>Total Cash Disbursements</i>	<u>910,710</u>	<u>787,011</u>	<u>32,580</u>	<u>1,730,301</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>154,511</u>	<u>(23,728)</u>	<u>(32,580)</u>	<u>98,203</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	18,755	-	100,000	118,755
Transfers Out	(100,000)	(18,755)	-	(118,755)
Advances In	35,000	7,000	-	42,000
Advances Out	(7,000)	(35,000)	-	(42,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(53,245)</u>	<u>(46,755)</u>	<u>100,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	101,266	(70,483)	67,420	98,203
<i>Fund Cash Balances, January 1</i>	<u>812,855</u>	<u>375,427</u>	<u>584,782</u>	<u>1,773,064</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	304,944	-	304,944
Committed	345,078	-	652,202	997,280
Assigned	212,910	-	-	212,910
Unassigned	356,133	-	-	356,133
<i>Fund Cash Balances, December 31</i>	<u>\$ 914,121</u>	<u>\$ 304,944</u>	<u>\$ 652,202</u>	<u>\$ 1,871,267</u>

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

**DISTRICT BOARD OF HEALTH  
HOCKING 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 District Board of Health, Hocking County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include inspection and licensing of food establishments, inspections of sewer and water systems, inspection and licensing of solid waste facilities, tuberculosis screening, inspection of trailer parks, birth and death certificates, administration of public health nursing programs and other related services.

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Public Health Infrastructure Fund*** – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

***Sewage Fund*** – This fund receives charges for services from residents to cover sewer service costs.

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

***Moms Quit for Two*** – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

***Public Health Emergency Response*** – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

***Tobacco Prevention*** – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

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

***Public Health Contingency Fund*** – This fund receives money from transfers from the General Fund to provide funds for capital improvements to the District's facilities and allow monies to be available for nuisance abatement.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

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

A summary of 2019 budgetary activity appears in Note 3.

***Capital Assets***

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

***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.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Fund Balance**

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

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

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

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

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

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

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

**Note 3 - Budgetary Activity**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Estimated Resources	Actual Receipts	Variance
General	\$ 914,200	\$ 1,083,976	\$ 169,776
Special Revenue	826,913	763,284	(63,629)
Capital Projects	-	100,000	100,000
Total	\$ 1,741,113	\$ 1,947,260	\$ 206,147

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 3 - Budgetary Activity (Continued)**

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,042,147	\$ 1,010,710	\$ 31,437
Special Revenue	960,151	805,766	154,385
Capital Projects	100,000	32,580	67,420
Total	\$ 2,102,298	\$ 1,849,056	\$ 253,242

**Note 4 – Deposits and Investments**

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

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

***Intergovernmental Funding***

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

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the District is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner-occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include credits and/or deduction amounts the State pays as 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.

Public utilities are also taxed on personal and real property located within the taxing District.

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

**Note 6 – Subrecipients**

The District passes certain federal awards received from Ohio Department of Health to other government or not-for profit agencies (subrecipients). As a recipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 6 – Subrecipients (Continued)**

The following identifies pass thru amounts as of December 31, 2019:

**Fund 80 CFHS**

Department of Health and Human Services  
Ohio Department of Health  
Crib for Kids and Safe Sleep, CFHS  
CFDA# AM. Sub H.B. 49  
Project Number: 03710011CK0119  
Total Money Received: \$10,283

**Fund 550 Mom’s Quit for Two**

Department of Health and Human Services  
Ohio Department of Health  
Moms Quit for Two  
CFDA# AM. Sub H.B. 49  
Project Number: 03710011MQ0219  
Total Money Received: \$17,989

**Fund 710 WIC**

Department of Agriculture Food and Nutrition Service  
Ohio Department of Health  
WIC  
CFDA# 10.557  
Project Number: 03710011WA1219  
Total Money Received: \$206,404

**Fund 064 Public Health Emergency Preparedness**

Department of Health and Human Services  
Ohio Department of Health  
PHI  
CFDA# 93.074  
Project Number: 03710012PH1019  
Total Money Received: \$146,781

**Fund 860 TUPFC**

Department of Health and Human Services  
Ohio Department of Health  
Tobacco Use and Prevention and Cessation  
CFDA# 93.283  
Sub H.B. 49  
Project Number: 03710014TU0319  
Total Money Received: \$76,536

**Note 7 – Interfund Balances**

Outstanding advances at December 31, 2019 consisted of \$12,000 advanced to the Public Health Emergency Preparedness Fund and \$9,000 advanced to the Mothers Quit for Two Fund from the General Fund to provide working capital for operations.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 8 - Risk Management**

The Hocking County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured. The District is covered by these policies.

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

**Note 10 – Postemployment Benefits**

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

**Note 11 - Contingent Liabilities**

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

**Note 12 – 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 will impact subsequent periods of the District. The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



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

March 4, 2022

District Board of Health  
Hocking County  
350 State Route 664 N  
Logan, Ohio 43138

To the Board of Trustees:

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 for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and the related notes of the **District Board of Health**, Hocking County (District), and have issued our report thereon dated March 4, 2022 wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District, and that the District made several changes to its reporting model.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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*.

***District's Response to Findings***

The District's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not subject the District's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of this Report***

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



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

DISTRICT BOARD OF HEALTH  
HOCKING COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

FINDING NUMBER 2020-001

**Material Weakness**

**Financial Reporting**

Sound financial reporting is the responsibility of the District and is essential to ensure that the information which is provided to the readers of the financial statements is complete and accurate. Below describes the issues identified with the District's reporting for the years ended December 31, 2020 and 2019:

- Intergovernmental receipts were misclassified as Service and Fees receipts and Service and Fees receipts were misclassified as Intergovernmental receipts in 2020 and 2019.

Receipts were updated to accurately reflect the District's activity for the years ended December 31, 2020 and 2019.

We recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts are properly identified and classified on the financial statements.

**Management's Response** – The Hocking County Health Department contracted with a third-party company to complete the Combined Statement of Cash Receipts, Cash Disbursements and changes in Fund Cash Balances Financial Report. The third-party company made this error and will fix it for the future.

**DISTRICT BOARD OF HEALTH  
HOCKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Financial Reporting	Not corrected	Repeated as Finding 2020-001

# OHIO AUDITOR OF STATE KEITH FABER



**HOCKING COUNTY DISTRICT BOARD OF HEALTH**

**HOCKING 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 5/5/2022**

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

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