

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

SINGLE AUDIT

For the Year Ended December 31, 2021



OHIO AUDITOR OF STATE
KEITH FABER



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

Board of Health
Washington County General Health District
342 Muskingum Drive
Marietta, Ohio 45750

We have reviewed the *Independent Auditor's Report* of the Washington County General Health District, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2020 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 Washington County General Health District is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

October 11, 2022

This page intentionally left blank.

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021	3
Statement of Additions, Deductions and Change in Fund Balance !(Regulatory Cash Basis) – Fiduciary Fund Type - For the Year Ended December 31, 2021	5
Notes to the Financial Statements	6
Schedule of Expenditures of Federal Awards (Prepared by Management)	12
Notes to the Schedule of Expenditures of Federal Awards (Prepared by Management).....	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	14
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the <i>Uniform Guidance</i>	16
Schedule of Findings.....	20
Schedule of Prior Findings - Prepared by Management.....	22
Corrective Action Plan – Prepared by Management.....	23

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Washington County General Health District
Washington County
342 Muskingum Drive
Marietta, OH 45750

To the Board of Health:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 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 Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinions regarding 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 financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

The Schedule of Expenditures of Federal Awards (schedule) 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 statements.

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 statements. We subjected this Schedule to the auditing procedures we applied to the financial statements. 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 statements or to the financial statements themselves, 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 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 17, 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.



Charles E. Harris & Associates, Inc.

August 17, 2022

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Charges for Services:				
Vital Statistics	\$ 64,853	\$ -	\$ -	\$ 64,853
Dental Sealant	-	11,279	-	11,279
Environmental	2,275	65,056	-	67,331
Nursing Services	-	201,983	-	201,983
Fines, Licenses and Permits	2,455	188,058	-	190,513
Intergovernmental:				
Apportionments	258,500	-	-	258,500
Grants:				
Creating Healthy Communities	-	137,899	-	137,899
Dental Sealant	-	34,882	-	34,882
Falls Prevention	-	82,640	-	82,640
Public Health Emergency Preparedness	-	188,027	-	188,027
Tobacco Prevention & Cessation	-	109,225	-	109,225
COVID19 Related	-	620,889	-	620,889
Other:				
MAC	15,542	2,902	-	18,444
CMH	-	2,404	-	2,404
ODH COVID19	-	6,046	-	6,046
Donations	-	4,217	-	4,217
Mileage Reimbursement for Co. Vehicle Use/Indirect Costs	46,826	-	3,981	50,807
Miscellaneous	-	15,198	-	15,198
Total Cash Receipts	\$ 390,451	\$ 1,670,705	\$ 3,981	\$ 2,065,137

(Continued)

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - (Continued)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Cash Disbursements	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Health:				
Accreditation	\$ 5,178	\$ -	\$ -	\$ 5,178
Vital Statistics	34,305	-	-	34,305
General Administration	202,774	1,111	-	203,885
Nursing				
Immunizations	205	103,887	-	104,092
CMH	-	14,631	-	14,631
C-Harmed	-	7,162	-	7,162
Infectious Disease	-	1,000	-	1,000
Other Nursing	16,245	2,014	-	18,259
Project Dawn	-	295	-	295
Environmental				
Swimming Pool	-	958	-	958
Food Service	-	29,107	-	29,107
Private Water Systems	64	12,171	-	12,235
Rabies Prevention	-	602	-	602
Commercial Plumbing	5,861	35,054	-	40,915
Home Sewage Treatment	1,974	82,956	-	84,930
Tattoo/Body Art	-	38	-	38
Recreational Park/Camps	-	4,346	-	4,346
Other Environmental (Nuisance, Consults, etc.)	42,746	-	-	42,746
Population Health				
Creating Healthy Communities	629	173,556	-	174,185
Dental Sealant	905	32,564	-	33,469
Public Health Emergency Preparedness	3,445	102,291	-	105,736
Tobacco Prevention & Cessation	295	75,206	-	75,501
COVID19 Related	5,569	892,841	-	898,410
Falls Prevention	21	49,897	-	49,918
Debt Service				
Principal Retirement	-	181,575	-	181,575
Total Cash Disbursements	320,216	1,803,262	-	2,123,478
Total Cash Receipts Over/(Under) Cash Disbursements	70,235	(132,557)	3,981	(58,341)
Other Financing Receipts (Disbursements)				
Proceeds of Debt	-	181,575	-	181,575
Advances In	150,000	150,000	-	300,000
Advances Out	(150,000)	(150,000)	-	(300,000)
Total Other Financing Receipts (Disbursements)	-	181,575	-	181,575
Excess of Cash Receipts and Other Financing Receipts Under Cash Disbursements and Other Financing Disbursements	70,235	49,018	3,981	123,234
Fund Cash Balances, January 1	123,784	1,175,238	17,119	1,316,141
Fund Cash Balances, December 31	\$ 194,019	\$ 1,224,256	\$ 21,100	\$ 1,439,375

