



**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022-2021**



**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

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**INDEPENDENT AUDITOR'S REPORT**

Putnam County District Board of Health  
Putnam County  
256 East Williamstown Road  
Ottawa, Ohio 45875-1870

To the Board of Health:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Putnam County District Board of Health, Putnam County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, 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 years ended December 31, 2022 and 2021, 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 and 2021, or the changes in financial position thereof for the years 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 the 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.

***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 October 26, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 26, 2023

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**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM 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**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts:</b>			
Property Taxes	\$448,981		\$448,981
Intergovernmental	227,001	\$429,527	656,528
Immunizations	448,314		448,314
Fees and Permits	52,240	78,619	130,859
Other Fees		14,853	14,853
Licenses	750	70,407	71,157
Contractual Services	22,214	4,391,486	4,413,700
Other Receipts	50,450	102,637	153,087
	<b>1,249,950</b>	<b>5,087,529</b>	<b>6,337,479</b>
<b>Cash Disbursements:</b>			
Current:			
Health:			
Salaries	598,436	2,490,897	3,089,333
Supplies	215,859	538,028	753,887
Remittances to State	25,139	20,447	45,586
Equipment	19,514	13,567	33,081
Contracts - Services	85,374	1,134,366	1,219,740
Rentals		54,515	54,515
Travel	3,315	133,668	136,983
Utilities and Rentals	3,786		3,786
Continuing Education/Dues/Licenses	19,192	56,051	75,243
Advertising and Printing	31	95,452	95,483
Public Employee's Retirement	87,448	336,468	423,916
Fringes	178,757	393,448	572,205
Other	47,716	3,764	51,480
Debt Service:			
Principal Retirement		150,000	150,000
	<b>1,284,567</b>	<b>5,420,671</b>	<b>6,705,238</b>
<i>Total Cash Disbursements</i>	<b>1,284,567</b>	<b>5,420,671</b>	<b>6,705,238</b>
<i>Excess of Disbursements Over Receipts</i>	<b>(34,617)</b>	<b>(333,142)</b>	<b>(367,759)</b>
<b>Other Financing Receipts (Disbursements):</b>			
Transfers In		300,000	300,000
Advances In		2,000	2,000
Transfers Out		(300,000)	(300,000)
Advances Out		(2,000)	(2,000)
Loan Proceeds		150,000	150,000
		<b>150,000</b>	<b>150,000</b>
<i>Total Other Financing Receipts (Disbursements)</i>		<b>150,000</b>	<b>150,000</b>
<i>Net Change in Fund Cash Balances</i>	<b>(34,617)</b>	<b>(183,142)</b>	<b>(217,759)</b>
<i>Fund Cash Balances, January 1</i>	<b>1,173,969</b>	<b>4,781,940</b>	<b>5,955,909</b>
<i>Fund Cash Balances, December 31</i>	<b>\$1,139,352</b>	<b>\$4,598,798</b>	<b>\$5,738,150</b>

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**Note 1 – Reporting Entity**

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

***Jointly Governed Organization and Public Entity Risk Pool***

The District participates in a jointly governed organization, the Public Health Services Council of Ohio, and a public entity risk pool, the Public Entities Pool of Ohio (PEP). Notes 6 and 7 to the financial statements provide additional information for these entities. 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:

***Home Health Care Fund*** This fund receives fees for providing home nursing services to elderly and homebound persons.

***Hospice Fund*** This fund receives fees for providing home nursing services to elderly and homebound persons.

***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.

PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)

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***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:

***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.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)**

**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	\$1,249,948	\$1,249,950	\$2
Special Revenue	5,237,527	5,539,529	302,002
Total	\$6,487,475	\$6,789,479	\$302,004

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,783,226	\$1,429,873	\$353,353
Special Revenue	8,972,619	5,753,758	3,218,861
Total	\$10,755,845	\$7,183,631	\$3,572,214

**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Putnam 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.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)**

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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 – Risk Management**

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the County Commissioners Association of Ohio Service Corporation, a workers' compensation group rating plan.

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

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

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

	<u>2022</u>
Cash and investments	\$42,310,794
Actuarial liabilities	\$15,724,479

The District also provides health insurance to full-time Health Department employees through a private carrier.

