

ROSS COUNTY HEALTH DISTRICT
ROSS COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024





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Board of Health
Ross County Health District
150 East Second Street
Chillicothe, Ohio 45601

We have reviewed the *Independent Auditor's Report* of the Ross County Health District, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 02, 2025

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Ross County Health District
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Independent Auditor's Report

Board of Health
Ross County Health District
150 East Second Street
Chillicothe, Ohio 45601

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross County Health District, Ross County, Ohio (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross County Health District, Ross County, as of December 31, 2024, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General and WIC Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

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 (*Government Auditing Standards*). 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.

Emphasis of Matter – Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. 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.

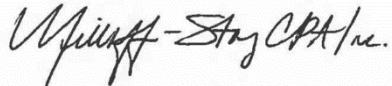
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2025 on our consideration of the District's internal control over financial reporting and on 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.



Millhuff-Stang, CPA, Inc.
Wheelerburg, Ohio

June 18, 2025

Ross County Health District

Ross County

Statement of Net Position - Cash Basis

December 31, 2024

	<u>Governmental Activities</u>
Assets	
Cash	\$1,617
Equity in County Treasury	<u>5,329,116</u>
<i>Total Assets</i>	<u><u>\$5,330,733</u></u>
Net Position	
Restricted for:	
Other Purposes	\$125,433
Unrestricted	<u>5,205,300</u>
<i>Total Net Position</i>	<u><u>\$5,330,733</u></u>

See accompanying notes to the basic financial statements

Ross County Health District
Ross County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2024

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Children's Health	\$1,283,823	\$408,790	\$850,821	(\$24,212)
Environmental Health	560,387	380,287	25,000	(155,100)
Community Health	793,491	264,754	554,718	25,981
Administrative Services	910,697	515,103	43,363	(352,231)
Health Promotion	997,640	0	1,024,623	26,983
Capital Outlay	82,228	0	0	(82,228)
Debt Service:				
Principal	<u>125,521</u>	<u>0</u>	<u>0</u>	<u>(125,521)</u>
<i>Total Governmental Activities</i>	<u><u>\$4,753,787</u></u>	<u><u>\$1,568,934</u></u>	<u><u>\$2,498,525</u></u>	<u><u>(686,328)</u></u>
General Receipts:				
Property Taxes Levied for General Purposes				1,461,210
Grants/Entitlements not Restricted to Specific Programs				33,586
Miscellaneous				<u>40,254</u>
<i>Total General Receipts</i>				<u>1,535,050</u>
Change in Net Position				848,722
<i>Net Position Beginning of Year</i>				<u>4,482,011</u>
<i>Net Position End of Year</i>				<u><u>\$5,330,733</u></u>

See accompanying notes to the basic financial statements

Ross County Health District
Ross County
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2024

	General	WIC	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$1,537	\$0	\$80	\$1,617
Equity in County Treasury	<u>5,203,763</u>	0	125,353	5,329,116
<i>Total Assets</i>	<u><u>\$5,205,300</u></u>	<u><u>\$0</u></u>	<u><u>\$125,433</u></u>	<u><u>\$5,330,733</u></u>
Fund Balances				
Restricted	\$0	\$0	\$125,433	\$125,433
Assigned	2,022	0	0	2,022
Unassigned	<u>5,203,278</u>	0	0	5,203,278
<i>Total Fund Balances</i>	<u><u>\$5,205,300</u></u>	<u><u>\$0</u></u>	<u><u>\$125,433</u></u>	<u><u>\$5,330,733</u></u>

See accompanying notes to the basic financial statements

Ross County Health District
Ross County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2024

