

***HURON COUNTY
PUBLIC HEALTH***

HURON COUNTY

Regular Audit

For the Year Ended December 31, 2022





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Board of Trustees
Huron County Public Health
28 Executive Drive
Norwalk, Ohio 44857

We have reviewed the *Independent Auditor's Report* of Huron County Public Health, Huron County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2022. 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. Huron County Public Health is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 15, 2023

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**Huron County Public Health
Huron County
For the Year Ended December 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

Huron County Public Health
Huron County
28 Executive Dr.
Norwalk, OH 44857

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Huron County Public Health, Huron County, Ohio (the District), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinions regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 19, 2023

**HURON COUNTY PUBLIC HEALTH
HURON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES - REGULATORY CASH BASIS
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts			
Property and Other Local Taxes	\$ 922,530	\$ -	\$ 922,530
Charges for Services	688,751	135,374	824,125
Fines, Licenses and Permits	244,289	-	244,289
Intergovernmental:			
Apportionments	38,348	-	38,348
Grants	-	842,381	842,381
Other	-	526	526
Donations	7,069	-	7,069
Contract Services	59,829	-	59,829
<i>Total Cash Receipts</i>	<u>1,960,816</u>	<u>978,281</u>	<u>2,939,097</u>
Cash Disbursements			
Current:			
Salaries	805,102	596,305	1,401,407
Office & Clinic Supplies	67,377	223	67,600
Project Expense	-	248,939	248,939
Other Expenses	64,106	-	64,106
OPERS	108,728	84,756	193,484
Workers Compensation	5,972	395	6,367
Medicare	11,312	8,247	19,559
Hospitalization	120,896	93,733	214,629
State Fees	93,480	-	93,480
Contract Repair/Service/Personnel	826,767	-	826,767
Travel	4,368	-	4,368
Vaccine	281,170	-	281,170
Advertising & Printing	1,221	-	1,221
Equipment	14,498	-	14,498
Debt Service:			
Principal Retirement	140,000	-	140,000
<i>Total Cash Disbursements</i>	<u>2,544,997</u>	<u>1,032,598</u>	<u>3,577,595</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(584,181)	(54,317)	(638,498)
Other Financing Receipts (Disbursements)			
Transfers In	5,032	-	5,032
Transfers Out	-	(5,032)	(5,032)
Advances In	312,347	249,895	562,242
Advances Out	(249,895)	(312,347)	(562,242)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>67,484</u>	<u>(67,484)</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(516,697)	(121,801)	(638,498)
<i>Fund Cash Balances, January 1, restated</i>	<u>935,534</u>	<u>716,948</u>	<u>1,652,482</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 418,837</u></u>	<u><u>\$ 595,147</u></u>	<u><u>\$ 1,013,984</u></u>

See accompanying notes to the financial statements

Huron County Public Health
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Huron County Public Health, Huron County, Norwalk, Ohio (the District) as a body corporate and politic. The District is a combined Board of Health as defined by Section 3709.07 of the Ohio Rev. Code. The District is the union of the General Health District and the Board of Health of the cities of Norwalk and Willard. The District operates under the direction of a nine-member appointed Board of Health with one member appointed by each of the cities, one member appointed by the Licensing Committee and five members appointed by the District Advisory Council. The City of Bellevue appoints a non-voting member to the Board. The Huron County Auditor and Huron County Treasurer are responsible for fiscal control of the resources of the District which are maintained in the funds described below. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

The District participates in the Public Entities Pool of Ohio public entity risk pool. This organization provides property and casualty coverages for its members. Note 7 to the financial statements provide additional information for the entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, which is 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 Fund:

COVID 19 Enhanced Operations Grant This federal funding was awarded to local health departments to be utilized for contact tracing of coronavirus 19.

Huron County Public Health
Huron County
Notes to the Financial Statements
for the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 (C) 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. Unencumbered appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2022 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Huron County Public Health
Huron County
Notes to the Financial Statements
for the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022, follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,377,900	\$ 2,278,195	\$ (99,705)
Special Revenue	1,187,686	1,228,176	40,490

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,932,701	\$ 2,827,098	\$ 105,603
Special Revenue	1,910,387	1,353,405	556,982

Huron County Public Health
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Huron 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Note 6 – Interfund Balances

Advances

Outstanding advances at December 31, 2022, consisted of \$263,716 from General Fund advanced to Fund 906 FDA Self Assessment Grant (\$4,998), Fund 914 Sewage Operation and Maintenance Fund (\$34,000), Fund 917 Creating Healthy Communities Grant (\$17,000), Fund 919 WPCLF Sewage System Repair and Replace Fund (\$7,427), Fund 921 Covid-19 Contract Tracing Fund \$40,000, Fund 924 Public Health Workforce Development Grant (\$36,291), Fund 926 Covid 19 Vaccination Grant (\$50,000), Fund 928 FDA Self Assessment Mentee Grant (\$14,000), Fund 930 Ohio Health Improvement Zones Project (\$20,000), Fund 931 Covid 19 Enhanced Operations Grant (\$105,000), and Fund 935 Vaccine Hesitancy Grant (\$15,000).

