



OHIO AUDITOR OF STATE
KEITH FABER



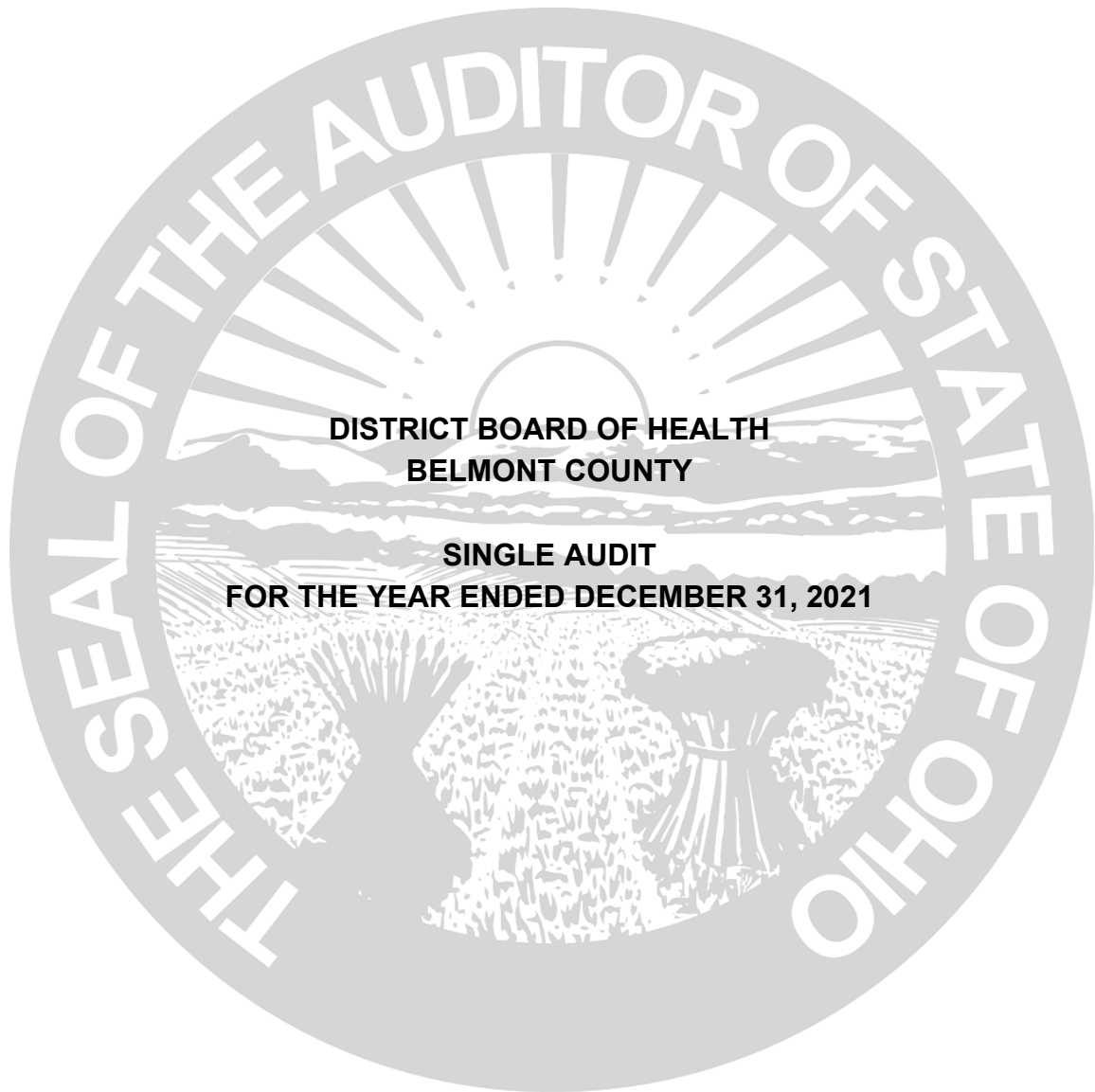
**DISTRICT BOARD OF HEALTH DISTRICT
BELMONT COUNTY**

DOCUMENT CONTENTS

TITLE

Single Audit
For the Fiscal Year Ended December 31, 2021

Regular Audit
For the Fiscal Year Ended December 31, 2020



**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021**

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Independent Auditor's Report | 1 |
| Prepared by Management: | |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021 | 5 |
| Notes to the Financial Statement - December 31, 2021 | 7 |
| Schedule of Expenditures of Federal Awards – For the Fiscal Year Ended December 31, 2021 | 13 |
| Notes to the Schedule of Expenditures of Federal Awards – For the Fiscal Year Ended December 31, 2021 | 14 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 15 |
| Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance | 17 |
| Schedule of Findings and Questioned Costs | 21 |
| Prepared by Management: | |
| Summary Schedule of Prior Audit Findings | 27 |
| Corrective Action Plan | 29 |

This page intentionally left blank.