	General	WIC	Formerly Major Enhanced Operations	Other Governmental Funds	Total Governmental Funds
Receipts					
Property Taxes	\$1,461,210	\$0	\$0	\$0	\$1,461,210
Intergovernmental:	76,949	538,780	0	1,916,382	2,532,111
Charges for Services	842,484	0	0	726,450	1,568,934
Miscellaneous	8,747	0	0	31,507	40,254
<i>Total Receipts</i>	<i>2,389,390</i>	<i>538,780</i>	<i>0</i>	<i>2,674,339</i>	<i>5,602,509</i>
Disbursements					
Current:					
Children's Health	0	548,440	0	735,383	1,283,823
Environmental Health	96,728	0	0	463,659	560,387
Community Health	325,619	0	0	467,872	793,491
Administrative Services	910,697	0	0	0	910,697
Health Promotion	0	0	0	997,640	997,640
Capital Outlay	0	0	0	82,228	82,228
Debt Service:					
Principal	97,055	0	0	28,466	125,521
<i>Total Disbursements</i>	<i>1,430,099</i>	<i>548,440</i>	<i>0</i>	<i>2,775,248</i>	<i>4,753,787</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>959,291</i>	<i>(9,660)</i>	<i>0</i>	<i>(100,909)</i>	<i>848,722</i>
Other Financing Sources (Uses)					
Transfers In	0	0	0	109,990	109,990
Advances In	185,161	42,926	0	114,690	342,777
Transfers Out	(109,990)	0	0		(109,990)
Advances Out	(157,616)	(33,266)	0	(151,895)	(342,777)
<i>Total Other Financing Sources (Uses)</i>	<i>(82,445)</i>	<i>9,660</i>	<i>0</i>	<i>72,785</i>	<i>0</i>
<i>Net Change in Fund Balances</i>	<i>876,846</i>	<i>0</i>	<i>0</i>	<i>(28,124)</i>	<i>848,722</i>
<i>Fund Balances Beginning of Year, As Previously Reported</i>	<i>4,328,454</i>	<i>0</i>	<i>0</i>	<i>153,557</i>	<i>4,482,011</i>
<i>Adjustment for Change in Major Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Fund Balances Beginning of Year, As Adjusted</i>	<i>4,328,454</i>	<i>0</i>	<i>0</i>	<i>153,557</i>	<i>4,482,011</i>
<i>Fund Balances, End of Year</i>	<i>\$5,205,300</i>	<i>\$0</i>	<i>\$0</i>	<i>\$125,433</i>	<i>\$5,330,733</i>

See accompanying notes to the basic financial statements

Ross County Health District
 Ross County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 General Fund
 For the Year Ended December 31, 2024*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property Taxes	\$1,431,239	\$1,431,239	\$1,461,210	\$29,971
Intergovernmental:	75,997	75,997	76,949	952
Charges for Services	510,000	510,000	515,103	5,103
Miscellaneous	1,000	2,500	8,707	6,207
<i>Total Receipts</i>	<i>2,018,236</i>	<i>2,019,736</i>	<i>2,061,969</i>	<i>42,233</i>
Disbursements				
Current:				
Administrative Services	1,048,140	1,065,750	910,697	155,053
Capital Outlay	5,000	5,000	0	5,000
Debt Service:				
Principal	70,000	69,544	69,544	0
<i>Total Disbursements</i>	<i>1,123,140</i>	<i>1,140,294</i>	<i>980,241</i>	<i>160,053</i>
<i>Excess of Receipts Over Disbursements</i>	<i>895,096</i>	<i>879,442</i>	<i>1,081,728</i>	<i>202,286</i>
Other Financing Sources (Uses)				
Advances In	0	0	185,161	185,161
Transfers Out	(505,719)	(505,719)	(231,630)	274,089
Advances Out	0	0	(157,616)	(157,616)
<i>Total Other Financing Sources (Uses)</i>	<i>(505,719)</i>	<i>(505,719)</i>	<i>(204,085)</i>	<i>301,634</i>
<i>Net Change in Fund Balance</i>	<i>389,377</i>	<i>373,723</i>	<i>877,643</i>	<i>503,920</i>
<i>Fund Balance, Beginning of Year</i>	<i>4,291,379</i>	<i>4,291,379</i>	<i>4,291,379</i>	<i>0</i>
Prior Year Encumbrances Appropriated	36,016	36,016	36,016	0
<i>Fund Balance, End of Year</i>	<i>\$4,716,772</i>	<i>\$4,701,118</i>	<i>\$5,205,038</i>	<i>\$503,920</i>

