



OHIO AUDITOR OF STATE
KEITH FABER



**ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Adams County District Board of Health
Adams County
560 Rice Drive
West Union, Ohio 45693

To the Board of Health:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Adams County District Board of Health, Adams 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, 2023 and 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 years ended December 31, 2023 and 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, 2023 and 2022, 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 *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.

Adams County District Board of Health
Adams County
Independent Auditor's Report
Page 3

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 January 21, 2025, 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
January 21, 2025

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Adams County General Health District

Adams County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023*

	General	Special Revenue	Combined Total
Cash Receipts			
Property Taxes	\$ 259,836	\$ 0	\$ 259,836
Charges for Services	50,262	843,538	893,800
Fines, Licenses and Permits	0	99,630	99,630
Intergovernmental:	0	395,041	395,041
Contractual Services	224,544	1,030,613	1,255,157
Other	71,934	8,816	80,750
<i>Total Cash Receipts</i>	<i">606,576</i">	<i">2,377,638</i">	<i">2,984,214</i">
Cash Disbursements			
Current:			
Health:			
Salaries	349,378	1,252,615	1,601,993
Supplies	6,768	367,591	374,359
Travel and Expenses	0	11,185	11,185
Employee Benefits	151,735	371,126	522,861
State Share - Fees	5,055	0	5,055
State Remittance	15,664	8,957	24,621
Contracted Services	63,513	438,183	501,696
Other	29,982	16,076	46,058
Equipment	0	3,295	3,295
<i>Total Cash Disbursements</i>	<i">622,095</i">	<i">2,469,028</i">	<i">3,091,123</i">
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(15,519)</i>	<i>(91,390)</i>	<i>(106,909)</i>
Other Financing Receipts (Disbursements)			
Advances In	0	20,000	20,000
Advances Out	(20,000)	0	(20,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(20,000)</i>	<i>20,000</i>	<i>0</i>
<i>Net Change in Fund Cash Balances</i>	<i>(35,519)</i>	<i>(71,390)</i>	<i>(106,909)</i>
<i>Fund Cash Balances, January 1</i>	<i>222,741</i>	<i>1,229,929</i>	<i>1,452,670</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 187,222</i>	<i>\$ 1,158,539</i>	<i>\$ 1,345,761</i>

See accompanying notes to the basic financial statements

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Adams County District Board of Health

Adams County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Adams County District Board of Health, Adams 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 communicable disease investigations, immunization clinics, inspections, and public health nursing services, and the District issues health-related licenses and permits.

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 Nursing Fund This fund receives fees through insurance payments and state funding for providing nursing services to the county, such as vaccinations, contagious disease testing and other public health matters.

School Nursing Services Fund This fund receives fees for providing nursing services to the county school districts.

Behavioral Health Fund This fund receives fees through insurance payments and state funding for providing behavioral health services to the county, such as telehealth psychiatric doctor services, mental health assessments, case management and other behavioral health matters.

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

Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2023

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 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 2023 budgetary activity appears in Note 4.

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. 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.

Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2023

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 11.

Note 3 - Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Public Health Nursing fund by \$5,482.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023, follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 474,114	\$ 606,576	\$ 132,462
Special Revenue	2,253,898	2,397,638	143,740
Total	<u>\$ 2,728,012</u>	<u>\$ 3,004,214</u>	<u>\$ 276,202</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 687,465	\$ 659,579	\$ 27,886
Special Revenue	2,958,180	2,570,872	387,308
Total	<u>\$ 3,645,645</u>	<u>\$ 3,230,451</u>	<u>\$ 415,194</u>

Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 – Deposits and Investments

As required by the Ohio Revised Code, the Adams 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 6 – 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 7 – Interfund Balances

Outstanding advances on December 31, 2023, consisted of \$69,314 advanced from the General Fund to provide working capital for operations or projects for various Special Revenue funds.

Note 8 – Risk Management

Workers' 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.

Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2023

Risk Pool Membership

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

- 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>2023</u>
Cash and investments	\$43,996,442
Actuarial liabilities	\$19,743,401

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The 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, 2023.

Note 10 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – 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. 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	\$ 17,484	\$ 101,844	\$ 119,328
Total	<u>\$ 17,484</u>	<u>\$ 101,844</u>	<u>\$ 119,328</u>

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

Adams County General Health District

Adams 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	Combined Total
Cash Receipts			
Property Taxes	\$ 253,968	\$ 0	\$ 253,968
Charges for Services	51,383	789,009	840,392
Fines, Licenses and Permits	0	94,524	94,524
Intergovernmental	0	833,447	833,447
Contractual Services	262,369	655,818	918,187
Other	8,468	12,315	20,783
<i>Total Cash Receipts</i>	<i>576,188</i>	<i>2,385,113</i>	<i>2,961,301</i>
Cash Disbursements			
Current:			
Health:			
Salaries	337,219	1,031,133	1,368,352
Supplies	11,742	298,916	310,658
Travel and Expenses	0	18,627	18,627
Employee Benefits	142,840	276,286	419,126
State Share - Fees	21,849	10,067	31,916
Contracted Services	23,346	313,816	337,162
Other	43,753	74,909	118,662
Equipment	0	6,880	6,880
<i>Total Cash Disbursements</i>	<i>580,749</i>	<i>2,030,634</i>	<i>2,611,383</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(4,561)</i>	<i>354,479</i>	<i>349,918</i>
Other Financing Receipts (Disbursements)			
Transfers In	0	60,797	60,797
Transfers Out	(15)	(60,782)	(60,797)
Advances In	154,882	141,796	296,678
Advances Out	(141,796)	(154,882)	(296,678)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>13,071</i>	<i>(13,071)</i>	<i>0</i>
<i>Net Change in Fund Cash Balances</i>	<i>8,510</i>	<i>341,408</i>	<i>349,918</i>
<i>Fund Cash Balances, January 1</i>	<i>214,231</i>	<i>888,521</i>	<i>1,102,752</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 222,741</i>	<i>\$ 1,229,929</i>	<i>\$ 1,452,670</i>

See accompanying notes to the basic financial statements

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Adams County District Board of Health

Adams 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 the Adams County District Board of Health, Adams 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 communicable disease investigations, immunization clinics, inspections, and public health nursing services, and the District issues health-related licenses and permits.