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

District Board of Health
Belmont County
68501 Bannock Road
St. Clairsville, Ohio 43950

To the District Board of Health:

Report on the Audit of the Financial Statement

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2021, and the related notes to the financial statement, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 statement does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial 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 statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 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 Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the District's financial statement.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statement.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

This page intentionally left blank.

District Board of Health*Belmont 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 | Combined Total |
|--|------------------|--------------------|--------------------|
| Cash Receipts | | | |
| Fines, Licenses and Permits | \$13,113 | \$451,969 | \$465,082 |
| Intergovernmental: | | | |
| Apportionments | 370,000 | 0 | 370,000 |
| Grants | 0 | 1,269,754 | 1,269,754 |
| Other | 0 | 427,047 | 427,047 |
| Inspection Fees | 6,185 | 1,300 | 7,485 |
| Miscellaneous | 4,583 | 23,112 | 27,695 |
| <i>Total Cash Receipts</i> | <u>393,881</u> | <u>2,173,182</u> | <u>2,567,063</u> |
| Cash Disbursements | | | |
| Current: | | | |
| Health: | | | |
| Salaries | 152,330 | 1,176,258 | 1,328,588 |
| Supplies | 7,140 | 41,642 | 48,782 |
| Equipment | 2,000 | 0 | 2,000 |
| Travel and Expenses | 6,162 | 10,153 | 16,315 |
| PERS, Workers Comp, Hospitalization and Medicare | 99,149 | 253,327 | 352,476 |
| Unemployment | 336 | 0 | 336 |
| Other Direct Costs | 0 | 127,863 | 127,863 |
| Other Expenses | 43,475 | 132,621 | 176,096 |
| Contract Services | 0 | 210,266 | 210,266 |
| Liability Insurance | 3,500 | 0 | 3,500 |
| Remittance to the State | 0 | 82,813 | 82,813 |
| Accreditation Fees | 5,600 | 0 | 5,600 |
| <i>Total Cash Disbursements</i> | <u>319,692</u> | <u>2,034,943</u> | <u>2,354,635</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | 74,189 | 138,239 | 212,428 |
| <i>Fund Cash Balances, January 1</i> | <u>272,616</u> | <u>1,113,609</u> | <u>1,386,225</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$346,805</u> | <u>\$1,251,848</u> | <u>\$1,598,653</u> |

See accompanying notes to the basic financial statements

This page intentionally left blank.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the District Board of Health, Belmont County, Ohio (the District), as a body corporate and politic. A six-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits, emergency response planning and vital statistics.

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

B. Accounting Basis

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 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).

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

C. Deposits and Investments

As required by the Ohio Revised Code, the Belmont 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.

D. 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:

1. 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.

2. 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:

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Public Health Emergency Readiness (PHER) Fund This is a Federal grant fund that funds the District's response to the COVID-19 Pandemic.

E. Budgetary Process

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

1. *Appropriations* Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.
2. *Estimated Resources* Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.
3. *Encumbrances* The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

F. Fund Balance

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

1. *Nonspendable* The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.
2. *Restricted* Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021
(Continued)**

F. Fund Balance (Continued)

3. **Committed** The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.
4. **Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.
5. **Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 7.

G 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.

H. 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.

2. COMPLIANCE

Contrary to Ohio law, appropriations exceeded the amount certified as available by the budget commission in the Water Pollution Control Fund by \$24,082.

3. BUDGETARY ACTIVITY

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

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

| 2021 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|--------------------|--------------------|------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$400,000 | \$393,881 | (\$6,119) |
| Special Revenue | 1,796,430 | 2,173,182 | 376,752 |
| Total | <u>\$2,196,430</u> | <u>\$2,567,063</u> | <u>\$370,633</u> |

| 2021 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$435,575 | \$330,692 | \$104,883 |
| Special Revenue | 2,581,236 | 2,291,568 | 289,668 |
| Total | <u>\$3,016,811</u> | <u>\$2,622,260</u> | <u>\$394,551</u> |

4. 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 statement presents this amount as intergovernmental receipts.

5. 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.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for errors and omissions.