See accompanying notes to the basic financial statements

Ross County Health District

Ross County

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual - Budget Basis

WIC

For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental:	<u>\$616,702</u>	<u>\$616,702</u>	<u>\$538,780</u>	<u>(\$77,922)</u>
<i>Total Receipts</i>	616,702	616,702	538,780	(77,922)
Disbursements				
Current:				
Children's Health	<u>616,702</u>	<u>592,564</u>	<u>548,440</u>	<u>44,124</u>
<i>Total Disbursements</i>	<u>616,702</u>	<u>592,564</u>	<u>548,440</u>	<u>44,124</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	0	24,138	(9,660)	(33,798)
Other Financing Sources (Uses)				
Advances In	0	0	42,926	42,926
Advances Out	<u>0</u>	<u>0</u>	<u>(33,266)</u>	<u>(33,266)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>9,660</u>	<u>9,660</u>
<i>Net Change in Fund Balance</i>	0	24,138	0	(24,138)
<i>Fund Balance, Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u><u>\$0</u></u>	<u><u>\$24,138</u></u>	<u><u>\$0</u></u>	<u><u>(\$24,138)</u></u>

See accompanying notes to the basic financial statements

Ross County Health District

Ross County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2024*

Note 1 – Reporting Entity

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

By law the Ross County Auditor is the fiscal agent of the District.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District is responsible for the administration of all health programs established by the Ohio Revised Code, the Ohio Department of Health, and the Public Health Council. The District's services include, but are not limited to, communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, environmental health programs, children's health services and emergency response planning.

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

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

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

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

Ross County Health District

Ross County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2024*

Fund Financial Statements

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

Fund Accounting

The 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 in one category: governmental.

Governmental Funds - Governmental funds are those through which most governmental functions of the District are financed. In FY24, The Enhanced Operations program was no longer considered a major fund due to decreased revenue. The following are the District's major governmental funds:

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.

WIC Fund - This fund accounts for and reports federal grant monies restricted to the Women, Infants and Children program.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

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

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate.

The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

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

Ross County Health District

Ross County

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

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

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

Cash and Investments

The County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District's cash and investments, which are reported at the County Treasurer's carrying amount. The carrying amount of these cash and investments as of December 31, 2024, was \$5,329,116. Deposits and investments disclosures for the County as a whole may be obtained from the Ross County Auditor's Office, 2 North Paint Street, Suite G, Chillicothe, Ohio 45601, (740)702-3080.

The District maintains a bank account to hold District receipts during each month and then makes a monthly deposit to the County. The carrying amount of these deposits as of December 31, 2024, was \$1,617, and the bank balance was \$1,617. The entire balance was covered by federal depository insurance.

Restricted Assets

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

Inventory and Prepaid Items

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

Capital Assets

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

Interfund Receivables/Payables

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

Ross County Health District

Ross County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2024*

Employer Contributions to Cost-Sharing Pension Plans

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

Long-Term Obligations

The District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

Leases

The District is the lessee (as defined by GASB 87) in various leases related to buildings and equipment under noncancelable leases. Lease payables are not reflected under the District's cash basis of accounting. Lease disbursements are recognized when they are paid.

Net Position

Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted for other purposes is comprised primarily of resources restricted for grants. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans. The District reported no nonspendable fund balances as of December 31, 2024.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District reported no committed fund balances as of December 31, 2024.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a District official delegated that authority by resolution, or by State Statute.

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Notes to the Basic Financial Statements For the Year Ended December 31, 2024

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

The 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.

Internal Activity

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

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

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balance – budget and actual – budget basis presented for the general fund and the WIC fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are as follows:

- Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).
- As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, certain funds that are legally budgeted should be reported within the General Fund unless they meet the specific criteria for being classified as a special revenue fund. To qualify as a special revenue fund, the resources must be restricted or committed to specific purposes other than debt service or capital projects by external parties, constitutional provisions, or enabling legislation. If the source of revenue is not legally restricted or committed, even if it is budgeted separately, the fund should be reported within the General Fund.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	WIC
Cash Basis	\$876,846	\$0
Combined Funds	797	0
Budget Basis	<u>\$877,643</u>	<u>\$0</u>

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Ross 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.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2024 for real and public utility property taxes represents collections of 2023 taxes.

