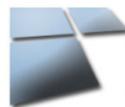


ROSS COUNTY HEALTH DISTRICT
ROSS COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021



Millhuff-Stang

CERTIFIED PUBLIC ACCOUNTANT

Millhuff-Stang, CPA, Inc.
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OHIO AUDITOR OF STATE
KEITH FABER



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

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

We have reviewed the *Independent Auditor's Report* of the Ross County Health District, Ross County, prepared by Millhuff-Stang, CPA, 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 Ross County 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 30, 2022

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Ross County Health District
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For the Year Ended December 31, 2021

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross County Health District, Ross County (the Health District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross County Health District, Ross County, as of December 31, 2021, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General and WIC Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter – Accounting Basis

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

Emphasis of Matter – COVID-19

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Health District. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health District's ability to continue as a going concern for a reasonable period of time.

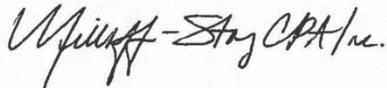
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022 on our consideration of the Health District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health 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 Health District's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

August 30, 2022

Ross County Health District
Statement of Net Position - Cash Basis
December 31, 2021

	<u>Governmental Activities</u>
Assets	
Cash	\$7,639
Equity in County Treasury	<u>3,058,872</u>
<i>Total Assets</i>	<u><u>\$3,066,511</u></u>
Net Position	
Restricted for:	
Other Purposes	\$332,601
Unrestricted	<u>2,733,910</u>
<i>Total Net Position</i>	<u><u>\$3,066,511</u></u>

See accompanying notes to the basic financial statements

Ross County Health District
Statement of Activities - Cash Basis
For the Year Ended December 31, 2021

	Program Cash Receipts			Net Receipts (Disbursements) and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Health:				
Children's Health	\$811,544	\$263,858	\$610,790	\$63,104
Environmental Health	474,258	383,669	25,000	(65,589)
Community Health	1,111,470	203,323	821,542	(86,605)
Administrative Services	597,699	370,812	29,373	(197,514)
Health Promotion	971,435	0	908,928	(62,507)
Capital Outlay	25,342	0	0	(25,342)
Debt Service:				
Principal Retirement	102,464	0	0	(102,464)
Interest and Fiscal Charges	23,055	0	0	(23,055)
<i>Total Governmental Activities</i>	<u>\$4,117,267</u>	<u>\$1,221,662</u>	<u>\$2,395,633</u>	(499,972)
General Receipts:				
Property Taxes Levied for General Purposes				1,398,781
Grants/Entitlements not Restricted to Specific Programs				42,828
Miscellaneous				<u>33,983</u>
<i>Total General Receipts</i>				<u>1,475,592</u>
Change in Net Position				975,620
<i>Net Position Beginning of Year</i>				<u>2,090,891</u>
<i>Net Position End of Year</i>				<u><u>\$3,066,511</u></u>

See accompanying notes to the basic financial statements

Ross County Health District
Statement of Assets and Fund Balances -Cash Basis
Governmental Funds
December 31, 2021

	<u>General</u>	<u>WIC Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$7,639	\$0	\$0	\$7,639
Equity in County Treasury	<u>2,726,271</u>	<u>0</u>	<u>332,601</u>	<u>3,058,872</u>
<i>Total Assets</i>	<u><u>\$2,733,910</u></u>	<u><u>\$0</u></u>	<u><u>\$332,601</u></u>	<u><u>\$3,066,511</u></u>
Fund Balances				
Restricted	\$0	\$0	\$332,601	332,601
Unassigned	<u>2,733,910</u>	<u>0</u>	<u>0</u>	<u>2,733,910</u>
<i>Total Fund Balances</i>	<u><u>\$2,733,910</u></u>	<u><u>\$0</u></u>	<u><u>\$332,601</u></u>	<u><u>\$3,066,511</u></u>

See accompanying notes to the basic financial statements

Ross County Health District
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2021

