



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2022-2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
District Board of Health
350 State Route 664 North
Logan, Ohio 43138

We have reviewed the *Independent Auditor's Report* of the District Board of Health, Hocking County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2021 through December 31, 2022. 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 District Board of Health 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

May 22, 2023

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**DISTRICT BOARD OF HEALTH
HOCKING COUNTY**

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INDEPENDENT AUDITOR'S REPORT

District Board of Health
Hocking County
350 State Route 664 N
Logan, Ohio 43138

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the District Board of Health, Hocking County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 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 fund type as of and for the years ended December 31, 2022 and 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, 2022 and 2021, or the changes in financial position thereof for the years 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 the 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2023, 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

April 28, 2023

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property Taxes	\$ 795,422	\$ -	\$ -	\$ 795,422
Services and Fees	256,034	445,720	-	701,754
Intergovernmental	188,546	733,391	-	921,937
<i>Total Cash Receipts</i>	<u>1,240,002</u>	<u>1,179,111</u>	<u>-</u>	<u>2,419,113</u>
Cash Disbursements				
Current:				
Health:				
Salaries and Wages	435,449	602,540	-	1,037,989
Fringe Benefits	-	125,581	-	125,581
Supplies	308,291	38,818	-	347,109
Equipment	50,070	-	-	50,070
Contracts - Services and Repair	38,572	54,589	216,863	310,024
Telephone	5,178	2,813	-	7,991
Travel and Expenses	4,508	11,582	-	16,090
Public Employees Retirement	53,729	23,511	-	77,240
Unemployment	8,316	-	-	8,316
Medicare	5,964	2,275	-	8,239
Hospitalization	190,328	40,475	-	230,803
Remittance to State	26,997	33,888	-	60,885
Rent and Utilities	17,843	17,579	-	35,422
Other Expenses	-	26,104	-	26,104
Auditor and Treasurer Fees	18,769	-	-	18,769
<i>Total Cash Disbursements</i>	<u>1,164,014</u>	<u>979,755</u>	<u>216,863</u>	<u>2,360,632</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>75,988</u>	<u>199,356</u>	<u>(216,863)</u>	<u>58,481</u>
Other Financing Receipts (Disbursements)				
Transfers In	20,247	-	50,000	70,247
Transfers Out	(50,000)	(20,247)	-	(70,247)
Advances In	-	50,000	-	50,000
Advances Out	(50,000)	-	-	(50,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(79,753)</u>	<u>29,753</u>	<u>50,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>(3,765)</u>	<u>229,109</u>	<u>(166,863)</u>	<u>58,481</u>
<i>Fund Cash Balances, January 1</i>	<u>1,412,536</u>	<u>706,903</u>	<u>764,750</u>	<u>2,884,189</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,408,771</u>	<u>\$ 936,012</u>	<u>\$ 597,887</u>	<u>\$ 2,942,670</u>

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

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the District Board of Health, Hocking 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 inspection and licensing of food establishments, inspections of sewer and water systems, inspection and licensing of solid waste facilities, tuberculosis screening, inspection of trailer parks, birth and death certificates, administration of public health nursing programs and other related services.

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 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 Infrastructure Fund – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Sewage Fund – This fund receives charges for services from residents to cover sewer service costs.

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

Moms Quit for Two – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Public Health Emergency Response – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Tobacco Prevention – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

COVID-19 – This fund accounts for the grant funds awarded for COVID-19 relief for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Project Funds These funds account for and report the 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 funds:

Public Health Contingency Fund – This fund receives money from transfers from the General Fund to provide funds for capital improvements to the District's facilities and allow monies to be available for nuisance abatement.

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, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also 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 canceled, and reappropriated in the subsequent year.

A summary of 2022 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.

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2 - Summary of Significant Accounting Policies (Continued)

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Estimated Receipts	Actual Receipts	Variance
General	\$ 1,006,200	\$ 1,260,249	\$ 254,049
Special Revenue	1,122,340	1,179,111	56,771
Capital Projects	-	50,000	50,000
Total	\$ 2,128,540	\$ 2,489,360	\$ 360,820

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 3 - Budgetary Activity (Continued)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,610,200	\$ 1,214,014	\$ 396,186
Special Revenue	1,361,577	1,000,002	361,575
Capital Projects	450,000	216,863	233,137
Total	\$ 3,421,777	\$ 2,430,879	\$ 990,898

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Hocking 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 and Property Taxes

Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the townships 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.

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the District is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner-occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include credits and/or deduction amounts the State pays as Other Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing District.