2024 real property taxes are levied after October 1, 2024, on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The full tax rate for all District operations for the year ended December 31, 2024, was \$1.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

Real Property	\$1,640,581,070
Public Utility Personal Property	<u>\$198,020,350</u>
Total	<u>\$1,838,601,420</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the County. The County Auditor periodically remits to the District its portion of the taxes collected.

Note 6 – Interfund Balances and Transfers

Transfers

During 2024, the following transfers were made:

Transfer to	Transfer From			Total
	General	Major Special Revenue Fund	Other Nonmajor Governmental	
Other Nonmajor	\$109,990	\$0	\$0	\$109,990

Transfers were made from the general fund to various special revenue funds to subsidize operations.

Interfund Balances

Interfund balances at December 31, 2024, consisted of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
Major Funds:		
General Fund	\$157,616	\$0
WIC Fund	0	42,926
Nonmajor Funds:		
Home Visiting	0	5,540
Mobility Management	0	11,791
Creating Healthy Communities	0	7,267
Enhanced Operations	0	29,169
Get Vaccinated	0	2,506

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MIECHV	0	30,399
Workforce Development	0	9,461
BCCP	0	2,578
Integrated Harm Reduction	0	6,796
Post Overdose Response Team	0	3,390
Medical Reserve Corp	0	3,681
Adolescent Health Resiliency Grant	0	2,112
Total Nonmajor Funds	0	114,690
Total All Funds	\$157,616	\$157,616

Interfund balances at December 31, 2024, were advanced to various special revenue funds to cover negative fund balances until pending grant money requests were received. These advances are expected to be repaid within one year.

Note 7 – Risk Management

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, 2023 (the latest information available):

Cash and Investments	\$43,996,442
Actuarial Liabilities	\$19,743,401

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

Note 8 – Defined Benefit Pension Plans

The Statewide retirement system provides both pension benefits and other postemployment benefits (OPEB).

Ohio Public Employees Retirement System (OPERS)

Plan Description – District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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Notes to the Basic Financial Statements For the Year Ended December 31, 2024

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

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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

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

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

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Notes to the Basic Financial Statements For the Year Ended December 31, 2024

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

State and Local		
	Traditional	Combined
2024 Statutory Maximum Contribution Rates		
Employer	14.0%	14.0%
Employee *	10.0%	10.0%
2024 Actual Contribution Rates		
Employer		
Pension ****	14.0%	12.0%
Post-employment Health Care Benefits ****	0.0	2.0
Total Employer	14.0%	14.0%
Employee	10.0%	10.0%

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

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$349,759 for the year 2024.

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

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.

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Notes to the Basic Financial Statements For the Year Ended December 31, 2024

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

Group C 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

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Notes to the Basic Financial Statements For the Year Ended December 31, 2024

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$0 for the year 2024.

Note 10 – Debt

Changes in the long-term obligations of the District during 2024 were as follows:

	Outstanding at 12/31/23	Issued	Retired	Outstanding at 12/31/24	Due within One Year
Governmental Activities: Financed Purchase-Building	\$812,357	\$0	(\$329,202)	\$483,155	\$125,519

Financed Purchases

In 2014, the District entered into a direct borrowing financed purchase agreement for the purchase of a building and for additional funds to renovate the building. Within the agreement, the District agreed that if it failed to pay payments or any other amount required to be paid within ten days after the due date or if the District remains in default under any other condition of the agreement for a period of thirty days after written notice from the financer, the District may, at the financer's option, without notice to the District, terminate the lease. Alternately, the financer may re-enter

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Notes to the Basic Financial Statements For the Year Ended December 31, 2024

and take possession of the premises and remove all persons and properties therefrom, and re-let the premises or any part thereof, for all or any part of the remainder of the term to a party satisfactory of the financer. If the financer is unable to re-let the premises after reasonable efforts to do so, or should the monthly payment be less than the agreed upon rental of the District, then the District shall pay the amount of the deficiency to the financer.