The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Custodial
Additions	
Escrow Payments (WPCLF)	\$ 21,286
Total Additions	21,286
Deductions	
Home Sewage Treatment	29,874
Total Deductions	29,874
Total Additions Over/(Under) Deductions	(8,588)
Fund Cash Balances, January 1	11,323
Fund Cash Balances, December 31	\$ 2,735

The notes to the financial statements are an integral part of this statement

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Washington County General Health District, Washington County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, population health initiatives, public health nursing services and issues health-related licenses and permits.

Public Entity Risk Pool

The District participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

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

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

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Public Health Nursing Fund This fund receives fees for providing immunizations; School Nurse services; BCMH service coordination; PAX programs in the schools; C-Harm-ed program.

Food Service Fund This fund receives licenses, plan review fees, and late fees for Food Service and Retail Food Establishments.

Sewage Fund This fund receives fees for home sewage disposal system inspections, system designs, installation permits and operation licenses; commercial plumbing plan reviews and permits.

The following significant funds were designated for COVID-related grant funding.

Get Vaccinated Fund This fund was reactivated to track the Vaccine Needs Assessment and Vaccine Equity deliverable-based grant funding received from the Ohio Department of Health.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Ebola and Other Emerging Pathogens Fund This fund was reactivated to track of the coronavirus response and coronavirus response supplemental grant funding received from the Ohio Department of Health

Contact Tracing Fund This fund was established to keep track of the contact tracing and contact tracing supplemental grant funding received from the Ohio Department of Health.

Enhanced Operations Fund This fund was established to keep track of the Enhanced COVID-Response grant funding received from the Ohio Department of Health.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project fund:

Capital Improvement Fund The Board of Health established a capital improvement fund in 2017 for the purpose of setting aside part of the fleet vehicle use charges to purchase a vehicle. The first funds to be deposited were for the November 2017 fleet use reimbursements.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The District's custodial fund accounts for Water Pollution Control Pay Escrow Fund.

WPCLF Escrow Fund The District's custodial fund was established by Resolution 2016-004 and is for the benefit of recipients of the Water Pollution Control Loan Fund contract. The required match funds are collected from eligible applicants and held in escrow to pay the contractor completing the work. Any unused funds are required to be returned to the recipient. Monies collected into this fund do not belong to the District, nor can they be used for any District program.

Basis of Accounting

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

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

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

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.

Committed The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021, follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 387,211	\$ 390,451	\$ 3,240
Special Revenue	1,830,179	1,852,280	22,101
Capital Projects	5,000	3,981	(1,019)

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 378,979	\$ 333,228	\$ 45,751
Special Revenue	1,948,365	1,803,262	145,103
Capital Projects	-	-	-

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding

Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the district and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Risk Management

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

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31: (Latest information available)

	<u>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$14,111,510

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

Social Security

District's Board of Health and members contributed to Social Security. The plan provides retirement benefits, including survivor and disability benefits to participants. Members contributed 6.2 percent of their gross salaries. The District contributed an amount equal 6.2 percent of members' gross salaries. The District has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the Ohio Department of Health. 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.