	General	WIC Fund	Other Governmental Funds	Total Governmental Funds
Receipts				
Property Taxes	\$1,398,781	\$0	\$0	\$1,398,781
Intergovernmental	72,201	534,260	1,832,000	2,438,461
Charges for Services	619,732	0	601,930	1,221,662
Miscellaneous	25,682	0	8,301	33,983
<i>Total Receipts</i>	<u>2,116,396</u>	<u>534,260</u>	<u>2,442,231</u>	<u>5,092,887</u>
Disbursements				
Current:				
Health:				
Children's Health	0	524,080	287,464	811,544
Environmental Health	143,112	0	331,146	474,258
Community Health	299,824	0	811,646	1,111,470
Administrative Services	597,699	0	0	597,699
Health Promotion	0	0	971,435	971,435
Capital Outlay	983	0	24,359	25,342
Debt Service:				
Principal Retirement	70,317	14,164	17,983	102,464
Interest and Fiscal Charges	15,435	3,109	4,511	23,055
<i>Total Disbursements</i>	<u>1,127,370</u>	<u>541,353</u>	<u>2,448,544</u>	<u>4,117,267</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>989,026</u>	<u>(7,093)</u>	<u>(6,313)</u>	<u>975,620</u>
Other Financing Sources (Uses)				
Transfers In	0	0	8,945	8,945
Transfers Out	(8,945)	0	0	(8,945)
Advances In	288,334	34,694	213,355	536,383
Advances Out	(248,049)	(27,601)	(260,733)	(536,383)
<i>Total Other Financing Sources (Uses)</i>	<u>31,340</u>	<u>7,093</u>	<u>(38,433)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,020,366	0	(44,746)	975,620
<i>Fund Balances Beginning of Year</i>	<u>1,713,544</u>	<u>0</u>	<u>377,347</u>	<u>2,090,891</u>
<i>Fund Balances End of Year</i>	<u>\$2,733,910</u>	<u>\$0</u>	<u>\$332,601</u>	<u>\$3,066,511</u>

See accompanying notes to the basic financial statements

Ross County Health District
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 General Fund
 For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$1,307,400	\$1,307,400	\$1,398,781	\$91,381
Intergovernmental	49,000	49,000	72,201	23,201
Charges for Services	245,000	295,000	373,779	78,779
Miscellaneous	0	0	25,657	25,657
<i>Total Receipts</i>	1,601,400	1,651,400	1,870,418	219,018
Disbursements				
Current:				
Health:				
Administrative Services	935,553	939,487	597,700	341,787
Capital Outlay	5,000	5,983	983	5,000
Debt Service:				
Principal Retirement	49,171	49,171	49,171	0
Interest and Fiscal Charges	10,793	10,793	10,793	0
<i>Total Disbursements</i>	1,000,517	1,005,434	658,647	346,787
<i>Excess of Receipts Over Disbursements</i>	600,883	645,966	1,211,771	565,805
Other Financing Sources (Uses)				
Transfers Out	(522,063)	(522,063)	(231,029)	291,034
Advances In	0	0	288,334	288,334
Advances Out	0	0	(248,049)	(248,049)
<i>Total Other Financing Sources (Uses)</i>	(522,063)	(522,063)	(190,744)	331,319
<i>Net Change in Fund Balance</i>	78,820	123,903	1,021,027	897,124
<i>Unencumbered Fund Balance Beginning of Year</i>	1,709,264	1,709,264	1,709,264	0
<i>Unencumbered Fund Balance End of Year</i>	\$1,788,084	\$1,833,167	\$2,730,291	\$897,124

See accompanying notes to the basic financial statements

Ross County Health District
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
WIC Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$431,375	\$640,421	\$534,260	(\$106,161)
<i>Total Receipts</i>	431,375	640,421	534,260	(106,161)
Disbursements				
Current:				
Health:				
Children's Health	414,102	623,148	524,080	99,068
Debt Service:				
Principal Retirement	14,164	14,164	14,164	0
Interest and Fiscal Charges	3,109	3,109	3,109	0
<i>Total Disbursements</i>	431,375	640,421	541,353	99,068
<i>Excess of Receipts Under Disbursements</i>	0	0	(7,093)	(7,093)
Other Financing Sources (Uses)				
Advances In	0	0	34,694	34,694
Advances Out	0	0	(27,601)	(27,601)
<i>Total Other Financing Sources (Uses)</i>	0	0	7,093	7,093
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Unencumbered Fund Balance Beginning of Year</i>	0	0	0	0
<i>Unencumbered Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

See accompanying notes to the basic financial statements

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

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

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

The Health District’s management believes these financial statements present all activities for which the Health District is financially accountable.

Primary Government

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (cont.)

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

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

Fund Accounting

The Health District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Health District are presented in one category: governmental.

Governmental Funds Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District's major governmental funds:

General The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

WIC Fund This fund accounts for and reports federal grant monies passed through the Ohio Department of Health that are restricted to the Women, Infants and Children program.