During the current fiscal year, the Ross County Commissioners approved the forgiveness of all remaining interest owed on the building loan obligation. The interest on the Health District's lease-to-purchase agreement for the building was forgiven at the request of the Health Commissioner. The request was made to align with similar agreements made with other government entities and the county. In addition, any interest payments previously made on the loan were reclassified and applied toward the principal balance. As a result of these actions, the outstanding loan balance now reflects only the adjusted principal amount, with no further interest accruing. During the current year the total amount of interest forgiven was \$203,681 and our annual payments of \$125,521 reduced the outstanding balance as of 12/31/2024 to \$483,155.

The financed purchase agreement will be paid from several funds, including the general fund, community health funds, environmental funds, and health promotion funds.

Future financed purchase payments are as follows:

Year	Amount
2025	\$125,519
2026	125,519
2027	125,519
2028	<u>106,598</u>
Total	\$483,155

Note 11 – Contingent Liabilities

Grants

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

Litigation

The District is not currently party to legal proceedings.

Note 12 – Public Entity Risk Pool

The Public Entities Pool of Ohio (PEP) was designed to offer Ohio public entities liability and property coverage at a fair and stable price. PEP has met this goal. The PEP program is endorsed by the Ohio Municipal League, the Association of Ohio Health Commissioners, the Ohio Parks & Recreation Association and the Coalition of Ohio Regional Districts. PEP is the oldest public entity pool in Ohio with more than 600 members.

PEP's purpose is to form a local government risk pool, to provide for a joint or cooperative action by members relative to their financial and administrative resources for the purpose of providing risk management services and risk-sharing facilities to the members and to the members' employees and to defend and protect any member of the pool against liability. The District's payment to PEP in 2024 was \$28,518.

Note 13- Fund Balances

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

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Fund Balances	General	WIC	Other Governmental Funds	Total Governmental funds
<i>Restricted for</i>				
Children's Health	\$0	\$0	\$756	\$756
Environmental Health	0	0	14,355	14,355
Other	0	0	97,646	97,646
Health Promotion	0	0	12,676	12,676
Total	0	0	125,433	125,433
<i>Assigned for</i>				
Future Purchases	2,022	0	0	2,022
<i>Unassigned</i>	5,203,278	0	0	5,203,278
Total Fund Balances	\$5,205,300	\$0	\$125,433	\$5,330,733

Note 14 – New Accounting Pronouncements

In 2024, the Enhanced Operations Fund was reclassified from a major fund to a non-major fund due to it no longer meeting the quantitative criteria for major fund reporting in accordance with GASB Statement No. 34. This change in fund presentation is considered a change to or within the financial reporting entity. The Enhanced Operations Fund had a zero balance at December 31, 2023; therefore there was no effect on the January 1, 2024 beginning balance.

Per the guidance in GASB Statement No. 100, this change is prospectively applied and separately disclosed in the financial statements to provide clarity on its impact. The reclassification does not result from an error or misstatement, but rather from updated financial data affecting fund evaluation under GASB's major fund determination thresholds.

For 2024, GASB Statement No. 101, *Compensated Absences*, was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The Health District does not offer non-cash settlements.

Health District employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the Health District's cash basis of accounting.