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

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Basis of Accounting

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Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2022

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 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 4.

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. 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.

Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2022

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 11.

Note 3 - Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$131,461, Creating Healthy Communities by \$6,661, Covid-19 Enhanced Operations by \$139,799, Covid-19 Vaccines by \$46,565 and Public Health Nursing by \$184,372.

Note 4 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts

Fund Type	Budgeted		Actual
	Receipts	Receipts	Variance
General	\$ 648,550	\$ 731,070	\$ 82,520
Special Revenue	2,166,689	2,587,706	421,017
Total	\$ 2,815,239	\$ 3,318,776	\$ 503,537

2022 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation		Budgetary
	Authority	Expenditures	Variance
General	\$ 607,096	\$ 738,557	\$ (131,461)
Special Revenue	2,341,850	2,301,095	40,755
Total	\$ 2,948,946	\$ 3,039,652	\$ (90,706)

Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 – Deposits and Investments

As required by the Ohio Revised Code, the Adams 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 6 – 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 7 - Interfund Balances

Outstanding advances at December 31, 2022, consisted of \$49,314 advanced from the General fund to provide working capital for operations or projects to various Special Revenue funds.

Note 8 – Risk Management

Workers' 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.

Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2022

Risk Pool Membership

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

- 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:

	2022
Cash and investments	\$42,310,794
Actuarial liabilities	\$15,724,479

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The 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 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, 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.

Adams County District Board of Health

Adams County

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – 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. 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	15,997	54,797	70,794
Total	<u><u>\$15,997</u></u>	<u><u>\$54,797</u></u>	<u><u>\$70,794</u></u>

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

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. 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.



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

Adams County District Board of Health
Adams County
560 Rice Drive
West Union, Ohio 45693

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, 2023 and 2022 and the related notes to the financial statements of the Adams County District Board of Health, Adams County, Ohio (the District) and have issued our report thereon dated January 21, 2025, 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 2023-001 that we consider to be a material weakness.

Adams County District Board of Health
Adams County
Independent Auditor's Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
Page 2

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-002.

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
January 21, 2025

ADAMS COUNTY DISTRICT BOARD OF HEALTH
ADAMS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-001

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.

Due to deficiencies in the District's financial statement monitoring and review process, the following conditions were noted in relation to the District's 2022 accounting system and financial report:

Special Revenue Fund

- Other receipts were overstated and Intergovernmental receipts were understated by \$32,935, due to state shortfall food service funding incorrectly recorded as Other receipts in the Food Service fund.
- Other receipts were overstated and Intergovernmental receipts were understated by \$89,364, due to Medicaid administration claims funding incorrectly recorded as other receipts in the Public Health Nursing fund.
- Transfers In and Transfers Out were overstated by \$215,214 due to revenue corrections being recorded as fund to fund transfers in various funds.

The District corrected the financial statements and their accounting system, where applicable, for identified errors.

In addition to the errors noted above, we also identified additional immaterial misstatements ranging from \$380 to \$30,490 that we have brought to the District's attention

Failure to accurately post and report transactions could result in material errors in the District's financial statements and reduces the District's ability to monitor financial activity and to make sound decisions which affect the overall available cash position of the District.

The District should review and implement internal controls to ensure financial transactions are accurately recorded and reported.

Officials' Response:

We did not receive a response from the District.

FINDING NUMBER 2023-002

Noncompliance – Expenditures Exceeding Appropriations

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

FINDING NUMBER 2023-002
(Continued)

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the District's Public Health Workforce fund had expenditures in excess of appropriations of \$5,482 at December 31, 2023.

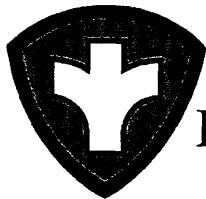
Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the District's General Health, Creating Healthy Communities, Covid-19 Enhanced Operations, Covid-19 Vaccines, and Public Health Nursing funds had expenditures in excess of appropriations of \$131,461, \$6,661, \$139,799, \$46,565, and \$184,372, respectively at December 31, 2022.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response:

We did not receive a response from the District.



Adams County Health Department

Public Health
Prevent. Promote. Protect.

Division of Administration
Amanda Fraley
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afraley@adamscountyhealth.org

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2023 AND 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Not Corrected	Reissued as Finding 2023-001
2021-002	2 CFR – Reporting Compliance Requirements AL# 21.019	No Longer Warranting Further Action	District was not subject to Single Audit for current fiscal years.
2021-003	2 CFR – Allowable Costs / Cost Principles AL# 93.991	No Longer Warranting Further Action	District was not subject to Single Audit for current fiscal years.
2021-004	2 CFR – Equipment and Real Property Management AL# 93.991	No Longer Warranting Further Action	District was not subject to Single Audit for current fiscal years.
2021-005	2 CFR – Reporting Compliance Requirements AL# 93.991	No Longer Warranting Further Action	District was not subject to Single Audit for current fiscal years.

OHIO AUDITOR OF STATE KEITH FABER



ADAMS COUNTY DISTRICT BOARD OF HEALTH

ADAMS 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 2/4/2025

65 East State 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