

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

SINGLE AUDIT

JANUARY 1, 2018 – DECEMBER 31, 2018



WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board Members
Clark County Combined Health District
529 East Home Road
Springfield, Ohio 45503

We have reviewed the *Independent Auditor's Report* of the Clark County Combined Health District, Clark County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2018 through December 31, 2018. 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 Clark County Combined Health District is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 5, 2019

This page intentionally left blank.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances – All Governmental Fund Types - For the Year Ended December 31, 2018.....	3
Notes to the Financial Statement	4
Schedule of Expenditures of Federal Awards.....	12
Notes to the Schedule of Expenditures of Federal Awards -2 CFR 200.510(b)(6)	13
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	14
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	16
Schedule of Findings – 2 CFR § 200.515	18

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Combined Health District
Clark County
529 East Home Road
Springfield, Ohio 45503

To the Members of the Board:

Report on the Financial Statement

We have audited the accompanying financial statement of the cash balances, receipts and disbursements by fund type, and related notes of the Clark County Combined Health District, Ohio (the District) as of and for the year ended December 31, 2018.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the District prepared this financial statement using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

Combined Health District
Clark County
Independent Auditor's Report

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does 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, 2018, and the respective changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Clark County Combined Health District, Ohio as of December 31, 2018, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Matters

Our audit was conducted to opine on the financial statement taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis 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 and is not a required part of the financial statement.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statement. We subjected this schedule to the auditing procedures we applied to the financial statement. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the financial statement taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

May 20, 2019
Newark, Ohio

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
Cash Receipts:			
Intergovernmental Revenues	\$ 267,918	\$ 2,106,552	\$ 2,374,470
Property Taxes	2,016,572	-	2,016,572
Licenses, Permits, & Fees	209,785	579,291	789,076
Contractual services	-	559,672	559,672
Medicaid	28,763	10,703	39,466
State Subsidy	35,943	-	35,943
Vital Statistics	326,705	-	326,705
Reimbursements	24,116	-	24,116
Other Receipts	379	548	927
Total Cash Receipts	<u>2,910,181</u>	<u>3,256,766</u>	<u>6,166,947</u>
Cash Disbursements:			
Salaries	1,271,411	1,783,167	3,054,578
Benefits	210,771	271,151	481,922
Insurances	393,113	502,013	895,126
Workers Compensation	18,818	27,906	46,724
Supplies	260,087	82,974	343,061
State Remittance	184,847	84,132	268,979
Equipment	9,940	333	10,273
Contract Services	100,833	287,581	388,414
Travel & Training	13,520	53,675	67,195
Maintenance / Utilities	29,532	120,891	150,423
Rent/Leases	120,116	79,792	199,908
County Auditor Fees	35,738	-	35,738
Reimbursements	-	7,369	7,369
Other	3,334	2,065	5,399
Total Cash Disbursements	<u>2,652,060</u>	<u>3,303,049</u>	<u>5,955,109</u>
Total Cash Receipts Over (Under) Cash Disbursements	<u>258,121</u>	<u>(46,283)</u>	<u>211,838</u>
Other Financing Cash Receipts/(Cash Disbursements):			
Transfers-In	-	259,000	259,000
Advances-In	256,000	30,000	286,000
Transfers-Out	(259,000)	-	(259,000)
Advances-Out	(30,000)	(256,000)	(286,000)
Total Other Financing Cash Receipts/(Cash Disbursements)	<u>(33,000)</u>	<u>33,000</u>	<u>-</u>
Net Change in Fund Balances	225,121	(13,283)	211,838
Fund Cash Balances, January 1, 2018	<u>2,043,619</u>	<u>1,215,336</u>	<u>3,258,955</u>
Fund Cash Balances, December 31, 2018	<u>\$ 2,268,740</u>	<u>\$ 1,202,053</u>	<u>\$ 3,470,793</u>
Fund Cash Balances, December 31			
Restricted	\$ -	\$ 1,043,031	\$ 1,043,031
Committed	95,935	159,022	254,957
Assigned	116,760	-	116,760
Unassigned	<u>2,056,045</u>	<u>-</u>	<u>2,056,045</u>
Fund Cash Balances, December 31, 2018	<u>\$ 2,268,740</u>	<u>\$ 1,202,053</u>	<u>\$ 3,470,793</u>

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the District

The constitution and laws of the State of Ohio establish the rights and privileges of the Combined Health District, Clark County (the District) as a body corporate and politic. An eight-member Board and a Health Commissioner govern the District. The District's services include prevention and control of diseases, sanitation, vital statistics, abatement and removal of nuisances, and air pollution control.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Basis of Accounting

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

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

C. Deposits and Investments

As required by the Ohio Revised Code, the Clark County Treasurer is custodian for the District's cash. The County's cash and investment pool holds the District's cash, valued at the County Treasurer's carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash that is restricted as to use. The District classifies its fund into the following type:

1. General Fund

The General Fund reports all financial resources except for restricted resources requiring a separate accounting. The General Fund balance is available for any purpose provided it is disbursed or transferred according to Ohio law.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2018
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

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

E. Budgetary Process

The Ohio Revised Code requires that its funds be budgeted annually.

