

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

SINGLE AUDIT

JANUARY 1, 2021 – DECEMBER 31, 2021



**WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS**

OHIO AUDITOR OF STATE
KEITH FABER



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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, 2021 through December 31, 2021. 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 cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 02, 2022

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**COMBINED HEALTH DISTRICT
CLARK COUNTY**

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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 Audit of the Financial Statement

Unmodified and Adverse Opinions

We have audited the financial statement of the Combined Health District, Clark County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2021, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2021, and the related notes to the financial statement, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statement 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, 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, 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 Statement

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

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 statement, 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 statement.
- 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.

Combined Health District
Clark County
Independent Auditor's Report

- 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 statement.
- 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 to opine on the financial statement as a whole.

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 financial statement.

The schedule is the responsibility of management 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 itself, and other additional procedures 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Newark, Ohio
July 22, 2022

**COMBINED HEALTH DISTRICT
CLARK COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR YEAR ENDED DECEMBER 31, 2021**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
Cash Receipts:			
Intergovernmental Revenue	\$ 262,239	\$ 4,066,556	\$ 4,328,795
Property Taxes	2,099,306	-	2,099,306
Licenses, Permits, & Fees	405,602	685,011	1,090,613
Contractual services	-	681,493	681,493
Medicaid	55,476	-	55,476
State Subsidy	33,421	-	33,421
Vital Statistics	515,651	-	515,651
Reimbursements	183,510	-	183,510
Other receipts	204	981	1,185
Total Cash Receipts	<u>3,555,409</u>	<u>5,434,041</u>	<u>8,989,450</u>
Cash Disbursements:			
Salaries	1,776,648	3,416,929	5,193,577
Benefits	281,710	522,145	803,855
Insurances	411,236	705,063	1,116,299
Supplies / COVID Supplies	470,453	298,483	768,936
State Remittance	219,663	89,708	309,371
Equipment	7,553	20,000	27,553
Contract Services	224,945	475,548	700,493
Travel & Training	19,131	39,926	59,057
Maintenance / Utilities	100,095	112,818	212,913
Rent/Leases	12,391	155,626	168,017
County Auditor Fees	38,534	-	38,534
Reimbursements	-	88,993	88,993
Other	3,546	1,174	4,720
Total Cash Disbursements	<u>3,565,905</u>	<u>5,926,413</u>	<u>9,492,318</u>
Total Cash Receipts Under Cash Disbursements	<u>(10,496)</u>	<u>(492,372)</u>	<u>(502,868)</u>
Other Financing Cash Receipts/(Cash Disbursements)			
Transfers-In	-	170,667	170,667
Advances-In	496,200	570,200	1,066,400
Transfers-Out	(170,667)	-	(170,667)
Advances-Out	(570,200)	(496,200)	(1,066,400)
Total Other Financing Cash Receipts/(Cash Disbursements)	<u>(244,667)</u>	<u>244,667</u>	<u>-</u>
Net Change in Fund Balance	(255,163)	(247,705)	(502,868)
Fund Cash Balances, January 1, 2021	<u>2,392,702</u>	<u>1,792,564</u>	<u>4,185,266</u>
Fund Cash Balances, December 31, 2021	<u>\$ 2,137,539</u>	<u>\$ 1,544,859</u>	<u>\$ 3,682,398</u>

See accompanying notes to the financial statement.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Clark County Combined Health District, (the District) as a body corporate and politic. A seven-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 the financial statement presents all activities for which the District is financially accountable.

B. Basis of Accounting

The financial statement follows the basis of accounting the Auditor of State prescribes or permits. 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. This is also true for loan or loan guarantee programs (WPCLF & H2Ohio). The current balance as of December 31, 2021 for WPCLF is \$140,855 and the current balance as of December 31, 2021 for H2Ohio is \$102,928. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). The Health District does not elect to use the 10% de minimis cost rate as covered in Section 200.414 of the OMB Guidance.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

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.

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.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that its funds be budgeted annually (except Custodial Funds).

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 re-appropriated.

A summary of the 2021 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:

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Board and the nonspendable portion of the corpus in permanent funds.

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.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

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

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. Capital Assets

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.