**Note 7 – Jointly Governed Organization**

The District is a member of the Public Health Services Council of Ohio (the Council). The Council is a jointly governed organization created under the provisions of Chapter 167 of the Ohio Revised Code formed to coordinate the powers and duties of the member Boards to better serve and benefit public health in each of the Council's counties. The Council is made up of seven local member Boards of Health in Defiance, Fulton, Henry, Paulding, Putnam, Williams, and Wood Counties. The Council is governed by a Board of Directors consisting of the Health Commissioner (or appointed designee) from each of the participating Boards of Health. Each member County Board may cast a single vote on any Council meeting business that affects the services provided for the member Boards.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)**

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Each member Board provides resources to the Council based on a membership fee and any participating County can individually elect to purchase services from the Council. The Board of Directors exercise total control over the operation of the Council including budgeting, contracting, purchasing, and designating management. The Council has retained the Mid East Ohio Regional Council (MEORC) to perform fiscal responsibilities for the Council. The District has no ongoing financial interest or responsibility for the Council. In 2022, the District paid membership dues of \$5,000 to the Council. Financial information can be obtained from Cathy Henthorn, Director of Financial Operations of MEORC, 310 Lincoln Avenue, Montpelier, Ohio 43543.

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

District 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, 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**

The District had an Ohio Water Development Authority (OWDA) loan in 2022 through the OWDA Water Pollution Control Loan Fund. A total of \$150,000 in loan proceeds was drawn on this loan with all \$150,000 being repaid through the OWDA loan principal forgiveness program as of 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.

PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(CONTINUED)

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**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 facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$145,306</u>	<u>\$31,087</u>	<u>\$176,393</u>

The fund balance of Special Revenue Funds is either restricted or committed. These restricted and committed amounts in the Special Revenue Funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts:</b>			
Property Taxes	\$435,812		\$435,812
Intergovernmental	185,191	\$512,317	697,508
Immunizations	540,469		540,469
Fees and Permits	60,381	137,512	197,893
Other Fees		5,719	5,719
Licenses		82,248	82,248
Contractual Services	32,752	4,764,391	4,797,143
Donations	14,000		14,000
Other Receipts	54,531	89,644	144,175
<i>Total Cash Receipts</i>	<u>1,323,136</u>	<u>5,591,831</u>	<u>6,914,967</u>
<b>Cash Disbursements:</b>			
Current:			
Health:			
Salaries	447,403	2,946,546	3,393,949
Supplies	220,926	735,141	956,067
Remittances to State	28,652	15,690	44,342
Equipment		149,366	149,366
Contracts - Services	90,720	1,104,607	1,195,327
Rentals	3,750	54,600	58,350
Travel	2,330	150,069	152,399
Utilities and Rentals	6,981		6,981
Continuing Education/Dues/Licenses	4,713	43,217	47,930
Advertising and Printing	551	73,554	74,105
Public Employee's Retirement	91,087	360,760	451,847
Fringes	191,392	453,848	645,240
Other	17,287	2,034	19,321
<i>Total Cash Disbursements</i>	<u>1,105,792</u>	<u>6,089,432</u>	<u>7,195,224</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>217,344</u>	<u>(497,601)</u>	<u>(280,257)</u>
<b>Other Financing Receipts (Disbursements):</b>			
Transfers In		700,000	700,000
Transfers Out		(700,000)	(700,000)
<i>Total Other Financing Receipts (Disbursements)</i>			
<i>Net Change in Fund Cash Balances</i>	217,344	(497,601)	(280,257)
<i>Fund Cash Balances, January 1</i>	<u>956,625</u>	<u>5,279,541</u>	<u>6,236,166</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,173,969</u>	<u>\$4,781,940</u>	<u>\$5,955,909</u>

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

**Note 1 – Reporting Entity**

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

***Jointly Governed Organization and Public Entity Risk Pool***

The District participates in a jointly governed organization, the Public Health Services Council of Ohio, and a public entity risk pool, the Public Entities Pool of Ohio (PEP). Notes 6 and 7 to the financial statements provide additional information for these entities. 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:

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***Hospice Fund*** This fund receives fees for providing home nursing services to elderly and homebound persons.

***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.

PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

---

***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 2021 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:

***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.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

**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, 2021, follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,323,137	\$1,323,136	(\$1)
Special Revenue	6,492,373	6,291,831	(200,542)
Total	\$7,815,510	\$7,614,967	(\$200,543)

  

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,707,387	\$1,222,541	\$484,846
Special Revenue	10,059,722	6,811,699	3,248,023
Total	\$11,767,109	\$8,034,240	\$3,732,869

**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Putnam 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.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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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 – Risk Management**

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the County Commissioners Association of Ohio Service Corporation, a workers' compensation group rating plan.

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

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

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

	<u>2021</u>
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

The District also provides health insurance to full-time Health Department employees through a private carrier.