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:

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2021
(Continued)**

6. RISK MANAGEMENT (Continued)

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

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

| | <u>2021</u> |
|-----------------------|--------------|
| Cash and investments | \$41,996,850 |
| Actuarial liabilities | \$14,974,099 |

7. 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. 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:

| | | Special | |
|--------------------------|----------|-----------|-----------|
| Fund Balances | General | Revenue | Total |
| Outstanding Encumbrances | \$11,000 | \$256,625 | \$267,625 |
| | | | |

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

8. COVID-19

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

This page intentionally left blank.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

| FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title | Federal AL Number | Pass Through Entity Identifying Number | Total Federal Expenditures |
|--|----------------------------------|---|---------------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| Passed Through Ohio Department of Health | | | |
| WIC Special Supplemental Nutrition Program for Women, Infants and Children | 10.557 | 00710011WA1421 | \$222,149 |
| | 10.557 | 00710011WA1522 | 78,016 |
| Total WIC Special Supplemental Nutrition Program for Women, Infants and Children | | | <u>300,165</u> |
| Total U.S. Department of Agriculture | | | 300,165 |
| U.S. DEPARTMENT OF TREASURY | | | |
| Passed Through Ohio Department of Health | | | |
| COVID-19 Coronavirus Relief Fund | | | |
| COVID-19 Contact Tracing | 21.019 | 00710012CT0120 | 144,574 |
| COVID-19 Coronavirus Response Supplemental | 21.019 | 00710012CO0121 | 257,363 |
| Total COVID-19 Coronavirus Relief Fund | | | <u>401,937</u> |
| Total U.S. Department of Treasury | | | 401,937 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Passed Through Ohio Department of Health | | | |
| Public Health Emergency Preparedness | 93.069 | 00710012PH1221 | 44,629 |
| | 93.069 | 00701002PH1322 | 39,233 |
| Total Public Health Emergency Preparedness | | | <u>83,862</u> |
| Family Planning Services | 93.217 | 00710011RH1021 | 12,811 |
| | 93.217 | 00710011RH1122 | 53,578 |
| Total Family Planning Services | | | <u>66,389</u> |
| Immunization Cooperative Agreements | 93.268 | 00710012GV0321 | 21,729 |
| | 93.268 | 00710012GV0422 | 23,817 |
| Total Immunization Cooperative Agreements | | | <u>45,546</u> |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | | | |
| COVID-19 Contact Tracing Supplemental | 93.323 | 00710012CT0121 | 1,566 |
| COVID-19 Enhanced Operations | 93.323 | 00710012EO0121 | 113,278 |
| Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | | | <u>114,844</u> |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response | | | |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response | 93.354 | 00710012WF0122 | 17,628 |
| COVID-19 Coronavirus Response | 93.354 | 00710012CO0120 | 23,319 |
| Total Public Health Emergency Response: Cooperative Agreement for Emergency Response | | | <u>40,947</u> |
| Opioid STR | 93.788 | 00710014IN0322 | 21,714 |
| | 93.788 | 00710014IN0423 | 5,316 |
| Total Opioid STR | | | <u>27,030</u> |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 00710011RH1021 | 3,567 |
| | 93.994 | 00710011MP0521 | 76,172 |
| Total Maternal and Child Health Services Block Grant to the States | | | <u>79,739</u> |
| Total U.S. Department of Health and Human Services | | | <u>458,357</u> |
| Total Expenditures of Federal Awards | | | <u>\$1,160,459</u> |

The accompanying notes are an integral part of this Schedule.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Belmont County District Board of Health (the District) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D – COMMINGLED MONIES

Certain Maternal and Child Health Services Block Grant to the States (CFDA No. 93.994) includes both state and federal monies. The Schedule includes only those portions identified as federal monies on the award notices received from the State.

OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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
Belmont County
68501 Bannock Road
St. Clairsville, Ohio 43950

To the District 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 (*Government Auditing Standards*), the financial statement of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2021, and the related notes to the financial statement of District Board of Health, Belmont County, Ohio (the District), and have issued our report thereon dated December 10, 2024, 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 statement, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-002 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

District Board of Health
Belmont County
68501 Bannock Road
St. Clairsville, Ohio 43950

To the District Board of Health:

Report on Compliance for Each Major Federal Program

Unmodified and Disclaimer of Opinions

We have audited the District Board of Health's, Belmont County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the District Board of Health's WIC Special Supplemental Nutrition Program for Women, Infants and Children major federal program for the year ended December 31, 2021; and we were engaged to audit the District Board of Health's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District Board of Health's COVID-19 Coronavirus Relief Fund major federal program for the year ended December 31, 2021. The District Board of Health's major federal programs are identified in the *Summary of Summary of Opinions* section of our report.

Summary of Opinions

| <i>Major Federal Program</i> | <i>Type of Opinion</i> |
|--|-------------------------------|
| COVID-19 Coronavirus Relief Fund | Disclaimer |
| WIC Special Supplemental Nutrition Program for Women, Infants and Children | Unmodified |

Disclaimer of Opinion on COVID-19 Coronavirus Relief Fund

We do not express an opinion on the District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the COVID-19 Coronavirus Relief Fund major federal program. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion on COVID-19 Coronavirus Relief Fund* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the COVID-19 Coronavirus Relief Fund major federal program.