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 Clark County Combined Health District's personnel policy is available upon request for the restrictions for unused leave. The financial statements do not include a liability for unpaid leave.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021**

2. BUDGETARY ACTIVITY

Budgetary activity for the year ending 2021 follows:

<u>2021 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 4,603,578	\$ 4,051,609	(\$ 551,969)
Special Revenue	<u>7,467,844</u>	<u>6,174,908</u>	<u>(1,292,936)</u>
Total	<u>\$12,071,422</u>	<u>\$10,226,517</u>	<u>(\$1,844,905)</u>

<u>2021 Budgeted vs. Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditure</u>	<u>Variance</u>
General	\$ 4,323,287	\$ 4,323,252	\$ 35
Special Revenue	<u>7,049,433</u>	<u>6,792,985</u>	<u>256,448</u>
Total	<u>\$11,372,720</u>	<u>\$11,116,237</u>	<u>\$256,483</u>

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 renewal levies since 2001 noting the most recent five year renewal levy approved was in calendar year 2016 which represents real estate collections for calendar year 2018 through 2022.

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 2021, 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, 2021.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021**

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, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent in calendar year 2021.

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, rental space (Sunset Ave) for all Nursing Services, and also nine vehicles to be used for District operations.

The District also entered into temporary agreements for the purpose of rental space for COVID-19 operations. This includes our CTEC (COVID Testing and Evaluation Center) location and our CVC (COVID Vaccination Center) location. Effective February 18, 2022 The District has closed the CTEC location due to the number of individuals seeking testing services. However, we continue to hand out home test kits to the residents of Clark County. Effective March 1, 2022 the CVC location will be closed but The District will continue to reach out to the Clark County residents to continue to vaccinate those who are seeking vaccination services.

Rental space for the WIC/EC programs is for a period of ten years with a base rent of \$4,160.42 per month. Rental space for Sunset Ave is a period of 2 years with a base rent of \$400 per month. The eight vehicles are for a period of 36 months commencing August 2019 and continue to August 2022 with base rent ranging from \$244.50 to \$324.25 per month. At the time of expiration a decision will be made regarding the future of the vehicles. At this time we are unsure whether we will be able to re-lease vehicles in 2022 due to the nationwide shortage. Our CTEC rental costs were an in kind contribution and the District did not enter into any agreements for rental space. However, our CVC location had a base rent for \$10,000 per month up until the contract period ends.

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 Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), 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 ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021**

7. RISK MANAGEMENT (Continued)

A. Risk Pool Membership (Continued)

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, 2020, 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 positions at December 31, 2020 (the latest information available):

	<u>2020</u>
Assets	\$57,336,499
Liabilities	(\$16,156,805)
Net Position	<u>\$41,179,694</u>

At December 31, 2020 the liabilities above include approximately \$13 million of estimated incurred claims payable. The assets above also include approximately \$11.3 million of unpaid claims to be billed. The Pool’s Member ship increased to 571 members in 2020. These amounts will be included in future contributions from members when the related claims are due for payment.

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>2021 Contributions to PEP</u>
\$60,050

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021**

7. RISK MANAGEMENT (Continued)

A. Risk Pool Membership (Continued)

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 2021, 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 Plans' selection criteria.

C. Employee Medical Benefits

The District participated in a health insurance plan through UMR in 2021 available for all full-time employees. The fully insured plan includes health, mental health, and prescription benefits. The cost of the program for 2021 was \$1,099,259 compared to 2020 \$1,016,350, and 2019 \$898,389. The District also participates in a group dental plan with Superior Dental. The total cost for the program in 2021 was \$14,127 compared to 2020 \$12,730, and 2019 \$12,936. This indicates an increase between 2020 and 2021 and was attributed to more employees accepting coverage and insurance rates increasing.

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.

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021**

9. INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2021, were as follows:

Transfers from the General Fund to Special Revenue Funds: \$170,677

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, 2021 were as follows:

Advances from the General Fund to the Special Revenue Fund: \$570,200

Advances from the Special Revenue Fund to the General Fund : \$496,200

Advances represent the allocation of unrestricted receipts to finance a program that had not received the total grant funds awarded as of December 31, 2021, or return advances from those programs to the General Fund.

10. COVID-19

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

11. FUND BALANCES

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

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 16,480	\$ 370,372	\$ 386,852

