

**MADISON COUNTY-LONDON CITY
GENERAL HEALTH DISTRICT**

MADISON COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Health
Madison County - London City General Health District
306 Lafayette Street
London, Ohio 43140

We have reviewed the *Independent Auditor's Report* of the Madison County - London City General Health District, Madison County, prepared by Julian & Grube, Inc., 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 Madison County - London City General Health District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 13, 2023

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**MADISON COUNTY-LONDON CITY GENERAL HEALTH DISTRICT
MADISON COUNTY, OHIO**

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Independent Auditor's Report

Madison County-London City General Health District
Madison County
306 Lafayette Street
London, OH 43140

To the Members of the Board of Health:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type of the Madison County-London City General Health District, Madison County, Ohio, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinions 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 type of the Madison County-London City General Health District, as of and for the years ended December 31, 2022 and 2021 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as 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 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 Madison County-London City General Health District, as of December 31, 2022 and 2021, or changes in net 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 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 Madison County-London City General Health District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Madison County-London City General Health 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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.

Though the Madison County-London City General Health 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 opinions on this accounting basis are in the "Unmodified Opinions on Regulatory Basis of Accounting" paragraph above.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 Madison County-London City General Health District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 Madison County-London City General Health District's internal control. Accordingly, no such opinion is expressed.

Madison County-London City General Health District
Madison County
Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Madison County-London City General Health District's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023 on our consideration of the Madison County-London City General Health District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Madison County-London City General Health District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison County-London City General Health District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
October 24, 2023

MADISON COUNTY-LONDON CITY GENERAL HEALTH DISTRICT

Madison 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	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$ 890,969	\$ -	\$ 890,969
Licenses, Permits, and Fees	211,880	326,470	538,350
Intergovernmental:			
Grants	203,941	565,623	769,564
Other	89,936	5,279	95,215
Miscellaneous	22,064	2,935	24,999
<i>Total Cash Receipts</i>	<u>1,418,790</u>	<u>900,307</u>	<u>2,319,097</u>
Cash Disbursements			
Current:			
Health:			
Salaries	275,996	802,114	1,078,110
Supplies	10,538	88,631	99,169
Travel	2,716	6,351	9,067
Advertising and Printing	924	36	960
PERS	44,909	106,494	151,403
Medicare/FICA	4,560	10,575	15,135
Miscellaneous/Other	96,456	42,837	139,293
Equipment	11,089	19,170	30,259
Insurance	42,210	123,876	166,086
Remittance to State	-	13,497	13,497
State Permits	-	3,956	3,956
Contract Services	131,806	10,449	142,255
Workers Comp	5,581	5,671	11,252
Educational / Materials	906	230	1,136
Utilities	13,006	-	13,006
<i>Total Cash Disbursements</i>	<u>640,697</u>	<u>1,233,887</u>	<u>1,874,584</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	778,093	(333,580)	444,513
Other Financing Receipts (Disbursements)			
Transfers In	-	275,491	275,491
Transfers Out	(275,491)	-	(275,491)
Advances In	71,000	71,000	142,000
Advances Out	(71,000)	(71,000)	(142,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(275,491)</u>	<u>275,491</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	502,602	(58,089)	444,513
<i>Fund Cash Balances, January 1</i>	<u>1,643,966</u>	<u>542,821</u>	<u>2,186,787</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,146,568</u>	<u>\$ 484,732</u>	<u>\$ 2,631,300</u>

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

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

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 Madison County-London City General Health District, Madison County, Ohio, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District was established as a contractual union of the London City Health District and the Madison County Health District. The District operates under Sections 3709.02 and 3709.07, Ohio Revised Code, Ohio Administrative Code and any programs deemed necessary by the District. The District’s services include the recording of certificates of vital statistics, immunization clinics, inspections, public health nursing services and health related issues, licenses and permits.

Public Entity Risk Pool

The District is a member of the Public Entities Pool of Ohio (the Pool), a public entity risk pool. Note 7 to the financial statement provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District’s financial statement consists 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 to 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 various services, including providing home nursing services to elderly and homebound persons, immunizations to children and adults, physicals and vision screening for children and supplying nursing services to schools.

Women, Infants, and Children (WIC) Fund This is a federal grant fund which accounts for the money received and disbursed for the Special Supplemental Nutrition Program.

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Coronavirus Response Fund This is a federal grant fund which accounts for the money received and disbursed for the purpose of vaccinating, testing and overall pandemic response to the general public against the Coronavirus.