Efficient • Effective • Transparent

Unmodified Opinion on the Other Major Federal Program

In our opinion, the District Board of Health complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the WIC Special Supplemental Nutrition Program for Women, Infants and Children major federal program for the year ended December 31, 2021.

Basis for Disclaimer of Opinion on COVID-19 Coronavirus Relief Fund

As described in findings 2021-003 through 2021-005 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain audit evidence supporting the District's compliance with the following:

| Finding # | Assistance Listing # | Program (or Cluster) Name | Compliance Requirement |
|-----------|----------------------|----------------------------------|---------------------------------|
| 2021-003 | 21.019 | COVID-19 Coronavirus Relief Fund | Activities Allowed or Unallowed |
| 2021-004 | 21.019 | COVID-19 Coronavirus Relief Fund | Allowable Costs/Cost Principles |
| 2021-005 | 21.019 | COVID-19 Coronavirus Relief Fund | Reporting |

As a result of these matters, we were unable to determine whether the District complied with those requirements applicable to the identified program.

Basis for Unmodified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on compliance for the District's other major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Auditor's Responsibilities for the Audit of Compliance for COVID-19 Coronavirus Relief Fund

Our responsibility is to conduct an audit of compliance in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion on COVID-19 Coronavirus Relief Fund* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on compliance.

We are required to be independent of the District Board of Health and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Auditor's Responsibilities for the Audit of Compliance for the Other Major Federal Program

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the noncompliance findings identified in our compliance audit described in the accompanying Corrective Action Plan. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2021-003, 2021-004 and 2021-005, to be material weaknesses.

Our audit of the WIC Special Supplemental Nutrition Program for Women, Infants and Children major federal program was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the internal control over compliance findings identified in our audit described in the accompanying Corrective Action Plan. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unmodified |
| (d)(1)(ii) | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | Yes |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | Yes |
| (d)(1)(iv) | Were there any material weaknesses in internal control reported for major federal programs? | Yes |
| (d)(1)(iv) | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unmodified - AL #10.557 WIC Disclaimer - AL #21.019 COVID-19 Coronavirus Relief Funds |
| (d)(1)(vi) | Are there any reportable findings under 2 CFR § 200.516(a)? | Yes |
| (d)(1)(vii) | Major Programs (list): | AL #10.557 WIC AL #21.019 COVID-19 Coronavirus Relief Funds |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$ 750,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee under 2 CFR § 200.520? | No |

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

FINDING NUMBER 2021-001

Noncompliance

Ohio Rev. Code § 3709.28 provides that total appropriations from each fund shall not exceed the total of the estimated revenue.

The District's appropriations exceeded the amount certified as available by the budget commission in the Water Pollution Control Fund by \$24,082.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)**

| |
|--|
| 2. FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
|--|

FINDING NUMBER 2021-001 (Continued)

Noncompliance (Continued)

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the District's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The District should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the District should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board of Health to reduce the appropriations.

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2021-002

Significant Deficiency

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The District did not always record receipts into accurate classifications and funds based upon the source of the receipt.

We noted \$370,000 in appropriations apportioned among the townships and municipal corporations was posted to Taxes instead of Intergovernmental. This reclass, with which management agrees, is reflected in the accompanying financial statement.

We also noted Fund Cash Balances, December 31, 2021, was understated by \$252,019 in the Special Revenue Funds in the HINKLE Filing due to a footing error. This correction, with which management agrees, is reflected in the accompanying financial statement.

The District did not have a control process in place to help ensure receipts are recorded in the correct classification or that the financial statements were calculated correctly.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the District's financial position and operations.

The District should utilize available authoritative resources to properly classify and record all receipt transactions. This guidance will help ensure the District makes proper postings to receipt account classifications based on the source of the receipt. The District should also recalculate their financial statements.

Officials' Response: See Corrective Action Plan.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)**

| |
|--|
| 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS |
|--|

1. Adequate Documentation

| | |
|--|--|
| Finding Number: | 2021-003 |
| Assistance Living Number and Title: | AL #21.019 – COVID-19 Coronavirus Relief Fund |
| Federal Award Identification Number/Year: | 00710012CT0120 / 00710012CO0121 / 2021 |
| Federal Agency: | U.S. Department of Treasury |
| Compliance Requirement: | Activities Allowed or Unallowed and Allowable Costs/Cost Principles |
| Pass-Through Entity: | Ohio Department of Health |
| Repeat Finding from Prior Audit? | No |

Questioned Cost, Material Weakness and Noncompliance

2 C.F.R. § 1000 gives regulatory effect to the Department of Treasury for 2 C.F.R. Part 200 Subpart E § 200.403, which provides that, except where otherwise authorized by statute, costs must meet certain general criteria in order to be allowable under Federal awards including being necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles and being adequately documented.