Note 15 – 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 ended in April 2023. During 2024, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Number	Identifying Number	Provided to Subrecipients	Total Federal Expenditures
United States Department of Agriculture					
<i>Passed through the Ohio Department of Health</i>					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	07110011WA1724		\$0	\$462,633
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	07110011WA1825		0	109,478
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children				0	572,111
Total United States Department of Agriculture				0	572,111
United States Department of Justice					
<i>Direct from Federal Government:</i>					
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	2020-AR-BX-0069		173,751	213,859
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	15PBJA-22-GG-04435-COAP		98,932	249,879
Total Comprehensive Opioid, Stimulant, and Other Substances Use Program				272,683	463,738
Total United States Department of Justice				272,683	463,738
United States Department of Transportation					
<i>Passed through the Ohio Department of Transportation</i>					
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OCPX-0327-004-231		0	37,726
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	327-OCPX-25-0100		0	32,579
Total Transit Services Programs Cluster				0	70,305
<i>Passed through the Ohio Traffic Safety Office</i>					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	SC-2024-Ross County Health District		0	7,923
Total Transit Highway Safety Cluster				0	7,923
Total United States Department of Transportation				0	78,228
United States Department of Health and Human Services					
<i>Passed through the Ohio Department of Health</i>					
Public Health Emergency Preparedness	93.069	07110012PH1524		0	48,278
Public Health Emergency Preparedness	93.069	07110012PH0125		0	25,848
Total Public Health Emergency Preparedness				0	74,126
Immunization Cooperative Agreements	93.268	07110012GV0324		0	20,545
Immunization Cooperative Agreements	93.268	07110012GV0425		0	5,109
COVID 19 Immunization Cooperative Agreements	93.268	07110012CB0124		0	13,105
Total Immunization Cooperative Agreements				0	38,759
COVID 19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	07110012EO0323		0	322,715
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				0	322,715
Opioid STR	93.788	07110014IH0224		0	84,944
Total Opioid STR				0	84,944
Maternal, Infant, and Early Childhood Homevisiting Grant Program	93.870	07110011MH0424		0	151,901
Maternal, Infant, and Early Childhood Homevisiting Grant Program	93.870	0711011MH0424-01		0	30,399
Maternal, Infant, and Early Childhood Homevisiting Grant Program	93.870	X1145269		0	23,659
Total Maternal, Infant, and Early Childhood Homevisiting Grant Program				0	205,959
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	07110012WF0223		\$0	\$82,898
Preventive Health and Health Services Block Grant	93.991	07110014CC0523		0	2,344
Preventive Health and Health Services Block Grant	93.991	07110014CC0624		0	78,159
Preventive Health and Health Services Block Grant	93.991	07110014CC0725		0	16,901
Total Preventive Health and Health Services Block Grant				0	97,404
Maternal and Child Health Services Block Grant to the States	93.994	07110011AH0124		0	129,846
Maternal and Child Health Program Block Grant to the States	93.994	07110011AH0225		0	21,112
Maternal and Child Health Services Block Grant to the States	93.994	07110011CK0624		0	21,349
Maternal and Child Health Services Block Grant to the States	93.994	07110011CK0524-01		0	4,244
Total Maternal and Child Health Services Block Grant to the States				0	176,551
Medical Reserve Corps Small Grant Program	93.008	07110011MR0124		0	\$50,925
Total United States Department of Health and Human Services				0	1,134,281
Total Federal Financial Assistance				\$272,683	\$2,248,358

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**ROSS COUNTY HEALTH DISTRICT
ROSS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31,2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Ross County Health District (the District) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The District has elected to use the 10-percent de minimis indirect cost rate through September 30, 2024 and the 15-percent de minimis indirect cost rate beginning October 1, 2024 as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The District passes certain federal awards received from United States Department of Justice to other governments or not-for-profit agencies (subrecipients). As Note B describes the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through entity, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - MATCHING REQUIREMENTS

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



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Board of Health
Ross County Health District
150 East Second Street
Chillicothe, Ohio 45601

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 governmental activities, each major fund and the aggregate remaining fund information of the Ross County Health District, Ross County, Ohio (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 18, 2025, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Ross County Health District

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

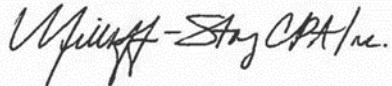
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Report on Compliance and Other Matters

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*.

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.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

June 18, 2025



**Report on Compliance For Each Major Program; Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

Board of Health
Ross County Health District
150 East Second Street
Chillicothe, Ohio 45601

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the Ross County Health District, Ross County, Ohio (the District) with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Ross County Health District

Report on Compliance For Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

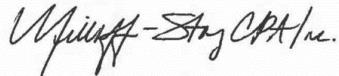
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A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelerburg, Ohio

June 18, 2025

Ross County Health District
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Year Ended December 31, 2024

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified (Cash Basis)
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major program(s):	WIC Special Supplemental Nutrition Program for Women, Infants and Children, AL #10.557; Comprehensive Opioid, Stimulant, and Other Substances Use Program, AL #16.838
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$750,000 Type B: All Others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

OHIO AUDITOR OF STATE KEITH FABER



ROSS COUNTY HEALTH DISTRICT

ROSS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 10/14/2025

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