Basis of Accounting

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

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

Budgetary Process

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

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

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 re-appropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

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 statement does 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 statement does not include a liability for unpaid leave.

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

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.

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 disbursements 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 disbursements 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 11.

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Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2022

Note 3 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,459,500	\$1,489,790	\$30,290
Special Revenue	1,993,573	1,246,798	(746,775)
Total	\$3,453,073	\$2,736,588	(\$716,485)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,872,113	\$1,007,593	\$864,520
Special Revenue	2,060,431	1,421,349	639,082
Total	\$3,932,544	\$2,428,942	\$1,503,602

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Madison County Treasurer is the 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

The County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide the District with sufficient funds for health programs. The levy generated \$890,969 in 2022. The financial statement presents these amounts as property taxes.

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Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2022

Note 5 – Intergovernmental Funding and Property Taxes (continued)

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.

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

Note 6 – Interfund Balances

Outstanding advances at December 31, 2022, consisted of \$30,000 advanced to the Coronavirus Response Fund, \$30,000 advanced to the Public Health and Emergency Preparedness Grant Fund, \$20,000 advanced to the Public Health Workforce Fund, and \$20,000 advanced to the WIC Fund from the General fund to provide working capital for operations and/or projects.

Note 7 – Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees. The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Workers' Compensation

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

Risk Pool Membership

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

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2022

Note 7 – Risk Management (continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2022:

	<u>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$ 15,724,479

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 postemployment 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.

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, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined 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 10 – Contingent Liabilities

There are no pending claims or lawsuits.

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.

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2022

Note 11 – 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. At year end, the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$20,405	\$116,462	\$136,867
Total	<u>\$20,405</u>	<u>\$116,462</u>	<u>\$136,867</u>

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

Note 12 – 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 ended April 2023. During 2022, the District received COVID-19 funding. The financial impact of COVID-19 and the emergency measures may 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 13 – Ohio Department of Health Funds

During the year ended December 31, 2022, the District received the federal funding passed through the Ohio Department of Health as follows:

U.S. Department of Agriculture Grant: Assistance Listing Number (ALN) 10.557; Grant Award 04910011WA1522; these funds were for WIC administrations and federal awards received from the Ohio Department of Health were \$171,433.

U.S. Department of Health and Human Services Grant: ALN 93.069; Grant Awards 04910012PH1322 and 04910012PH1423; these funds were for Public Health and Emergency Preparedness and federal awards received from the Ohio Department of Health were \$79,302 and \$17,717, respectively.

U.S. Department of Health and Human Services Grant: ALN 93.217; Grant Awards 04910011RH0322 and 04910011RH0322; these funds were for Reproductive Health and Wellness and federal awards received from the Ohio Department of Health were \$48,586 and \$0, respectively.

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2022

Note 13 – Ohio Department of Health Funds (continued)

U.S. Department of Health and Human Services Grant: ALN 93.268; Grant Award 04910012CN0122; these funds were for COVID-19 Vaccination, and federal awards received from the Ohio Department of Health were \$35,075.

U.S. Department of Health and Human Services Grant: ALN 93.323; Grant Awards 04910012EO0121 and 04910012EO0222; these funds were for COVID-19 Enhanced Operations, and federal awards received from the Ohio Department of Health were \$26,532 and \$6,728.

U.S. Department of Health and Human Services Grant: ALN 93.354; Grant Award 04910012WF0122; these funds were for Public Health Workforce, and federal awards received from the Ohio Department of Health were \$77,041.

U.S. Department of Health and Human Services Grant: ALN 93.994; Grant Awards 04910011RH0322 and 04910011RH0423; these funds were for Reproductive Health and Wellness, and federal awards received from the Ohio Department of Health were \$5,445 and \$0, respectively.