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

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 6 – Subrecipients

The District passes certain federal awards received from Ohio Department of Health to other government or not-for profit agencies (subrecipients). As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

The following identifies as Federal passthrough funds amounts as of December 31, 2022:

Fund 550 Mom's Quit for Two

Department of Health and Human Services
Ohio Department of Health
Moms Quit for Two
AL# AM. Sub H.B. 49
Project Number:
Total Money Received: \$0

Fund 710 WIC

Department of Agriculture Food and Nutrition Service
Ohio Department of Health
WIC
AL# 10.557
Project Number: 03710011WA1422
Total Money Received: \$200,030

Fund 064 Public Health Emergency Preparedness

Department of Health and Human Services
Ohio Department of Health
PHI
AL# 93.074
Project Number: 03710012PH1222
Total Money Received: \$226,773

Fund 860 TUPFC

Department of Health and Human Services
Ohio Department of Health
Tobacco Use and Prevention and Cessation
AL# 93.283
Sub H.B. 49
Project Number: 03710014TU0522
Total Money Received: \$165,000

Fund 125 Contact Tracing

Department of Health and Human Services
Ohio Department of Health
COVID-19 Contact Tracing
Project Number: 03710012CT0122
Total Money Received: \$0

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 6 – Subrecipients (Continued)

Fund 985 COVID-19

Department of Health and Human Services
Ohio Department of Health
Coronavirus Response Supplemental
Project Number: 03710012CO0122

COVID-19 Enhanced Operations
Project Number: 03710012EO0122

COVID-19 Vaccine Equity Supplement Local Health Department Subgrants
Project Number: 03710012VE0122

COVID-19 VACCINE NEEDS
Project Number: 03710012VN0122

Total Money Received: \$151,588

Fund 725 Public Health Workforce

Department of Health and Human Services
Ohio Department of Health
Public Health Workforce
Project Number: 03710012WF0122
Total Money Received: \$40,000 - advances

Note 7 – Interfund Balances

Outstanding advances at December 31, 2022 consisted of \$40,000 advanced to the Public Health Workforce Fund, \$10,000 advanced to the COVID-19 Fund, \$30,000 advanced to the Contact Tracing Fund and \$60,000 advanced to the Women, Infants, and Children (WIC) Fund from the General Fund to provide working capital for operations.

Note 8 - Risk Management

The Hocking County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured. The District is covered by these policies.

Note 9 – Defined Benefit Pension Plans

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% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2022.

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10 – 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 was 0% during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4% during calendar year 2022.

Effective January 1, 2022, OPERS discontinued 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.

Note 11 - Contingent Liabilities

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

Note 12 – Fund Balances

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpended corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The District had no outstanding encumbrances as of December 31, 2022.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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. 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.

During 2022, the District received \$151,588 as an on-behalf of grant from another government. These amounts are recorded in the COVID-19 Special Revenue Fund.

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property Taxes	\$ 785,891	\$ -	\$ -	\$ 785,891
Services and Fees	306,193	396,149	-	702,342
Intergovernmental	141,866	648,924	-	790,790
<i>Total Cash Receipts</i>	<u>1,233,950</u>	<u>1,045,073</u>	<u>-</u>	<u>2,279,023</u>
Cash Disbursements				
Current:				
Health:				
Salaries and Wages	345,995	683,574	-	1,029,569
Fringe Benefits	-	149,600	-	149,600
Supplies	171,409	76,159	-	247,568
Equipment	-	1,881	-	1,881
Contracts - Services and Repair	30,628	43,617	81,137	155,382
Telephone	5,250	2,831	-	8,081
Travel and Expenses	3,750	13,843	-	17,593
Public Employees Retirement	52,346	25,025	-	77,371
Workers Compensation	1,985	558	-	2,543
Medicare	4,767	2,394	-	7,161
Hospitalization	126,029	32,671	-	158,700
Remittance to State	31,087	34,696	-	65,783
Rent and Utilities	10,161	20,896	-	31,057
Other Expenses	-	9,659	-	9,659
Auditor and Treasurer Fees	18,329	-	-	18,329
<i>Total Cash Disbursements</i>	<u>801,736</u>	<u>1,097,404</u>	<u>81,137</u>	<u>1,980,277</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>432,214</u>	<u>(52,331)</u>	<u>(81,137)</u>	<u>298,746</u>
Other Financing Receipts (Disbursements)				
Transfers In	15,755	-	100,000	115,755
Transfers Out	(100,000)	(15,755)	-	(115,755)
Advances In	-	90,000	-	90,000
Advances Out	(90,000)	-	-	(90,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(174,245)</u>	<u>74,245</u>	<u>100,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	257,969	21,914	18,863	298,746
<i>Fund Cash Balances, January 1</i>	<u>1,154,567</u>	<u>684,989</u>	<u>745,887</u>	<u>2,585,443</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,412,536</u>	<u>\$ 706,903</u>	<u>\$ 764,750</u>	<u>\$ 2,884,189</u>

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

**DISTRICT BOARD OF HEALTH
HOCKING 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 District Board of Health, Hocking 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 inspection and licensing of food establishments, inspections of sewer and water systems, inspection and licensing of solid waste facilities, tuberculosis screening, inspection of trailer parks, birth and death certificates, administration of public health nursing programs and other related services.

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 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 Infrastructure Fund – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Sewage Fund – This fund receives charges for services from residents to cover sewer service costs.

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

Moms Quit for Two – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Public Health Emergency Response – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Tobacco Prevention – This fund accounts for the grant funds awarded by the Ohio Department of Health for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

COVID-19 – This fund accounts for the grant funds awarded for COVID-19 relief for this particular program, restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Project Funds These funds account for and report the 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 funds:

Public Health Contingency Fund – This fund receives money from transfers from the General Fund to provide funds for capital improvements to the District's facilities and allow monies to be available for nuisance abatement.