1. Appropriations

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

2. 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.

3. 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 the 2018 budgetary activity appears in Note 2.

F. 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:

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2018
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

1. Nonspendable

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

2. 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.

3. 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.

4. Assigned

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

5. 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.

G. Property, Plant, and Equipment

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

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2018
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Intergovernmental Revenues

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the District’s cash basis method of accounting.

I. 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.

2. BUDGETARY ACTIVITY

Budgetary activity for the year ending 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,192,681	\$3,166,181	(\$26,500)
Special Revenue	3,760,859	3,545,766	(215,093)
Total	\$6,953,540	\$6,711,947	(\$241,593)

2018 Budgeted vs. Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,989,492	\$3,057,820	(\$68,328)
Special Revenue	3,585,469	3,612,076	(26,607)
Total	\$6,574,961	\$6,669,896	(\$94,935)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General and Special Revenue fund types at December 31, 2018. See Finding Number 2018-001.

3. PROPERTY TAX

The County Commissioners serve as a special taxing authority to levy a special levy outside the property tax ten-mil limitation to enable the District with sufficient funds to provide health programs and maintain general operations. The County Commissioners place a countywide (excluding the City of New Carlisle) levy of 1.0 mils on the 2001 ballot and obtained voter approval by the electors of the County. The District continued to pass replacement levies since 2001 noting the most recent five year replacement levy approved was in calendar year 2016 which represents real estate collections for calendar year 2018 through 2022.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2018
(CONTINUED)**

3. PROPERTY TAX (Continued)

Real property taxes become a lien on January 1 preceding the October 1 date for which the tax rates are adopted. The State District of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

4. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2018, all employees with the exception of the Health Commissioner, contributed 10% of their gross salaries and the District contributed an amount equaling 14%. Regarding the Health Commissioner, the District contributes 24% of the Health Commissioner's gross salary to OPERS, which is considered the Health Commissioner's required 10% plus the District's required contribution of 14%. The District has paid all contributions required through December 31, 2018.

5. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

6. CONTRACTUAL OBLIGATIONS

The District entered into agreements for the purpose of rental space for operations of the Women, Infants and Children (WIC) and Early Childhood (EC) programs and also seven vehicles to be used for District operations.

Rental space for the WIC/EC programs is for a period of ten years with a base rent of \$4,160.42 per month. The seven vehicles are for a period of 36 months commencing August 2016 and continue to August 2019 with base rent ranging from \$227.17 to \$266.83 per month. At the time of expiration a decision will be made regarding the future of the vehicles.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2018
(CONTINUED)**

7. RISK MANAGEMENT

A. Risk Pool Membership

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

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017 (the latest information available):

	<u>2017</u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the District's share of these unpaid claims collectible in future years is approximately \$30,163.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2018
(CONTINUED)**

7. RISK MANAGEMENT (Continued)

A. Risk Pool Membership (Continued)

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>2018 Contributions to PEP</u> \$47,878

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

B. County Commissioner Association of Ohio Workers' Compensation Group Rating Plan

For 2018, through Clark County serving as the District's fiscal agent, the District participated in the County/Commissioners Association of Ohio Workers' Compensation Group Rating Plan ("the GRP"), an insurance purchasing pool. The intent of the GRP is to achieve a reduced premium for the District by virtue of its grouping with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than the individual rate.

The GRP then calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from, or pays rate equalization rebates to the various participants. Participation in the plan is limited to counties that can meet the Plan's selection criteria.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2018
(CONTINUED)**

7. RISK MANAGEMENT (Continued)

C. Employee Medical Benefits

The District participated in a health insurance plan through United Medical Resources in 2018 available for all full-time employees. The fully insured plan includes health, mental health, and prescription benefits. The cost of the program for 2018 was \$880,952 compared to \$931,790 for 2017 and \$1,028,930 for 2016. The District also participates in a group dental plan with Superior Dental. The total cost for the program in 2018 was \$11,770 compared to \$12,135 for 2017 and \$17,484 for 2016. This indicates a decrease between 2017 and 2018 and attributed to less employees accepting coverage and insurance rates decreasing.