MADISON COUNTY-LONDON CITY GENERAL HEALTH DISTRICT

Madison 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	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$ 867,205	\$ -	\$ 867,205
Licenses, Permits, and Fees	167,584	452,103	619,687
Intergovernmental:			
Grants	198,261	820,518	1,018,779
Other	89,050	159,855	248,905
Miscellaneous	32,514	10,409	42,923
<i>Total Cash Receipts</i>	<u>1,354,614</u>	<u>1,442,885</u>	<u>2,797,499</u>
Cash Disbursements			
Current:			
Health:			
Salaries	377,882	985,865	1,363,747
Supplies	16,422	81,954	98,376
Travel	2,090	7,990	10,080
Advertising and Printing	328	-	328
PERS	54,357	135,716	190,073
Medicare/FICA	5,935	13,230	19,165
Miscellaneous/Other	113,191	76,309	189,500
Equipment	-	5,656	5,656
Insurance	53,940	174,897	228,837
Remittance to State	-	12,558	12,558
State Permits	-	4,674	4,674
Contract Services	91,134	175,605	266,739
Workers Comp	1,571	6,323	7,894
Educational / Materials	3,757	90	3,847
Utilities	13,719	-	13,719
<i>Total Cash Disbursements</i>	<u>734,326</u>	<u>1,680,867</u>	<u>2,415,193</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	620,288	(237,982)	382,306
Other Financing Receipts (Disbursements)			
Transfers In	-	362,000	362,000
Transfers Out	(362,000)	-	(362,000)
Advances In	-	80,000	80,000
Advances Out	(80,000)	-	(80,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(442,000)</u>	<u>442,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	178,288	204,018	382,306
<i>Fund Cash Balances, January 1</i>	<u>1,465,678</u>	<u>338,803</u>	<u>1,804,481</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,643,966</u>	<u>\$ 542,821</u>	<u>\$ 2,186,787</u>

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

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

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 Madison County-London City General Health District, Madison County, Ohio, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District was established as a contractual union of the London City Health District and the Madison County Health District. The District operates under Sections 3709.02 and 3709.07, Ohio Revised Code, Ohio Administrative Code and any programs deemed necessary by the District. The District's services include the recording of certificates of vital statistics, immunization clinics, inspections, public health nursing services and health related issues, licenses and permits.

Public Entity Risk Pool

The District is a member of the Public Entities Pool of Ohio (the Pool), a public entity risk pool. Note 7 to the financial statement provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statement consists 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 to 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 various services, including providing home nursing services to elderly and homebound persons, immunizations to children and adults, physicals and vision screening for children and supplying nursing services to schools.

Women, Infants, and Children (WIC) Fund This is a federal grant fund which accounts for the money received and disbursed for the Special Supplemental Nutrition Program.

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Coronavirus Response Fund This is a federal grant fund which accounts for the money received and disbursed for the purpose of vaccinating, testing and overall pandemic response to the general public against the Coronavirus.

Basis of Accounting

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

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

Budgetary Process

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

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

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 re-appropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

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 statement does 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 statement does not include a liability for unpaid leave.

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

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.

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 disbursements 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 disbursements 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 11.

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Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,364,095	\$1,354,614	(\$9,481)
Special Revenue	2,206,597	1,884,885	(321,712)
Total	\$3,570,692	\$3,239,499	(\$331,193)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,451,680	\$1,181,039	\$270,641
Special Revenue	2,166,770	1,680,867	485,903
Total	\$3,618,450	\$2,861,906	\$756,544

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Madison County Treasurer is the 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

The County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide the District with sufficient funds for health programs. The levy generated \$867,205 in 2021. The financial statement presents these amounts as property taxes.

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Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Note 5 – Intergovernmental Funding and Property Taxes (continued)

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.

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

Note 6 – Interfund Balances

Outstanding advances at December 31, 2021, consisted of \$30,000 advanced to the Coronavirus Response Fund, \$50,000 advanced to the Public Health and Emergency Preparedness Grant Fund, and \$20,000 advanced to the WIC Fund from the General fund to provide working capital for operations and/or projects.

Note 7 – Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees. The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Workers' Compensation

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

Risk Pool Membership

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

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Note 7 – Risk Management (continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021:

	2021
Cash and investments	\$41,996,850
Actuarial liabilities	14,974,099

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 postemployment 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 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, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined 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.

Note 10 – Contingent Liabilities

There are no pending claims or lawsuits.

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.

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Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Note 11 – 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. At year end, the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$4,713</u>	<u>\$0</u>	<u>\$4,713</u>
Total	<u><u>\$4,713</u></u>	<u><u>\$0</u></u>	<u><u>\$4,713</u></u>

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

Note 12 – 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 ended April 2023. During 2021, the District received COVID-19 funding. The financial impact of COVID-19 and the emergency measures may 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 13 – Ohio Department of Health Funds

During the year ended December 31, 2021, the District received the federal funding passed through the Ohio Department of Health as follows:

U.S. Department of Agriculture Grant: Assistance Listing Number (ALN) 10.557; Grant Awards 04910011WA1421 and 04910011WA1522; these funds were for WIC administrations and federal awards received from the Ohio Department of Health were \$166,141 and \$26,395, respectively.