The Ohio Department of Health (ODH) was the grantor agency to the District of CARES grant funding, assistance listing number 21.019. ODH created a Grants Administration Policies and Procedures (OGAPP) to administer grants they subgrant. Section B2.1f of the OGAAP states to be allowable under ODH, subrecipient project costs must be budgeted and must be supported by adequate documentation.

The District recorded receipts and expenditures for four federal programs, including AL #21.019, in one Special Revenue Fund. We found \$36,336 in federal payroll expenditures and \$9,658 in federal nonpayroll expenditures within this fund that the District could not determine which of the four federal programs these expenditures should have been allocated to. This was due to a lack of proper internal controls in place by the District. As such, the entire \$45,994 is considered a questioned cost.

We also noted during testing of nonpayroll expenditures, there were costs charged to the COVID-19 Coronavirus Relief Fund federal program that were not supported by invoices. The total amount tested that had no invoice support was \$15,242 between 2 different checks. Thus, we could not determine if these costs were allowable or not. This was due to a lack of proper internal controls in place by the District. As such, the \$15,242 is also considered a questioned cost.

Failure to maintain adequate support documentation for federal expenditures could result in costs being disallowed by the grantor.

The District should ensure that all federal expenditures are correctly allocated to the proper federal programs. Further, the Health District should maintain all support for the federal expenditures to ensure only allowable costs/activities have been charged to the federal program.

Officials' Response: See Corrective Action Plan.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)**

| |
|--|
| 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued) |
|--|

2. Time and Effort Documentation

| | |
|--|--|
| Finding Number: | 2021-004 |
| Assistance Living Number and Title: | AL #21.019 – COVID-19 Coronavirus Relief Fund |
| Federal Award Identification Number/Year: | 00710012CT0120 / 00710012CO0121 / 2021 |
| Federal Agency: | U.S. Department of Treasury |
| Compliance Requirement: | Activities Allowed or Unallowed and Allowable Costs/Cost Principles |
| Pass-Through Entity: | Ohio Department of Health |
| Repeat Finding from Prior Audit? | No |

Questioned Cost, Material Weakness and Noncompliance

2 C.F.R. § 1000 gives regulatory effect to the Department of Treasury for 2 C.F.R. § 200.430 which states, in part, that costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees is reasonable for the services rendered and conforms to the established written policy of the non-federal entity consistently applied to both Federal and non-Federal activities. In addition, charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; be incorporated into the official records of the non-Federal entity; and reasonably reflect the total activity for which the employee is compensated by the non-Federal entity.

The Ohio Department of Health (ODH) was the grantor agency to the District of CARES grant funding, assistance listing number 21.019. ODH created a Grants Administration Policies and Procedures (OGAPP) to administer grants they subgrant. Section B2.4 states charges to awards for personnel will be based on documented payrolls approved by designated officials of the organization. Detailed time and effort reports reflecting the distribution of activity of each employee must be maintained for all staff members whose compensation is charged directly to a project in order to support the allocation of costs. Such documentary support will be required where employees work on (1) more than one federal program, (2) a federal award and a non-federal award, and (3) an indirect cost activity and a direct cost activity.

The salaries for 100% of employees tested were charged to AL #21.019 without any time and effort documentation maintained to support the amount of time worked on the grant. This was caused by the District not being able to locate the payroll binder for 2021 which included the time and effort documentation for all employees of the District. Therefore, we consider the total amount of salaries and related benefits for employees who charged AL #21.019 in the amount of \$256,118 to be a questioned cost.

Failure to maintain the appropriate time and effort documentation could lead to future questioned costs, reduced future federal funding, and the requirement to repay the Ohio Department of Health.

The District should ensure all employees charging salaries and benefits to federal grants maintain the appropriate documentation supporting the time spent on the grant, in accordance with ODH Grants Administration Policies and Procedures, Section B2.4. Appropriate supporting documentation could include semi-annual certifications for employees working solely on a single cost objective or timesheets when an employee works on multiple activities.

Officials' Response: See Corrective Action Plan.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)**

| |
|--|
| 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued) |
|--|

3. Financial Reports

| | |
|--|--|
| Finding Number: | 2021-005 |
| Assistance Living Number and Title: | AL #21.019 – COVID-19 Coronavirus Relief Fund |
| Federal Award Identification Number/Year: | 00710012CT0120 / 00710012CO0121 / 2021 |
| Federal Agency: | U.S. Department of Treasury |
| Compliance Requirement: | Reporting |
| Pass-Through Entity: | Ohio Department of Health |
| Repeat Finding from Prior Audit? | No |

Questioned Cost, Material Weakness and Noncompliance

2 C.F.R. § 1000 gives regulatory effect to the Department of Treasury for 2 C.F.R. § 200.332(e)(1), which requires the grantor agency to monitor the activities of their subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. This included reviewing financial and performance reports required by the pass-through entity.