8. CONTINGENT LIABILITIES

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

9. INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2018, were as follows:

Transfers from the General Fund to Special Revenue Funds: \$259,000

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund advances for the year ended December 31, 2018 were as follows:

Advances from the General Fund to the Special Revenue Fund: \$30,000

Advances from the Special Revenue Fund to the General Fund : \$256,000

Advances represent the allocation of unrestricted receipts to finance a program that had not received the total grant funds awarded as of December 31, 2018, or return advances from those programs to the General fund.

This page intentionally left blank.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	CFDA Number	Expenditures
U.S. Department of Agriculture			
<i>Passed through the Ohio Department of Health:</i>			
Special Supplemental Nutrition Program for Women, Infants, & Children	01210011WA0518	10.557	\$ 650,233
	01210011WA0619	10.557	106,434
Total U.S. Department of Agriculture			<u>756,667</u>
U.S. Department of Health and Human Services			
<i>Passed through the Ohio Department of Health:</i>			
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	01210012IM1017	93.539	18,756
Immunization Cooperative Agreements	01210012GV0119	93.268	58,660
Maternal and Child Health Services Block Grant to the States	01210011OM0218	93.994	106,428
Maternal and Child Health Services Block Grant to the States	01210011MB0119	93.994	30,166
Maternal and Child Health Services Block Grant to the States	01210011RH0218	93.994	1,622
Maternal and Child Health Services Block Grant to the States	01210011MP0218	93.994	31,063
Maternal and Child Health Services Block Grant to the States	01210011MP0319	93.994	64,078
Total Maternal and Child Health Services Block Grant to the States			<u>233,357</u>
Hospital Preparedness Program and Public Health Emergency Preparedness	01210012PH0918	93.074	78,327
Hospital Preparedness Program and Public Health Emergency Preparedness	01210012PH1019	93.074	30,825
Total Hospital Preparedness Program and Public Health Emergency Preparedness			<u>109,152</u>
Maternal, Infant and Early Childhood Home Visiting Grant Cluster:			
Maternal, Infant and Early Childhood Home Visiting Grant Program	01210011MH0218	93.870	322,789
Maternal, Infant and Early Childhood Home Visiting Grant Program	01210011MH0319	93.870	99,238
Total Maternal, Infant and Early Childhood Home Visiting Grant Cluster			<u>422,027</u>
Preventative Health & Health Services Block Grant	01210014CC0317	93.758	39,894
Preventative Health & Health Services Block Grant	01210014CC0418	93.758	43,431
Total Preventative Health & Health Services Block Grant			<u>83,325</u>
National State Based Tobacco Control Programs	01210014CC0418	93.305	4,737
Centers for Disease Control and Prevention Investigations and Technical Assistance	01210014TU0319	93.283	9,524
Family Planning - Services	01210011RH0218	93.217	16,630
Family Planning - Services	01210011RH0319	93.217	30,361
Total Family Planning - Services			<u>46,991</u>
Total U.S. Department of Health and Human Services			<u>986,529</u>
U.S. Department of Transportation			
<i>Passed through Ohio Department of Public Safety:</i>			
Highway Safety Cluster:			
State and Community Highway Safety	SC-2018-Clark County Combined Hea-00030	20.600	24,239
State and Community Highway Safety	SC-2019-Clark County Combined Hea-00052	20.600	3,867
Total U.S. Department of Transportation National Highway Traffic Safety Administration			<u>28,106</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,771,302</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Combined Health District, Clark County (the District's) under programs of the federal government for the year ended December 31, 2018. 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 cash basis financial position or changes in fund balance 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - 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.

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

Combined Health District
Clark County
529 East Home Road
Springfield, Ohio 45503

To the Members of the Board:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the cash balances, receipts, and disbursements by fund type of the Clark County Combined Health District, (the District) as of and for the year ended December 31, 2018, and the related notes to the financial statement and have issued our report thereon dated May 20, 2019 wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-001.

District's Response to Findings

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

Purpose of this Report

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

Wilson, Shuman & Snow, Inc.

May 20, 2019
Newark, Ohio

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Combined Health District
Clark County
529 East Home Road
Springfield, Ohio 45503

To the Members of the Board:

Report on Compliance for the Major Federal Program

We have audited the Clark County Combined Health District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Clark County Combined Health District's major federal program for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, Clark County Combined Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Wilson, Sherman & Snow, Inc.