U.S. Department of the Treasury Grant: ALN 21.019; Grant Award 04910012CO0121; these funds were for Coronavirus Response and federal awards received from the Ohio Department of Health were \$188,712.

U.S. Department of the Treasury Grant: ALN 21.019; Grant Award 04910012VN0121; these funds were for COVID-19 Vaccine Needs Assessment and federal awards received from the Ohio Department of Health were \$20,000.

Madison County-London City General Health District

Madison County

Notes to the Financial Statement

For the Year Ended December 31, 2021

Note 13 – Ohio Department of Health Funds (continued)

U.S. Department of the Treasury Grant: ALN 21.019; Grant Award 04910012CT0120; these funds were for COVID-19 Contact Tracing and federal awards received from the Ohio Department of Health were \$24,793.

U.S. Department of Health and Human Services Grant: ALN 93.069; Grant Awards 04910012PH1221 and 04910012PH1322; these funds were for Public Health and Emergency Preparedness and federal awards received from the Ohio Department of Health were \$76,058 and \$24,493, respectively.

U.S. Department of Health and Human Services Grant: ALN 93.217; Grant Awards 04910011RH0221 and 04910011RH0322; these funds were for Reproductive Health and Wellness and federal awards received from the Ohio Department of Health were \$25,607 and \$13,972, respectively.

U.S. Department of Health and Human Services Grant: ALN 93.323; Grant Awards 04910012EO0121 and 04910012CT0121; these funds were for COVID-19 Enhanced Operations and COVID-19 Contact Tracing, respectively, and federal awards received from the Ohio Department of Health were \$121,030 and \$27,965, respectively.

U.S. Department of Health and Human Services Grant: ALN 93.994; Grant Award 04910011RH0221; these funds were for Reproductive Health and Wellness, and federal awards received from the Ohio Department of Health were \$536.

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

Madison County-London City General Health District
Madison County
306 Lafayette Street
London, OH 43140

To the Members of the Board of Health:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of the Madison County-London City General Health District, Madison County, Ohio, as of and for the years ended December 31, 2022, and 2021 and the related notes to the financial statements and have issued our report thereon dated October 24, 2023, wherein we noted as described in Note 2 to the financial statements, the Madison County-London City General Health District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Madison County-London City General Health 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 and responses 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 Madison County-London City General Health District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Madison County-London City General Health District

Madison County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Madison County-London City General Health District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Madison County-London City General Health District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Madison County-London City General Health 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 Madison County-London City General Health District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison County-London City General Health District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

October 24, 2023

**MADISON COUNTY-LONDON CITY GENERAL HEALTH DISTRICT
MADISON COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022 AND 2021**

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

Material Weakness – Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other members of the Board with objective and timely information to enable well-informed decisions.

Various audit adjustments were made to correct misstatements identified in the audit of the District’s financial statements to properly account for property tax receipts, intergovernmental receipts, licenses, permits, and fees receipts, and transfer and advance activity for the years ended December 31, 2022 and December 31, 2021. These adjustments also affected other financial statement line items. In addition, certain disclosures were updated to more accurately reflect the activity of the District for the years ended December 31, 2022 and December 31, 2021.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the District’s activity.

We recommend the District implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements prior to presenting it to the auditors. Further, we recommend the District review the adjustments noted during the audit and incorporate them into future reports.

Client Response: The District will work to ensure transactions are properly classified in the proper financial statement line items when presenting unaudited reports to it’s auditors. The District will document property taxes as Gross Income moving forward. Also, the District will refer to the guides and references on the Ohio Auditor of State website to ensure new staff are aware of the reporting format.

**MADISON COUNTY-LONDON CITY GENERAL HEALTH DISTRICT
MADISON COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 AND 2021**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2020-001	2018	<u>Accurate Financial Reporting – Material Weakness</u> – Due to the lack of internal controls in place to ensure receipts, expenditures, and fund balances are properly classified on the financial statements, several adjustments were posted to the financial statements and applicable footnote disclosures.	Not Corrected	Finding repeated as 2022-001 as adjustments were necessary to properly state the District’s activity for the years ended December 31, 2022 and 2021.

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OHIO AUDITOR OF STATE KEITH FABER



MADISON COUNTY-LONDON CITY GENERAL HEALTH DISTRICT

MADISON 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 12/26/2023

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