Note 10 – Fund Balances

Encumbrances are commitments related to underperformed contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the balances of these amounts were as follows:

<u>Fund Balance</u>	<u>General Fund</u>
Outstanding Encumbrances	\$ 13,012

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

Note 11 – 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 District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 12 – Interfund Balances

Advances

There were advances into and out of the General Fund during FY2021. The General Fund advanced a total of \$150,000 to the following funds as indicated: Contact Tracing (601-2018), \$50,000; Enhanced Ops (601-2019), \$50,000; Workforce Development (601-2024), \$25,000; COVID Vaccine Administration (601-2025), \$25,000. The advances that were repaid to the General Fund in FY2021 from the following funds as indicated: Contact Tracing (601-2018), \$50,000; Workforce Development (601-2024), \$25,000; Ebola and Other Emerging Pathogens Fund (601-2016) \$75,000.

WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (PREPARED BY MANAGEMENT)
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal ALN Number	Pass - Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Health</i>			
Coronavirus Relief Fund	21.019	08410012CT0120	\$ 150,003
Coronavirus Relief Fund	21.019	08410012CO01215CV1	<u>549,631</u>
Total Coronavirus Relief Fund			<u>699,634</u>
Total U.S. Department of Treasury			699,634
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Public Health Emergency Preparedness	93.069	08410012PH12213GN0	57,717
Public Health Emergency Preparedness	93.069	08410012VE01213HV0	<u>43,845</u>
Total-Public Health Emergency Preparedness			101,562
National State-Based Tobacco Control Programs	93.305	08410014TU0420	<u>44,055</u>
Total-National State-Based Tobacco Control Programs			<u>44,055</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	08410012CT0121	35,796
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	08410012EO0121	<u>4,899</u>
Total-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			40,695
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	08410012CO01203GN0	30,763
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	08410012WF0122	<u>659</u>
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			<u>31,422</u>
Total U.S Department of Health and Human Services			217,734
Total Expenditures of Federal Awards			<u>\$ 917,368</u>

The accompanying notes are an important part of this schedule

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(PREPARED BY MANAGEMENT)
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 Washington County General Health District (the District) 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 statement of receipts, disbursements and 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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected 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.

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

Washington County General Health District
Washington County
342 Muskingum Drive
Marietta, OH 45750

To the Board of Health:

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 statements of the cash balances, receipts and disbursements for each governmental and fiduciary fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements of the Washington County General Health District, Washington County, Ohio (the District) and have issued our report thereon dated August 17, 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. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the 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 statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Charles E. Harris & Associates, Inc.

August 17, 2022

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

Washington County General Health District
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Washington County General Health District, Washington County (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 the District's major federal program for the year ended December 31, 2021. The District's major federal program is identified in the *Summary of Auditor's Results* of the accompanying Schedule of Findings.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the 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 the 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 the 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.

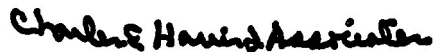
Report on Internal Control Over Compliance

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.



Charles E. Harris & Associates, Inc.
August 17, 2022

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY, OHIO
SCHEDULE OF FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse on GAAP, Unmodified on Regulatory Basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Coronavirus Relief Fund – ALN #21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY, OHIO
SCHEDULE OF FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

FINDING NUMBER 2021-001 – Material Weakness

Posting of Receipts and Disbursements

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code. During 2021, receipts and disbursements were not always posted correctly. The following posting errors were noted:

- Principal retirement debt expenditure was improperly recorded in the Home Sewage Treatment line item;
- Mileage reimbursement receipts were improperly recorded as Miscellaneous revenue instead of classified as Vehicle Use & Indirect Cost Reimbursement in the General fund and the Capital Projects fund.
- Advances In and Out were improperly classified as Transfers In and out.
- One Advance Out was classified as COVID 19 Related expense.
- The notes to the financial statements included outdated information and excluded required disclosures.