Note 7 – Risk Management

Worker’s Compensation

Workers’ Compensation coverage is provided by the State of Ohio. The District pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Huron County Public Health
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Risk Management (continued)

Risk Pool Membership

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District’s policy. The Pool covers the following risks:

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021 (latest information available):

	2021
Cash and investments	\$41,996,850
Actuarial liabilities	14,974,099

Note 8 – 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 benefit.

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

Social Security

Several Board of Health employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The District contributed an amount equal to 6.2% of participants’ gross salaries. The District has paid all contributions required through December 31, 2022.

Huron County Public Health
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

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

Note 10 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Executive Drive Building Loan	\$ 140,000	0%
Howard Street Building Loan	280,000	0%

During 2018, the District received a \$350,000 interest free loan in accordance with Ohio Revised Code 3707.55 for the purchase of a building. The loan is interest free and will be repaid in annual installments of \$70,000 with the final payment in January 2024.

The District entered an agreement to purchase a building at 388 E Howard Street, Willard, OH on October 13, 2022. The total cost of the building will be \$350,000. A payment of \$70,000 was made on October 13, 2022. The settlement paid at time of closing of \$457.41 was made November 10, 2022. The remaining balance will be paid in \$70,000 installments over a four-year period at zero percent interest to David Stanbery, M.D.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending	Executive Drive Building Loan	Howard Street Building Loan
<u>December 31:</u>		
2023	\$ 70,000	\$ 70,000
2024	70,000	70,000
2025	-	70,000
2026	-	70,000
Total	<u>\$ 140,000</u>	<u>\$ 280,000</u>

Huron County Public Health
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 32,206	\$ 3,428	\$ 35,634

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue fund include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

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

Note 14 – Prior Period Adjustment

General Fund increased by \$58,629 due to correcting entries from the prior year.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Huron County Public Health
Huron County
28 Executive Dr.
Norwalk, OH 44857

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2022 and the related notes to the financial statements of Huron County Public Health, Huron County, (the District) and have issued our report thereon dated June 19, 2023, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all 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 2022-001 to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 19, 2023.

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.

June 19, 2023

**HURON COUNTY PUBLIC HEALTH
HURON COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2022-001 - Material Weakness

Financial Reporting

Audit Adjustments and Reclassifications:

The District erroneously recorded several transactions during 2022. The more significant adjustments are as follows:

- The General Fund had disbursements in Contract Repair/Service/Personnel of \$140,000 that were reclassified as Principal Retirement.
- The General Fund and Special Revenue Funds had \$5,032 reclassified from Advances to Transfers for deactivated funds.
- The General Fund had receipts in Miscellaneous of \$62,766 that were reclassified as a reduction to Hospitalization disbursements.
- The General Fund had receipts in Fines, Licenses and Permits of \$688,751 that were reclassified as Charges for Services.
- Advances In for Special Revenue Fund of \$65,732 reclassified as Intergovernmental Grant revenue.
- The notes to the financial statements omitted the debt, fund balance, and COVID-19 notes and related information.

The accompanying financial statements and the District's records have been adjusted to properly reflect these transactions. Various other immaterial posting errors were also noted and brought to the attention of management.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate, the District should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board, to identify and correct errors and omissions.

Management Response:

See Corrective Action Plan

**HURON COUNTY PUBLIC HEALTH
HURON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2022**

Prepared by Management

Finding Number	Finding Summary	Status	Additional Information
2021-001	Material weakness for errors in financial reporting	Not Corrected	None

**HURON COUNTY PUBLIC HEALTH
HURON COUNTY**

**CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2022
Prepared by Management**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	Aware of the issue. Will review financial reporting procedures	Immediately	Karen Boose, Director

OHIO AUDITOR OF STATE KEITH FABER



HURON COUNTY PUBLIC HEALTH

HURON 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 8/29/2023

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