The Ohio Department of Health (ODH) was the grantor agency to the District of CARES grant funding, assistance listing number 21.019. ODH created a Grants Administration Policies and Procedures (OGAPP) to administer grants they subgrant. Section E2.2 of the OGAAP states monthly reports must be completed and submitted via GMIS within 10 calendar days following the end of the reporting period. Further, this section requires the monthly reports be based on the District's accounting records and supporting documentation. The reporting of expenditures and revenues must be on the cash basis; thereby, reporting actual expenses paid during the month. The District did not have the proper internal controls in place to verify that all information was reported accurately in compliance with the grant requirements. For 100% of the reports tested, we noted the District's supported excel spreadsheet for payroll expenditures did not agree to the GMIS System monthly reports for Personnel.

For 100% of the reports tested we noted for Other Direct Costs, Equipment and Contracts the amounts per the County Auditor's Expense Transaction History Report did not agree to the GMIS System monthly reports. This occurred as the District did not report expenditures in the GMIS System in the month they were paid. Further, the District accounted for four federal programs in one Special Revenue Fund (Fund F081) which made it cumbersome for tracking expenditures of the four federal programs and projects within those federal programs. Reconciliations were not performed for the four federal programs from the County's ledgers to the District's supported spreadsheets.

Section E2.3 of the OGAAP states the information contained in the Final Expenditure Report must reflect the project accounting records and supporting documentation. The District did not have the proper internal controls in place to verify that all information was reported accurately in compliance with this grant requirement. For 100% of the Final Expenditure Reports we noted the total program expenditures reported on the Final Expenditure Report did not agree to the accounting ledgers of the District. Further, we found \$20,000 in expenditures reported on the COVID-19 Vaccine Needs Assessment Final Expenditure Report; however, the \$20,000 could not be agreed back to an actual expenditure reported by the District. This was an appropriated amount. The District received \$20,000 in grant funds for this grant but could not provide detailed support for the expenditures of \$20,000. As such the \$20,000 is considered a questioned cost.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2021
(Continued)**

| |
|--|
| 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued) |
|--|

3. Financial Reports (Continued)

Questioned Cost, Material Weakness and Noncompliance (Continued)

The District should review the OGAPP reporting requirements. In addition, the District should maintain separate expense reports when multiple grants and projects are being recorded in the same fund. These reports should be reconciled back to the fund expense report from the Belmont County Auditor to ensure all expenditures are accounted for in the different grants and projects. This will also help to alleviate any timing differences and ensure that only paid expenditures are reported.

Officials' Response: See Corrective Action Plan.

BOARD OF HEALTH
BELMONT COUNTY HEALTH DEPARTMENT

68501 Bannock Road • St. Clairsville, Ohio 43950 www.BelmontCountyHealth.com

• Phone (740) 695-1202 • Fax (740) 695-8890



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2021

| Finding Number | Finding Summary | Status | Additional Information |
|-----------------------|---|---------------|---|
| 2020-001 | Noncompliance – Ohio Rev. Code § 3709.28 – The District's appropriations exceeded the amount certified as available by the budget commission. | Not Corrected | Ohio Rev. Code § 3709.28 repeated as Finding Number 2021-001. |
| 2020-002 | Significant Deficiency – \$370,000 in appropriations apportioned among the townships and municipal corporations was posted to Taxes instead of Intergovernmental. | Not Corrected | Significant Deficiency repeated as Finding Number 2021-002. |

This page intentionally left blank.