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

Basis of Accounting

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

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (cont.)

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

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Health District may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

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

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

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

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

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (cont.)

Cash and Investments

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. As of December 31, 2021, the Health District's share of the County's cash and investment pool was \$3,058,872, which includes deposits in transit of \$6,410. Deposits and investments disclosures for the County as a whole may be obtained from the Ross County Auditor's office, Suite G, 2 North Paint Street, Chillicothe, Ohio 45601, 740-702-3080.

The Health District maintains a bank account to hold monies received during the month and then makes a monthly deposit to the County. The carrying amount of these deposits as of December 31, 2021 was \$7,639. The entire balance was covered by FDIC.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Health District's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

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

Long-Term Obligations

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

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (cont.)

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans. The Health District reported no nonspendable fund balances as of December 31, 2021.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Health District reported no committed fund balances as of December 31, 2021.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a Health District official delegated that authority by resolution, or by State Statute. The Health District reported no assigned fund balances as of December 31, 2021.

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

The Health 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.

Interfund Activity

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

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General fund and WIC fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

- As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a reporting basis. This includes the Environmental Health and the Community Health funds. Since these funds are budgeted separately, they are not included in the budgetary presentation for the General fund.

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Ross County Treasurer is custodian for the Health District’s deposits. The County’s deposit and investment pool holds the Health District’s assets, valued at the Treasurer’s reported carrying amount.

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2021, was \$1.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	\$1,336,097,970
Public Utility Personal Property	171,838,710
	<hr/>
Total	<u>\$1,507,936,680</u>

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 5 – Taxes (cont.)

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

Note 6 – Interfund Balances and Transfers

Transfers

During 2021, the following transfers were made:

Transfer to	Transfer from	
	General	Total
Other Nonmajor		
Governmental Funds	\$8,945	\$8,945
Total all Funds	\$8,945	\$8,945

The above mentioned Transfers From/To were done to use unrestricted receipts collected in the General Fund to meet local match requirements for certain grant programs in accordance with budgetary authorizations.

Interfund Balances

Interfund activity at December 31, 2021, consisted of the following individual fund advances in and advances out:

	Advances In	Advances Out
Major Funds		
General Fund	\$288,334	\$248,049
WIC Fund	34,694	27,601
Other Governmental Funds		
WIC PEER Program	4,325	1,773
Nalaxone	0	21,085
Mobility	62,099	63,354
BJA	51,411	44,417
Creating Healthy Communities	7,824	10,064
RCORP	7,379	8,899
Contact Tracing	0	109,964
PACS	3,635	1,177
COSSAP	6,743	0
Enhanced Operations	5,021	0
MIECHV	11,344	0
Workforce Development	53,574	0
<i>Total Governmental Activities</i>	\$536,383	\$536,383

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 6 – Interfund Balances and Transfers (cont.)

Interfund balances at December 31, 2021, consisted of \$248,049 advanced to various special revenue funds to cover negative fund balances until pending grant money requests are received by the Health District. The advances are expected to be repaid within one year.

Note 7 – Risk Management

The Health District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2021, the Health District contracted with several companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Public Entities Pool of Ohio		
Blanket Property and Contents, Replacement	2,451,481	1,000
General Liability	4,000,000	1,000
Automobile Liability	4,000,000	0
Public Officials Liability	4,000,000	1,000
Employment Practice Liability	4,000,000	1,000
Public Employee Dishonesty	50,000	500
Money and Securities	25,000	0

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

The Health 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. Sedgwick, 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 Sedgwick. Member governments pay annual contributions to fund PEP. PEP pays judgements, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Insurance

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, 2021 PEP retained \$500,000 for casualty claims and \$250,000 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.

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 7 – Risk Management (cont.)

Financial Position

PEP’s financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2021:

Cash and Investments	\$41,996,850
Actuarial Liabilities	<u>(14,974,099)</u>

As of December 31, 2021, the liabilities of PEP include approximately \$15.0 million of estimated incurred claims payable. The assets of PEP include approximately \$13.9 million of unpaid claims to be billed. The Pool’s membership increased to 589 members in 2021. 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 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>Contributions to PEP</u>	
2021	\$17,907

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 withdrawal.

Workers’ Compensation coverage is provided by the State of Ohio. The Health District pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 8 – Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Health District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plan (cont.)

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plan (cont.)