Not posting receipts and disbursements accurately resulted in the financial statements requiring reclassifications. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts are properly identified and classified on the financial statements. We also recommend the Fiscal Officer refer to Ohio Administrative Code and Auditor of State guidance to determine the account classifications.

Managements' Response – See Corrective Action Plan

3. FINDINGS FOR FEDERAL AWARDS

None.

WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS –
PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Posting receipts and fund balances	Not corrected	The problem has not been corrected

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

**CORRECTIVE ACTION PLAN – PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021**

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2021-001	Fiscal Officer will follow the guidance obtained during the current audit process to complete upcoming annual financial statements filed on the Hinkle System or hire an outside firm to prepare them.	Immediately	Jeannie Farnsworth, Fiscal Officer

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

REGULAR AUDIT

For the Year Ended December 31, 2020



**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2020	3
Statement of Additions, Deductions and Change in Fund Balance (Regulatory Cash Basis) – Fiduciary Fund Type - For the Year Ended December 31, 2020	5
Notes to the Financial Statements - 2020	6
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	12
Schedule of Findings.....	14
Schedule of Prior Findings - Prepared by Management.....	15
Corrective Action Plan – Prepared by Management.....	16

INDEPENDENT AUDITOR'S REPORT

Washington County General Health District
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and fiduciary fund type, and related notes of the Washington County General Health District, Washington County, Ohio (the District) as of and for the year ended December 31, 2020.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2020, and the respective changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and fiduciary fund type, and related notes of the Washington County General Health District, Washington County, Ohio as of December 31, 2020, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. As discussed in Note 13 to the financial statements, the District made several changes to its reporting model. We did not modify our opinions regarding these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
August 17, 2022

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Fund Types</u>			Totals
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
Cash Receipts:				
Charges for Services:				
Vital Statistics	\$ 55,363	\$ -	\$ -	\$ 55,363
Environmental	5,530	67,691	-	73,221
Nursing Services	-	63,181	-	63,181
Fines, Licenses and Permits	-	160,271	-	160,271
Intergovernmental:				
Apportionments	258,500	-	-	258,500
Grants:				
Creating Healthy Communities	-	103,741	-	103,741
Dental Sealant	-	9,053	-	9,053
Falls Prevention	-	100,000	-	100,000
Public Health Emergency Preparedness	-	226,938	-	226,938
Tobacco Prevention & Cessation	-	102,025	-	102,025
COVID19 Related	-	495,732	-	495,732
Other:				
MAC	10,834	7,209	-	18,043
CMH	-	3,701	-	3,701
ODH COVID19	5,000	-	-	5,000
State Subsidy	11,512	-	-	11,512
Donations	-	21,576	-	21,576
Mileage Reimbursement for Co. Vehicle Use/Indirect Costs	47,625	-	3,639	51,264
Miscellaneous	22,704	870	-	23,574
Total Cash Receipts	\$ 417,068	\$ 1,361,988	\$ 3,639	\$ 1,782,695

(Continued)