BOARD OF HEALTH
BELMONT COUNTY HEALTH DEPARTMENT



68501 Bannock Road • St. Clairsville, Ohio 43950 www.BelmontCountyHealth.com

• Phone (740) 695-1202 • Fax (740) 695-8890

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2021

| | |
|-------------------------------------|---|
| Finding Number: | 2021-001 |
| Planned Corrective Action: | Staff member responsible for these deficiencies are no longer employed by the department. New staff members have been hired and are following the fiscal policies and procedures. |
| Anticipated Completion Date: | New staff were hired May 2023 and have been correcting issues. |
| Responsible Contact Person: | Robert Sproul |
| | |
| Finding Number: | 2021-002 |
| Planned Corrective Action: | Staff member responsible for these deficiencies are no longer employed by the department. New staff members have been hired and are following the fiscal policies and procedures. |
| Anticipated Completion Date: | New staff were hired May 2023 and have been correcting issues. |
| Responsible Contact Person: | Robert Sproul |
| | |
| Finding Number: | 2021-003 |
| Planned Corrective Action: | Staff member responsible for these deficiencies are no longer employed by the department. New staff members have been hired and are following the fiscal policies and procedures. |
| Anticipated Completion Date: | New staff were hired May 2023 and have been correcting issues. |
| Responsible Contact Person: | Robert Sproul |
| | |
| Finding Number: | 2021-004 |
| Planned Corrective Action: | Staff member responsible for these deficiencies are no longer employed by the department. New staff members have been hired and are following the fiscal policies and procedures. |
| Anticipated Completion Date: | New staff were hired May 2023 and have been correcting issues. |
| Responsible Contact Person: | Robert Sproul |
| | |
| Finding Number: | 2021-005 |
| Planned Corrective Action: | Staff member responsible for these deficiencies are no longer employed by the department. New staff members have been hired and are following the fiscal policies and procedures. |
| Anticipated Completion Date: | New staff were hired May 2023 and have been correcting issues. |
| Responsible Contact Person: | Robert Sproul |

This page intentionally left blank.



**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2020**

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Independent Auditor's Report | 31 |
| Prepared by Management: | |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2020 | 35 |
| Notes to the Financial Statement - December 31, 2020 | 37 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 43 |
| Schedule of Findings..... | 45 |

This page intentionally left blank.



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

District Board of Health
Belmont County
68501 Bannock Road
St. Clairsville, Ohio 43950

To the District Board of Health:

Report on the Audit of the Financial Statement

Unmodified and Adverse Opinions

We have audited the financial statement of the District Board of Health, Belmont County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020, and the related notes to the financial statement, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 statement does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2020, or the changes in financial position thereof for the year then ended.

Basis for Opinions

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

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

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

Emphasis of Matter

As discussed in Note 9 to the financial statement, the District adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial 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 December 10, 2024, 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

This page intentionally left blank.

District Board of Health*Belmont County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2020*

| | General | Special Revenue | Combined Total |
|--|-------------------------|---------------------------|---------------------------|
| Cash Receipts | | | |
| Fines, Licenses and Permits | \$13,113 | \$479,429 | \$492,542 |
| Intergovernmental: | | | |
| Apportionments | 370,000 | 0 | 370,000 |
| Grants | 0 | 1,105,165 | 1,105,165 |
| Other | 0 | 157,166 | 157,166 |
| Inspection Fees | 6,795 | 2,902 | 9,697 |
| Miscellaneous | 9,729 | 12,544 | 22,273 |
| <i>Total Cash Receipts</i> | <u>399,637</u> | <u>1,757,206</u> | <u>2,156,843</u> |
| Cash Disbursements | | | |
| Current: | | | |
| Health: | | | |
| Salaries | 214,010 | 822,249 | 1,036,259 |
| Supplies | 6,461 | 47,360 | 53,821 |
| Equipment | 225 | 0 | 225 |
| Travel and Expenses | 6,656 | 11,150 | 17,806 |
| PERS, Workers Comp, Hospitalization and Medicare | 114,796 | 226,974 | 341,770 |
| Unemployment | 177 | 0 | 177 |
| Other Direct Costs | 0 | 92,963 | 92,963 |
| Other Expenses | 31,523 | 7,153 | 38,676 |
| Contract Services | 0 | 190,064 | 190,064 |
| Liability Insurance | 3,000 | 0 | 3,000 |
| Remittance to the State | 0 | 74,959 | 74,959 |
| Audit Fees | 10,000 | 0 | 10,000 |
| Accreditation Fees | 5,600 | 0 | 5,600 |
| <i>Total Cash Disbursements</i> | <u>392,448</u> | <u>1,472,872</u> | <u>1,865,320</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | 7,189 | 284,334 | 291,523 |
| <i>Fund Cash Balances, January 1</i> | <u>265,427</u> | <u>829,275</u> | <u>1,094,702</u> |
| <i>Fund Cash Balances, December 31</i> | <u><u>\$272,616</u></u> | <u><u>\$1,113,609</u></u> | <u><u>\$1,386,225</u></u> |

See accompanying notes to the basic financial statements

This page intentionally left blank.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the District Board of Health, Belmont County, Ohio (the District), as a body corporate and politic. A six-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits, emergency response planning and vital statistics.

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

B. Accounting Basis

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 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).

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

C. Deposits and Investments

As required by the Ohio Revised Code, the Belmont 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.

D. 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:

1. 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.

2. 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:

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2020
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Public Health Emergency Readiness (PHER) Fund This is a Federal grant fund that funds the District's response to the COVID-19 Pandemic.

E. Budgetary Process

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

1. *Appropriations* Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.
2. *Estimated Resources* Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.
3. *Encumbrances* The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

F. Fund Balance

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

1. *Nonspendable* The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.
2. *Restricted* Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2020
(Continued)**

F. Fund Balance (Continued)

3. **Committed** The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.
4. **Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.
5. **Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 7.

G 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.

H. 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.

2. COMPLIANCE

Contrary to Ohio law, appropriations exceeded the amount certified as available by the budget commission in the Personal Response Education Program and Swimming Pools/Spas Funds by \$68,755 and \$1,311, respectively.

3. BUDGETARY ACTIVITY

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

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2020
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

| 2020 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|--------------------|--------------------|------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$420,000 | \$399,637 | (\$20,363) |
| Special Revenue | 1,568,330 | 1,757,206 | 188,876 |
| Total | <u>\$1,988,330</u> | <u>\$2,156,843</u> | <u>\$168,513</u> |

| 2020 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$447,807 | \$423,023 | \$24,784 |
| Special Revenue | 1,967,203 | 1,647,135 | 320,068 |
| Total | <u>\$2,415,010</u> | <u>\$2,070,158</u> | <u>\$344,852</u> |

4. 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 statement presents this amount as intergovernmental receipts.

5. 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, 2020.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for errors and omissions.

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:

**DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2020
(Continued)**

6. RISK MANAGEMENT (Continued)

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

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

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

7. 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. 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:

| | | Special | |
|--------------------------|----------|-----------|-----------|
| Fund Balances | General | Revenue | Total |
| Outstanding Encumbrances | \$30,575 | \$174,263 | \$204,838 |
| | | | |

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

8. COVID-19

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

9. CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the District has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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
Belmont County
68501 Bannock Road
St. Clairsville, Ohio 43950

To the District 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 (*Government Auditing Standards*), the financial statement of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2020, and the related notes to the financial statement of the District Board of Health, Belmont County, Ohio (the District), and have issued our report thereon dated December 10, 2024, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit. We noted the District adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2020-002 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2020-001.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

**BELMONT COUNTY DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020**

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

FINDING NUMBER 2020-001

Noncompliance

Ohio Rev. Code § 3709.28 provides that total appropriations from each fund shall not exceed the total of the estimated revenue.

The District's appropriations exceeded the amount certified as available by the budget commission in the Personal Response Education Program and Swimming Pools/Spas Funds, by \$68,755 and \$1,311, respectively.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the District's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The District should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the District should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board of Health to reduce the appropriations.

Officials' Response: Based on the finding of this audit it is apparent that the fiscal officer did not properly perform the duties of her job. The reporting and fiscal procedures were not properly done in an appropriate manner, resulting in these findings. This employee is no longer employed by the Belmont County Health Department and new fiscal officers are now in place. Going forward all financial approvals/transactions submitted to the board for approval will include justification for the fiscal action.

FINDING NUMBER 2020-002

Significant Deficiency

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The District did not always record receipts into accurate classifications and funds based upon the source of the receipt.

We noted \$370,000 in appropriations apportioned among the townships and municipal corporations was posted to Taxes instead of Intergovernmental. This reclass, with which management agrees, is reflected in the accompanying financial statement.

We noted Miscellaneous Revenue was overstated and Fund Cash Balances, January 1, 2021, was understated by \$4,611 in the Special Revenue Funds in the HINKLE Filing. This adjustment, with which management agrees, is reflected in the accompanying financial statement.

**BELMONT COUNTY DISTRICT BOARD OF HEALTH
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020
(Continued)**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
|--|

FINDING NUMBER 2020-002 (Continued)

Significant Deficiency (Continued)

We also noted a maternal and child health block grant receipt in the amount of \$10,850 was posted to the Reproductive Health-Wellness Fund (F77) instead of the CFHSP/Maternal Child Health Fund (F85). As this adjustment is not significant to the opinion unit affected, the adjustment was agreed to by management but was not posted by the District.

The District did not have a control process in place to help ensure receipts are recorded in the correct classification.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the District's financial position and operations.

The District should utilize available authoritative resources to properly classify and record all receipt transactions. This guidance will help ensure the District makes proper postings to receipt account classifications based on the source of the receipt.

Officials' Response: Based on the finding of this audit it is apparent that the fiscal officer did not properly perform the duties of her job. The reporting and fiscal procedures were not properly done in an appropriate manner, resulting in these findings. This employee is no longer employed by the Belmont County Health Department and new fiscal officers are now in place. Going forward all financial approvals/transactions submitted to the board for approval will include justification for the fiscal action.

OHIO AUDITOR OF STATE KEITH FABER



BELMONT COUNTY DISTRICT BOARD OF HEALTH

BELMONT 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 12/24/2024

65 East State 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