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

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

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member directed plan is 4 percent.

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plan (cont.)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$287,429 for the year 2021.

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Postemployment Benefits (cont.)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Postemployment Benefits (cont.)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District’s contractually required contribution was \$0 for the year 2021.

Note 10 – Long Term Obligations

The Health District’s long-term obligation activity for the year ended December 31, 2021, was as follows:

	<u>Outstanding 12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding 12/31/21</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital Leases	\$1,152,721	\$0	\$102,464	\$1,050,257	\$104,514
Total Governmental Activities	<u>\$1,152,721</u>	<u>\$0</u>	<u>\$102,464</u>	<u>\$1,050,257</u>	<u>\$104,514</u>

In 2014, the Health District entered into a capitalized lease for the purchase of a building and for additional funds to renovate the building. Within the lease agreement, the Health District agreed that if it failed to pay rent or any other amount required to be paid within ten days after the due date or if the Health District remains in default under any other condition of the lease agreement for a period of thirty days after written notice from the lessor, the lessor may, at the lessor’s option, without notice to the Health District, terminate the lease. Alternatively, the lessor may reenter and take possession of the leased premises and remove all persons and properties therefrom, and re-let the premises or any part thereof, for all or any part of the remainder of the lease term to a party satisfactory of the lessor. If the lessor is unable to re-let the premises after reasonable efforts to do so, or should the monthly rental be less than the agreed upon rental of the Health District, then the Health District shall pay the amount of the deficiency to the lessor.

The capital lease will be paid from the General fund, Community Health fund, environmental health funds, health promotion funds and the WIC fund.

Capital Leases – Lessee Disclosure

The Health District leases a building under a noncancelable lease. The Health District disbursed \$125,519 to pay lease costs for the year ended December 31, 2021. Future lease payments are as follows:

Ross County Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 10 – Long Term Obligations (cont.)

Year	Amount
2022	\$125,519
2023	125,519
2024	125,519
2025	125,519
2026	125,519
Thereafter	530,994
Total lease payments	1,158,589
Less interest	(108,332)
	\$1,050,257

Note 11 – Contingent Liabilities

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

Note 12 – Fund Balances

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

Fund Balances	General	WIC Fund	Other Governmental Funds	Total
Restricted for				
Children's Health	\$0	\$0	\$131,595	\$131,595
Environmental Health	0	0	103,520	103,520
Community Health	0	0	22,905	22,905
Health Promotion	0	0	74,581	74,581
<i>Total Restricted</i>	0	0	332,601	332,601
Unassigned	2,733,910	0	0	2,733,910
<i>Total Fund Balances</i>	\$2,733,910	\$0	\$332,601	\$3,066,511

Note 13 – 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. During 2021, the Health District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Health District. In addition, the impact on the Health District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Ross County Health District
 Schedule of Federal Awards Receipts and Expenditures
 For the Year Ended December 31, 2021