**Note 7 – Jointly Governed Organization**

The District is a member of the Public Health Services Council of Ohio (the Council). The Council is a jointly governed organization created under the provisions of Chapter 167 of the Ohio Revised Code formed to coordinate the powers and duties of the member Boards to better serve and benefit public health in each of the Council's counties. The Council is made up of seven local member Boards of Health in Defiance, Fulton, Henry, Paulding, Putnam, Williams, and Wood Counties. The Council is governed by a Board of Directors consisting of the Health Commissioner (or appointed designee) from each of the participating Boards of Health. Each member County Board may cast a single vote on any Council meeting business that affects the services provided for the member Boards.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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Each member Board provides resources to the Council based on a membership fee and any participating County can individually elect to purchase services from the Council. The Board of Directors exercise total control over the operation of the Council including budgeting, contracting, purchasing, and designating management. The Council has retained the Mid East Ohio Regional Council (MEORC) to perform fiscal responsibilities for the Council. The District has no ongoing financial interest or responsibility for the Council. In 2021, the District paid membership dues of \$5,000 to the Council. Financial information can be obtained from Cathy Henthorn, Director of Financial Operations of MEORC, 310 Lincoln Avenue, Montpelier, Ohio 43543.

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

District 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, 2021.

**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 2021. The portion of employer contributions allocated to health care for members in the Member-Directed Plan was 4.0 percent during calendar year 2021.

**Note 10 – 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 11 – Interfund Transfers**

During 2021, the following transfers were made:

<u>Transfer From Hospice Fund To:</u>	<u>Amount</u>
Home Health Care Fund	\$500,000
Palliative Care	200,000
Total Special Revenue Funds	<u><u>\$700,000</u></u>

Transfers are used to move receipts from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them.

PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

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**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 facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$116,749</u>	<u>\$22,267</u>	<u>\$139,016</u>

The fund balance of Special Revenue Funds is either restricted or committed. These restricted and committed amounts in the Special Revenue Funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.



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

Putnam County District Board of Health  
Putnam County  
256 East Williamstown Road  
Ottawa, Ohio 45875-1870

To the Board of Health:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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, 2022 and 2021 and the related notes to the financial statements of Putnam County District Board of Health, Putnam County, Ohio (the District) and have issued our report thereon dated October 26, 2023, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***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 purpose 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider 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*.

***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 schedule of findings. 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 26, 2023

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH  
PUTNAM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2022-001**

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in the accompanying financial statements and notes to the financial statements:

- In 2022, budgeted receipts in the budgetary activity note to the financial statements did not agree to amounts certified by the County Budget Commission. Budgeted receipts were understated in the General Fund in the amount of \$126,452.
- In 2022, actual receipts in the budgetary activity note to the financial statements were understated in the Special Revenue Fund in the amount of \$302,002.
- In 2022, appropriation authority in the budgetary activity note to the financial statements did not agree to amounts approved by the Board. Appropriation authority was understated in the General Fund in the amount of \$164,223.
- In 2022, budgetary expenditures in the budgetary activity note to the financial statements were understated in the General and Special Revenue Funds in the amounts of \$145,306 and \$483,088, respectively.
- In 2022 and 2021, contractual services receipts were incorrectly classified as other fees in the Special Revenue Funds in the amounts of \$4,129,019 and \$4,690,099, respectively.
- In 2022 and 2021, contracts – services disbursements were incorrectly classified as supplies in the Special Revenue Funds in the amounts of \$602,440 and \$639,663, respectively.
- In 2021, budgeted receipts in the budgetary activity note to the financial statements did not agree to amounts certified by the County Budget Commission. Budgeted receipts were understated in the General Fund in the amount of \$149,522.
- In 2021, budgetary expenditures in the budgetary activity note to the financial statements were understated in the General Fund in the amount of \$116,750.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to the District Board making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other immaterial errors ranging from \$8 to \$216,958. In addition to the adjustments noted above, we also identified additional misstatements in the amounts ranging from \$2,280 to \$109,910 that we have brought to the District's attention.

The District should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Health Commissioner and the Board, to help identify and correct errors and omissions.

**Officials' Response:**

The District strives to produce complete and accurate financial statements. As a result of this audit, the District now has a better understanding of certain reporting and posting issues and will continue to make improvements where needed.



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*“Working towards a healthy and safe Putnam County”*

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
 DECEMBER 31, 2022 AND 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	This finding was first reported in 2015. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2022-001 in this report.	An effort was made to correct errors in the financial statements. The District now has a better understanding of the reporting issues and will continue to make improvements where needed.
2020-002	This finding was first reported in 2020. Material weakness and noncompliance with Ohio Rev. Code § 5705.10(D) for posting receipts and disbursements to the incorrect fund.	Corrective action taken and finding is fully corrected.	

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# OHIO AUDITOR OF STATE KEITH FABER



**PUTNAM COUNTY DISTRICT BOARD OF HEALTH**

**PUTNAM 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 11/9/2023**

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](http://www.ohioauditor.gov)