May 20, 2019
Newark, Ohio

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	GAAP – Adverse Regulatory – Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants, & Children/ C.F.D.A. 10.557
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

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

Finding Number	2018-001
----------------	----------

Noncompliance Citation

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated at the defined legal level of control. We noted the following funds which had expenditures exceeding appropriations at December 31, 2018:

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Noncompliance</u>
General –Salaries	\$1,281,297	\$1,265,260	(\$16,037)
General –OPERS	207,752	195,106	(12,646)
General –Medicare	19,191	18,072	(1,119)
General –Health Insurance	420,345	386,034	(34,311)
General –Travel	15,371	12,760	(2,611)
General –Office Supplies	288,542	253,086	(35,456)
General –Advertising and Printing	1,380	0	(1,380)
General – Contract Services	110,345	104,109	(6,236)
General –Maintenance	35,524	30,055	(5,469)
General – Other	3,646	1,646	(2,000)
Special Revenue – Food Service – Health Insurance	26,112	25,265	(847)
Special Revenue – Food Service – Office Supplies	2,582	1,852	(730)
Special Revenue – Solid Waste –Salaries	82,986	81,200	(1,786)
Special Revenue – Solid Waste – Health Insurance	24,790	24,353	(437)
Special Revenue – Solid Waste-Reimbursements	1,869	0	(1,869)
Special Revenue – Water Systems – Health Insurance	19,728	18,235	(1,493)
Special Revenue – Water Systems – Contract Services	19,276	18,360	(916)
Special Revenue – Water Systems – Rents and Leases	9,530	8,398	(1,132)
Special Revenue – HIV Grant – Salaries	35,118	30,000	(5,118)
Special Revenue – HIV Grant – OPERS	4,916	4,200	(716)
Special Revenue – Early Start Grant – Salaries	211,002	209,402	(1,600)
Special Revenue – Early Start Grant – OPERS	31,584	28,716	(2,868)
Special Revenue – Early Start Grant – Health Insurance	61,145	56,435	(4,710)
Special Revenue – Cribs for Kids – Salaries	6,892	5,822	(1,070)
Special Revenue – Plumbing – Salaries	95,076	51,700	(43,376)

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

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

Finding Number	2018-001 (Continued)
----------------	----------------------

Noncompliance Citation – Ohio Revised Code Section 5705.41(B) – (Continued)

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Noncompliance</u>
Special Revenue – Plumbing – OPERS	\$13,046	\$7,238	(\$5,808)
Special Revenue – Plumbing – Medicare	1,366	750	(616)
Special Revenue – Plumbing – Health Insurance	28,376	19,561	(8,815)
Special Revenue – WIC – Rents and Leases	39,224	36,703	(2,521)
Special Revenue – WIC – Utilities	5,432	4,357	(1,075)
Special Revenue – OIMRI Grant – Salaries	77,250	72,275	(4,975)
Special Revenue – OIMRI Grant – OPERS	10,815	10,119	(696)
Special Revenue – Safe Communities Grant – Salaries	19,770	14,109	(5,661)
Special Revenue – Public Infrastructure – Salaries	66,641	61,488	(5,153)
Special Revenue – Public Infrastructure – OPERS	9,330	8,630	(700)
Special Revenue – Public Infrastructure – Training	5,131	3,079	(2,052)
Special Revenue – Public Infrastructure – Travel	2,659	2,122	(537)
Special Revenue – Environmental Services – Salaries	52,119	51,095	(1,024)
Special Revenue – CD&D – Fees – State	50,852	47,456	(3,396)
Special Revenue – Sewage Treatment – Salaries	68,915	68,068	(847)
Special Revenue – FHV – Training	1,922	1,366	(556)
Special Revenue – FHV – Travel	9,080	8,347	(733)
Special Revenue – FHV – Rents and Leases	9,782	9,042	(740)
Special Revenue – MSG Grant – Contract Services	23,757	20,000	(3,757)
Special Revenue – Health - CHC – Salaries	35,750	34,151	(1,599)
Special Revenue – Health - CHC – OPERS	5,202	4,338	(864)
Special Revenue – Health - CHC – Health Insurance	1,777	257	(1,520)
Special Revenue – Health - CHC – Contract Services	27,210	25,100	(2,110)
Special Revenue – RHW – Health Insurance	5,656	4,534	(1,122)
Special Revenue – RHW – Office Supplies	7,517	6,363	(1,154)
Special Revenue – RHW – Contract Services	36,248	30,743	(5,505)
Special Revenue – MCHP – Salaries	33,688	31,939	(1,749)
Special Revenue – MHCP – OPERS	5,073	4,471	(602)
Special Revenue – MHCP – Maintenance	15,419	726	(14,693)

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

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

Finding Number	2018-001 (Continued)
----------------	----------------------

Noncompliance Citation – Ohio Revised Code Section 5705.41(B) – (Continued)

We recommend that the District comply with Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed appropriations at the legal level of control. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary.

Management's Response: The District will monitor and modify appropriations at the legal level of control to ensure compliance with the Ohio Revised Code.

3. FINDINGS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



CLARK COUNTY COMBINED HEALTH DISTRICT

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 18, 2019**