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Assistance Listing Number	Expenditures	Receipts
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through Ohio Department of Health</i>				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	07110011WA1421	10.557	463,339	504,129
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	07110011WA1522	10.557	113,355	74,315
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children			576,694	578,444
Total U.S. Department of Agriculture			\$576,694	\$578,444
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Passed through Institute for Intergovernmental Research</i>				
Comprehensive Opioid, Stimulant, and Substance Abuse Site-Based Program	2017-AR-BX-K003	16.838	289,469	282,475
Comprehensive Opioid, Stimulant, and Substance Abuse Site-Based Program	2020-AR-BX-0069	16.838	30,984	24,240
Total Comprehensive Opioid Abuse Site Based Program			320,453	306,715
Total U.S. Department of Justice			\$320,453	\$306,715
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through Ohio Department of Transportation</i>				
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	OH-2020-024-00	20.509	10,966	60,480
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	CARE-0327-024-210	20.509	32,374	5,418
Total COVID-19 Formula Grants for Rural Areas and Tribal Transit Program			43,340	65,898
Transit Services Programs Cluster: Enhanced Mobility of Seniors and Individuals with Disabilities	OCPX-0327-038-201	20.513	28,781	0
Total Transit Services Programs Cluster			28,781	0
Total U.S. Department of Transportation			\$72,121	\$65,898
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
<i>Passed through Ohio Department of Health</i>				
COVID-19 Coronavirus Relief Fund	07110012CO0121	21.019	312,447	239,021
COVID-19 Coronavirus Relief Fund	07110012VN0121	21.019	20,000	0
COVID-19 Coronavirus Relief Fund	07110012CT0120	21.019	76,837	186,801
Total Coronavirus Relief Fund			409,284	425,822
Total U.S. Department of the Treasury			\$409,284	\$425,822
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through Ohio Department of Health</i>				
Public Health Emergency Preparedness	07110012PH1221	93.069	42,803	46,287
Public Health Emergency Preparedness	07110012PH1322	93.069	32,309	28,655
Total Public Health Emergency Preparedness			75,112	74,942
Injury Prevention and Control Research and State and Community Based Programs	07110014DR0120	93.136	8,028	0
Injury Prevention and Control Research and State and Community Based Programs	07110014DR0221	93.136	77,867	90,250
Injury Prevention and Control Research and State and Community Based Programs	07110014DR0322	93.136	18,299	24,500
Total Injury Prevention and Control Reserch and State and Community Based Programs			104,194	114,750
Immunization Cooperative Agreements	07110012GV0122	93.268	347	5,435
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	07110012EO0121	93.323	177,328	172,307
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	07110012CT0121	93.323	20,735	20,735
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			198,063	193,042
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	07110012CO0120	93.354	47,274	33,888
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	07110012WF0122	93.354	60,098	6,524
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			107,372	40,412
National and State Tobacco Control Program	07110014TU0322	93.387	7,142	7,142
Opioid STR	07110014IN0221	93.788	584	0
Opioid STR	07110014IN0322	93.788	40,258	74,500
Opioid STR	07110014IN0423	93.788	10,354	0
Opioid STR	n/a	93.788	2,475	2,475
Total Opioid STR			53,671	76,975
Maternal, Infant, and Early Childhood Home Visiting Program - Formula	07110011MH0222	93.870	28,908	17,565

Ross County Health District
Schedule of Federal Awards Receipts and Expenditures
For the Year Ended December 31, 2021 *(cont.)*

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Assistance Listing Number	Expenditures	Receipts
Preventive Health and Health Services Block Grant	07110014CC0220	93.991	7,446	15,196
Preventive Health and Health Services Block Grant	07110014CC0321	93.991	136,873	129,045
Total Preventive Health and Health Services Block Grant			144,319	144,241
Maternal and Child Health Program Block Grant to the States	07110011CK0321	93.994	3,255	1,455
<i>Passed through Hopewell Health Centers, Inc.</i>				
Rural Health Care Services Ourtreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	P10RH33045-01	93.912	2,458	0
Total U.S. Department of Health and Human Services			\$724,841	\$675,959
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed through Ohio Emergency Management Agency</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	PA-05-OH-4507-PW-00107	97.036	111,082	113,955
Total U.S. Department of Homeland Security			\$111,082	\$113,955
Total Federal Awards			\$2,214,475	\$2,166,793

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

Ross County Health District
Notes to the Schedule of Federal Awards Receipts and Expenditures
For the Year Ended December 31, 2021

Note A – Basis of Presentation

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) includes the federal award activity of the Ross County Health District (the Health District) under programs of the federal government for the year ended December 31, 2021. The information in the Schedule is prepared in accordance with the requirement 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 Health District, it is not intended to and does not present the financial position or changes in net assets of the Health 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 Health 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 Health District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Health District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Ross County Health District, Ross County (the Health District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements, and have issued our report thereon dated August 30, 2022, wherein we noted the Health District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Health District.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

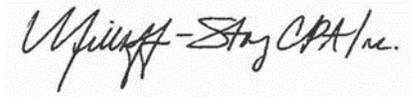
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Health District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health 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 Health District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

August 30, 2022

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the Ross County Health District, Ross County, (the Health District) with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Health District's major federal programs for the year ended December 31, 2021. The Health District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 Health 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 Health District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Health 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 Health 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 Health 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 Health 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 Health 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 Health District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

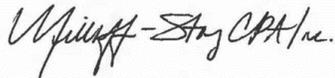
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

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



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

August 30, 2022

Ross County Health District
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified (Cash Basis)
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major program(s):	WIC Special Supplemental Nutrition Program for Women, Infants and Children, AL #10.557; COVID-19 Coronavirus Relief Fund, AL #21.019
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$750,000 Type B: All Others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

OHIO AUDITOR OF STATE KEITH FABER



ROSS COUNTY HEALTH DISTRICT

ROSS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/13/2022

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