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 (D). 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 (D) 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, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also 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 canceled, and reappropriated in the subsequent year.

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.

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 2 - Summary of Significant Accounting Policies (Continued)

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

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.

Note 3 - Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Estimated Resources	Actual Receipts	Variance
General	\$ 962,700	\$ 1,249,705	\$ 287,005
Special Revenue	1,050,955	1,045,073	(5,882)
Capital Projects	-	100,000	100,000
Total	\$ 2,013,655	\$ 2,394,778	\$ 381,123

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 3 - Budgetary Activity (Continued)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,228,204	\$ 901,736	\$ 326,468
Special Revenue	1,312,182	1,113,159	199,023
Capital Projects	150,000	81,137	68,863
Total	\$ 2,690,386	\$ 2,096,032	\$ 594,354

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Hocking 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 and Property Taxes

Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the townships 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.

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the District is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner-occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include credits and/or deduction amounts the State pays as Other Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing District.

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

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 6 – Subrecipients

The District passes certain federal awards received from Ohio Department of Health to other government or not-for profit agencies (subrecipients). As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

The following identifies pass thru amounts as of December 31, 2021:

Fund 550 Mom's Quit for Two

Department of Health and Human Services
Ohio Department of Health
Moms Quit for Two
AL# AM. Sub H.B. 49
Project Number: 03710011MQ0421
Total Money Received: \$9,188

Fund 710 WIC

Department of Agriculture Food and Nutrition Service
Ohio Department of Health
WIC
AL# 10.557
Project Number: 03710011WA1421
Total Money Received: \$184,465

Fund 064 Public Health Emergency Preparedness

Department of Health and Human Services
Ohio Department of Health
PHI
AL# 93.074
Project Number: 03710012PH1221
Total Money Received: \$91,553

Fund 860 TUPFC

Department of Health and Human Services
Ohio Department of Health
Tobacco Use and Prevention and Cessation
AL# 93.283
Sub H.B. 49
Project Number: 03710014TU0521
Total Money Received: \$81,961

Fund 125 Contact Tracing

Department of Health and Human Services
Ohio Department of Health
COVID-19 Contact Tracing
Project Number: 03710012CT0121
Total Money Received: \$56,250

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 6 – Subrecipients (Continued)

Fund 985 COVID-19

Department of Health and Human Services

Ohio Department of Health

Coronavirus Response Supplemental

Project Number: 03710012CO0121

Total Money Received: \$40,000

COVID-19 Enhanced Operations

Project Number: 03710012EO0121

Total Money Received: \$86,507

COVID-19 Vaccine Equity Supplement Local Health Department Subgrants

Project Number: 03710012VE0121

Total Money Received: \$50,000

COVID-19 VACCINE NEEDS

Project Number: 03710012VN0121

Total Money Received: \$49,000

Note 7 – Interfund Balances

Outstanding advances at December 31, 2021 consisted of \$30,000 advanced to the Contact Tracing Fund and \$60,000 advanced to the Women, Infants, and Children (WIC) Fund from the General Fund to provide working capital for operations.

Note 8 - Risk Management

The Hocking County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured. The District is covered by these policies.

Note 9 – Defined Benefit Pension Plans

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

Note 10 – 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 was 0% during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4% during calendar year 2021.

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 11 - Contingent Liabilities

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

Note 12 – Fund Balances

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The District had no outstanding encumbrances as of December 31, 2021.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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. 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.

During 2021, the District received \$225,507 as an on-behalf of grant from another government. These amounts are recorded in the COVID-19 Special Revenue Fund.



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

District Board of Health
Hocking County
350 State Route 664 N
Logan, Ohio 43138

To the Board of Trustees:

We have audited, in accordance the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the District Board of Health, Hocking County (District) and have issued our report thereon dated April 28, 2023, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 2022-001 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*.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

April 28, 2023

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-001

Material Weakness

Financial Reporting

Sound financial reporting is the responsibility of the District and is essential to ensure that the information which is provided to the readers of the financial statements is complete and accurate. Below describes the issues identified with the District's reporting for the years ended December 31, 2022 and 2021:

- In 2022, the notes to the financial statements were not updated with 2022 Subrecipients and the federal passthrough funds amounts. The information provided was a duplicate of the 2021.

The Subrecipient note was updated to accurately reflect the District's activity for the year ended December 31, 2022.

We recommend management perform a detailed review of its draft financial statements and notes. Such review should include procedures to ensure that financial statements and notes to the financial statements are complete and accurate. The District should adopt policies and procedures to help identify and correct errors and omissions. In addition, the District should review the financial statements and notes prior to submission for audit.

Management's Response – We did not receive a response to this finding.

**DISTRICT BOARD OF HEALTH
HOCKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Financial Reporting	Not corrected	Repeated as Finding 2022-001

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OHIO AUDITOR OF STATE KEITH FABER



HOCKING COUNTY DISTRICT BOARD OF HEALTH

HOCKING 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 6/1/2023

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