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - (Continued)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Cash Disbursements	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Health:				
Administration	\$ -	\$ 16,026	\$ -	\$ 16,026
Accreditation	9,197	-	-	9,197
Vital Statistics	12,323	-	-	12,323
Remittance	27,941	-	-	27,941
General Administration	308,019	50,881	-	358,900
Nursing				
Immunizations	534	49,782	-	50,316
CMH	1,167	10,092	-	11,259
C-Harmed	120	13,077	-	13,197
Infectious Disease	2,607	65	-	2,672
Other Nursing	1,593	831	-	2,424
Project Dawn	-	281	-	281
Environmental				
Swimming Pool	209	940	-	1,149
Mobile Home Parks	866	2	-	868
Food Service	199	28,983	-	29,182
Private Water Systems	64	13,190	-	13,254
Rabies Prevention	4	466	-	470
Commercial Plumbing	29	32,588	-	32,617
Home Sewage Treatment	40	89,052	-	89,092
Tattoo/Body Art	-	140	-	140
Recreational Park/Camps	-	3,306	-	3,306
Other Environmental (Nuisance, Consults, etc.)	15,230	-	-	15,230
Population Health				
Creating Healthy Communities	1,037	72,588	-	73,625
Dental Sealant	883	22,392	-	23,275
Public Health Emergency Preparedness	2,977	159,798	-	162,775
Tobacco Prevention & Cessation	1,182	50,606	-	51,788
COVID19 Related	38,194	238,113	-	276,307
High-Risk Diabetes Community Health	1,013	(690)	-	323
Falls Prevention	429	54,284	-	54,713
Debt Service				
Principal Retirement	-	104,678	-	104,678
Total Cash Disbursements	425,857	1,011,471	-	1,437,328
Total Cash Receipts Over/(Under) Cash Disbursements	(8,789)	350,517	3,639	345,367
Other Financing Receipts (Disbursements)				
Proceeds of Debt	-	104,678	-	104,678
Advances In	65,599	100,000	-	165,599
Advances Out	(100,000)	(65,599)	-	(165,599)
Total Other Financing Receipts (Disbursements)	(34,401)	139,079	-	104,678
Excess of Cash Receipts and Other Financing Receipts Under Cash Disbursements and Other Financing Disbursements	(43,190)	489,596	3,639	450,045
Fund Cash Balances, January 1	166,974	685,642	13,480	866,096
Fund Cash Balances, December 31	\$ 123,784	\$ 1,175,238	\$ 17,119	\$ 1,316,141

The notes to the financial statements are an integral part of this statement.

WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial
Additions	
Escrow Payments (WPCLF)	\$ 24,656
Total Additions	24,656
Deductions	
Home Sewage Treatment	13,333
Total Deductions	13,333
Total Additions Over/(Under) Deductions	11,323
Fund Cash Balances, January 1	-
Fund Cash Balances, December 31	\$ 11,323

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Washington County General Health District, Washington County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, population health initiatives, public health nursing services and issues health-related licenses and permits.

Public Entity Risk Pool

The District participates in the Ohio Plan Risk Management, Inc. (OPRM), a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

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

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

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Public Health Nursing Fund This fund receives fees for providing immunizations; School Nurse services; BCMH service coordination; PAX programs in the schools; C-Harm-ed program.

Food Service Fund This fund receives licenses, plan review fees, and late fees for Food Service and Retail Food Establishments.

Sewage Fund This fund receives fees for home sewage disposal system inspections, system designs, installation permits and operation licenses; commercial plumbing plan reviews and permits.

PIRE Fund This fund is significant in that it is a new fund. The department received a HRSA planning grant, and subsequently an implementation grant through the Pacific Institute for Research and Evaluation.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project fund:

Capital Improvement Fund The Board of Health established a capital improvement fund in 2017 for the purpose of setting aside part of the fleet vehicle use charges to purchase a vehicle. The first funds to be deposited were for the November 2017 fleet use reimbursements.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township’s custodial fund accounts for Water Pollution Control Pay Escrow Fund.

WPCLF Escrow Fund The District’s custodial fund was established by Resolution 2016-004 and is for the benefit of recipients of the Water Pollution Control Loan Fund contract. The required match funds are collected from eligible applicants and held in escrow to pay the contractor completing the work. Any unused funds are required to be returned to the recipient. Monies collected into this fund do not belong to the District, nor can they be used for any District program.

Basis of Accounting

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

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

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

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.

Committed The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020, follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 478,016	\$ 417,068	\$ (60,948)
Special Revenue	1,574,600	1,466,666	(107,934)
Capital Projects	4,750	3,639	(1,111)

2020 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 594,176	\$ 442,051	\$ 152,125
Special Revenue	1,657,737	1,011,471	646,266
Capital Projects	-	-	-

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding

Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the districts and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

Note 6 – Interfund Balances

Advances

There were advances repaid in FY2020 in the sum of \$65,599 from 601-2004 Community Health Workers (\$27,537) and 601-2017 Opioid Planning and Response (\$38,062) were returned to the General Fund.

There were advances out of the General Fund during FY2020. A total of four COVID-19 Response related grants were received by the department during FY2020 and a total of \$100,000 was advanced to provide initial operating funds for reimbursement type grants. Fund 601-2016 Ebola and Other Emerging Pathogens Fund received \$75,000 and fund 601-2018 PHER3 received \$25,000 for Contact Tracing activities.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Risk Management

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

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$14,111,510

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2020.

Social Security

District's Board of Health and members contributed to Social Security. The plan provides retirement benefits, including survivor and disability benefits to participants. Members contributed 6.2 percent of their gross salaries. The District contributed an amount equal 6.2 percent of members' gross salaries. The District has paid all contributions required through December 31, 2020.

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

Washington County General Health District
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 – Contingent Liabilities

The Health District continues to be a defendant in one lawsuit. Although management cannot presently determine the outcome of that suit, management believes that the resolution of these matters will not materially adversely affect the District's financial condition.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the Ohio Department of Health. 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.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 12 – Fund Balance

Encumbrances are commitments related to unperformed contracts for goods and 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 Balance</u>	<u>General Fund</u>
Outstanding Encumbrances	\$ 16,194

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

Note 13 – Change in Accounting Principles

For 2020, the District has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types. There was no effect on the beginning fund balance.

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

Washington County General Health District
Washington County
342 Muskingum Drive
Marietta, Ohio 45750

To the Board of Health:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and fiduciary fund type of the Washington County General Health District, Washington County, (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements and have issued our report thereon dated August 17, 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. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District and changes to the reporting model.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
August 17, 2022

WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY

SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

FINDING NUMBER 2020-001 – Material Weakness

Posting of Receipts and Disbursements

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code. During 2020, receipts and disbursements were not always posted correctly. The following posting errors were noted:

- Apportionment receipts were improperly recorded as Miscellaneous receipts
- Debt proceeds were improperly recorded to Miscellaneous Revenue instead of in Proceeds of Debt;
- Principal retirement debt expenditure was improperly reported in the Home Sewage Treatment line item;
- Mileage reimbursement receipts were improperly recorded as Miscellaneous revenue instead of classified as Vehicle Use & Indirect Cost Reimbursement in the General fund and the Capital Projects fund.
- Advances In were improperly classified as Miscellaneous receipts.
- One receipt was misclassified as a miscellaneous receipt instead of Other – State Subsidy.
- There were numerous expenses that were classified in the proper fund but were not presented on the proper line item that needed reclassified.
- The notes to the financial statements included outdated information and excluded required disclosures.

Not posting receipts and disbursements accurately resulted in the financial statements requiring reclassifications. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts are properly identified and classified on the financial statements. We also recommend the Fiscal Officer refer to Ohio Administrative Code and Auditor of State guidance to determine the account classifications.

Managements' Response – See Corrective Action Plan

WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS –
PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Posting receipts and fund balances	Not corrected	

**WASHINGTON COUNTY GENERAL HEALTH DISTRICT
WASHINGTON COUNTY**

**CORRECTIVE ACTION PLAN – PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020**

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2020-001	Fiscal Officer will follow the guidance obtained during the current audit process to complete upcoming annual financial statements filed on the Hinkle System or hire an outside firm to prepare them.	Immediately	Jeannie Farnsworth, Fiscal Officer

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



WASHINGTON COUNTY DISTRICT BOARD OF HEALTH

WASHINGTON 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 10/25/2022

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