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

COMBINED HEALTH DISTRICT
CLARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Assistance Listing Number	Federal Expenditures
U.S. Department of Agriculture			
<i>Passed through the Ohio Department of Health:</i>			
Special Supplemental Nutrition Program for Women, Infants, & Children	01210011WA0821	10.557	\$ 726,562
Special Supplemental Nutrition Program for Women, Infants, & Children	01210011WA0922	10.557	<u>47,669</u>
Total U.S. Department of Agriculture			<u>774,231</u>
U.S. Department of Health and Human Services			
<i>Passed through the Ohio Department of Health:</i>			
Immunization Cooperative Agreements	01210012GV0321	93.268	39,345
Immunization Cooperative Agreements	01210012GV0422	93.268	36,041
COVID-19 - Immunization Cooperative Agreements	01210012VE0121	93.268	<u>120,552</u>
Total Immunization Cooperative Agreements			<u>195,938</u>
Maternal and Child Health Services Block Grant to the States	01210011MB0321	93.994	99,952
Maternal and Child Health Services Block Grant to the States	01210011RH0521	93.994	52,223
Maternal and Child Health Services Block Grant to the States	01210011MP0521	93.994	102,370
Maternal and Child Health Services Block Grant to the States	01210011CK0321	93.994	<u>2,175</u>
Total Maternal and Child Health Services Block Grant to the States			<u>256,720</u>
Public Health Emergency Preparedness	01210012PH1221	93.069	66,169
Public Health Emergency Preparedness	01210012PH1322	93.069	<u>37,843</u>
Total Public Health Emergency Preparedness			<u>104,012</u>
Maternal, Infant and Early Childhood Home Visiting Grant Cluster:			
Maternal, Infant and Early Childhood Home Visiting Grant Program	01210011MH0521	93.870	357,823
Maternal, Infant and Early Childhood Home Visiting Grant Program	01210011MH0622	93.870	<u>128,880</u>
Total Maternal, Infant and Early Childhood Home Visiting Grant Cluster			<u>486,703</u>
Preventive Health and Health Services Block Grant	01210014CC0620	93.991	56,358
Preventive Health and Health Services Block Grant	01210014CC0721	93.991	<u>33,013</u>
Total Preventive Health and Health Services Block Grant			<u>89,371</u>
National State Based Tobacco Control Programs	01210014TU0420	93.305	3,900
Family Planning - Services	01210011RH0521	93.217	76,034
Family Planning - Services	01210011RH0622	93.217	<u>291,230</u>
Total Family Planning - Services			<u>367,264</u>
Epidemiology and Laboratory Capacity for Infectious Diseases	01210012CT0121	93.323	89,329
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases	01210012EO0121	93.323	<u>527,249</u>
Total Epidemiology and Laboratory Capacity for Infectious Diseases			<u>616,578</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	01210012WF0122	93.354	11,846
Injury Prevention and Control Research and State and Community Based Programs	01210014DR0221	93.136	139,250
Injury Prevention and Control Research and State and Community Based Programs	01210014DR0322	93.136	<u>24,500</u>
Total Injury Prevention and Control Research and State and Community Based Programs			<u>163,750</u>
Temporary Assistance for Needy Families	G-2021-22-0945	93.558	12,890
Temporary Assistance for Needy Families	G-2021-22-0536	93.558	<u>38,679</u>
Total Temporary Assistance for Needy Families			<u>51,569</u>
Total U.S. Department of Health and Human Services			<u>2,347,651</u>
U.S. Department of Treasury			
<i>Passed through the Ohio Department of Health:</i>			
COVID-19 - Coronavirus Relief Fund	01210012CT0120	21.019	106,454
COVID-19 - Coronavirus Relief Fund	01210012CO0121	21.019	661,869
COVID-19 - Coronavirus Relief Fund	01210012VN0121	21.019	<u>20,000</u>
Total U.S. Department of Treasury			<u>788,323</u>
U.S. Department of Transportation			
<i>Passed through Ohio Department of Public Safety:</i>			
Highway Safety Cluster:			
State and Community Highway Safety	SC-2021-Clark County Combined Hea-00010	20.600	14,911
State and Community Highway Safety	SC-2022-Clark County Combined Hea-00039	20.600	<u>7,461</u>
Total U.S. Department of Transportation National Highway Traffic Safety Administration			<u>22,372</u>
Total Expenditures of Federal Awards			<u>\$ 3,932,577</u>

**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, 2021**

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, 2021. 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.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - 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.

NOTE E - COMMINGLING

The District has several funds which receive and expend federal and local funds to meet specific program requirements. It is assumed that federal dollars are expended first.

**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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the cash balances, receipts, and disbursements by fund type of the Combined Health District, Clark County (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statement and have issued our report thereon dated July 22, 2022, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statement 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is 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.

Wilson, Shuman & Snow, Inc.

July 22, 2022
Newark, Ohio

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH 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 Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clark County Combined Health District's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (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, 2021. The District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Clark County Combined Health 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, 2021.

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

The District's 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 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. *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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wilson, Shuman & Snow, Inc.

July 22, 2022
Newark, Ohio

**COMBINED HEALTH DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

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)?	No
<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):	Coronavirus Relief Fund/ALN 21.019 Maternal, Infant and Early Childhood Home Visiting Grant Cluster/ALN 93.870 Epidemiology and Laboratory Capacity for Infectious Diseases/ALN 93.323
<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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



CLARK COUNTY COMBINED HEALTH DISTRICT

CLARK 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 9/15/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov