

***HURON COUNTY  
PUBLIC HEALTH***

***HURON COUNTY***

Regular Audit

For the Year Ended December 31, 2023







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Columbus, Ohio 43215  
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800-282-0370

Board of Trustees  
Huron County Public Health  
28 Executive Dr.  
Norwalk, OH 44857

We have reviewed the *Independent Auditor's Report* of Huron County Public Health, Huron County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Huron County Public Health is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

September 04, 2024

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**Huron County Public Health  
Huron County  
For the Year Ended December 31, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

Huron County Public Health  
Huron County  
28 Executive Dr.  
Norwalk, OH 44857

To the Board of Trustees:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Huron County Public Health, Huron County, Ohio (the District), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2023, or the changes in financial position for the year then ended.

***Basis for Opinions***

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

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

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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



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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 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.



***Charles E. Harris & Associates, Inc.***  
June 14, 2024

**Huron County General Health District**  
*Huron County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2023*

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Property Taxes	\$ 908,122	\$ -	\$ 908,122
Charges for Services	430,163	66,073	496,236
Fines, Licenses and Permits	291,395	-	291,395
Intergovernmental:			
Grants	22,851	1,220,265	1,243,116
Other	-	9,140	9,140
Donations	19,414	-	19,414
Contract Services	173,659	-	173,659
<i>Total Cash Receipts</i>	<u>1,845,604</u>	<u>1,295,478</u>	<u>3,141,082</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	569,938	608,454	1,178,392
Office & Clinic Supplies	11,245	-	11,245
Project Expense	-	325,033	325,033
Other Expenses	70,147	-	70,147
OPERS	80,913	86,135	167,048
Workers Compensation	4,550	1,261	5,811
Medicare	7,921	7,768	15,689
Hospitalization	93,083	140,047	233,130
State Fees	67,485	-	67,485
Contract Repairs/Service/Personnel	229,994	-	229,994
Travel	2,030	-	2,030
Vaccine	187,920	-	187,920
Advertising & Printing	675	-	675
Equipment	5,434	-	5,434
Unemployment	460	-	460
Debt Service:			
Principal Retirement	140,000	-	140,000
<i>Total Cash Disbursements</i>	<u>1,471,795</u>	<u>1,168,698</u>	<u>2,640,493</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	373,809	126,780	500,589
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	16,492	-	16,492
Transfers Out	-	(16,492)	(16,492)
Advances In	230,998	261,320	492,318
Advances Out	(261,320)	(230,998)	(492,318)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(13,830)</u>	<u>13,830</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	359,979	140,610	500,589
<i>Fund Cash Balances, January 1</i>	<u>418,837</u>	<u>595,147</u>	<u>1,013,984</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 778,816</u>	<u>\$ 735,757</u>	<u>\$ 1,514,573</u>

*See accompanying notes to the financial statements*

**Huron County Public Health**  
*Huron County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Huron County Public Health, Huron County, Norwalk, Ohio (the District) as a body corporate and politic. The District is a combined Board of Health as defined by Section 3709.07 of the Ohio Rev. Code. The District is the union of the General Health District and the Board of Health of the cities of Norwalk and Willard. The District operates under the direction of a nine-member appointed Board of Health with one member appointed by each of the cities, one member appointed by the Licensing Committee and five members appointed by the District Advisory Council. The City of Bellevue appoints a non-voting member to the Board. The Huron County Auditor and Huron County Treasurer are responsible for fiscal control of the resources of the District which are maintained in the funds described below. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

The District participates in the Public Entities Pool of Ohio public entity risk pool. This organization provides property and casualty coverages for its members. Note 7 to the financial statements provide additional information for the entity.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***COVID 19 Enhanced Operations Grant*** This federal funding was awarded to local health departments to be utilized for contact tracing of coronavirus 19.

**Huron County Public Health**  
*Huron County*  
*Notes to the Financial Statements*  
*for the Year Ended December 31, 2023*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

**Huron County Public Health**  
*Huron County*  
*Notes to the Financial Statements*  
*for the Year Ended December 31, 2023*

**Note 2 – Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

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

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

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023, follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,122,326	\$ 1,862,096	\$ (260,230)
Special Revenue	1,166,106	1,295,478	129,372

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,423,000	\$ 1,519,016	\$ 903,984
Special Revenue	1,681,007	1,188,302	492,705

**Huron County Public Health**  
*Huron County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 4 – Deposits and Investments**

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

**Note 5 – Intergovernmental Funding and Property Taxes**

*Intergovernmental Funding*

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

*Property Taxes*

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

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

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

**Note 6 – Interfund Balances**

*Advances*

Outstanding advances at December 31, 2023, consisted of \$294,038 from General Fund advanced to Fund 904 SOAPP Grant (\$7,000), Fund 905 Reproductive Health (\$21,000), Fund 913 Public Health Information (\$26,000), Fund 914 Sewage Operation and Maintenance Fund (\$57,000), Fund 917 Creating Healthy Communities Grant (\$15,000), Fund 919 WPCLF Sewage System Repair and Replace Fund (\$32,427), Fund 921 Covid-19 Contract Tracing Fund \$40,000, Fund 924 Public Health Workforce Development Grant (\$41,291), Fund 928 FDA Self Assessment Mentee Grant (\$14,000), Fund 931 Covid 19 Enhanced Operations Grant (\$105,000), Fund 935 Vaccine Hesitancy Grant (\$320) and Fund 936 FDA Food Training Grant (\$15,000).

**Huron County Public Health**  
*Huron County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 7 – Risk Management**

***Worker’s Compensation***

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

***Risk Pool Membership***

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

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

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

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

**Note 8 – 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 benefit.

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, 2023.

***Social Security***

Several Board of Health employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The District contributed an amount equal to 6.2% of participants’ gross salaries. The District has paid all contributions required through December 31, 2023.

**Huron County Public Health**  
*Huron County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

**Note 10 – Debt**

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Executive Drive Building Loan	\$ 70,000	0%
Howard Street Building Loan	210,000	0%

During 2018, the District received a \$350,000 interest free loan in accordance with Ohio Revised Code 3707.55 for the purchase of a building. The loan is interest free and will be repaid in annual installments of \$70,000 with the final payment in January 2024.

The District entered an agreement to purchase a building at 388 E Howard Street, Willard, OH on October 13, 2022. The total cost of the building will be \$350,000. A payment of \$70,000 was made on October 13, 2022. The settlement paid at time of closing of \$457.41 was made November 10, 2022. The remaining balance will be paid in \$70,000 installments over a four-year period at zero percent interest to David Stanbery, M.D.

***Amortization***

Amortization of the above debt is scheduled as follows:

Year Ending	Executive Drive	Howard Street
<u>December 31:</u>	<u>Building Loan</u>	<u>Building Loan</u>
2024	\$ 70,000	\$ 70,000
2025	-	70,000
2026	-	70,000
Total	<u>\$ 70,000</u>	<u>\$ 210,000</u>

**Note 11 – Contingent Liabilities**

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



**Huron County Public Health**  
*Huron County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 12 – Fund Balances**

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

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 47,221	\$ 3,112	\$ 50,333

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

**Note 13 – Compliance**

Contrary to the Ohio Revised Code Section 5705.41(D), 45% of the District's tested purchase orders were dated after the invoice dates.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Huron County Public Health  
Huron County  
28 Executive Dr.  
Norwalk, OH 44857

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2023 and the related notes to the financial statements of Huron County Public Health, Huron County, (the District) and have issued our report thereon dated June 14, 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 also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2023-001 to be a material weakness.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2023-002.

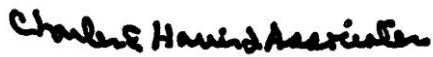
We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 14, 2024.

***District's Responses 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.



***Charles E. Harris & Associates, Inc.***

June 14, 2024

**HURON COUNTY PUBLIC HEALTH  
HURON COUNTY**

**SCHEDULE OF FINDINGS  
December 31, 2023**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2023-001 - Material Weakness**

**Financial Reporting**

Audit Adjustments and Reclassifications:

The District erroneously recorded several transactions during 2023. The more significant adjustments are as follows:

- The General Fund had disbursements in Contract Repair/Service/Personnel of \$140,000 that were reclassified as Principal Retirement.
- The General Fund had receipts in Miscellaneous of \$56,161 that were reclassified as a reduction to Hospitalization disbursements.
- The General Fund and Special Revenue Funds had \$16,492 reclassified from Advances to Transfers for a deactivated fund.
- The General Fund had receipts in Fines, Licenses and Permits of \$430,163 that were reclassified as Charges for Services.
- The Special Revenue Fund had receipts in Charges for Services of \$76,431 that were reclassified as Intergovernmental Grants.
- The notes to the financial statements omitted the debt and fund balance notes and related information.

The accompanying financial statements have been adjusted to properly reflect these transactions. Various other immaterial posting errors were also noted and brought to the attention of management.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate, the District should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board, to identify and correct errors and omissions.

**Management Response:**

See Corrective Action Plan

**HURON COUNTY PUBLIC HEALTH  
HURON COUNTY**

**SCHEDULE OF FINDINGS – CONTINUED  
December 31, 2023**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - Continued</b>
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**Finding Number 2023-002 - Ohio Revised Code Non-Compliance**

**Certification of Expenditures:**

Ohio Rev. Code Section 5705.41 (D) (1) prohibits a subdivision or taxing entity from making a contract or ordering any expenditure of money unless a certificate signed by a fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (D)(1) and 5705.41 (D)(3), respectively, of the Ohio Revised Code.

1. “Then and Now Certificates” – If the fiscal officer can certify that both at the time that contract or order was made (“then”) and at the time that the fiscal officer was completing the certification (“now”), that sufficient funds were available or in the process of collection, to credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for payment of the amount due. The District has thirty days from the receipt of the “then and now” certificate to approve payment by resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. Blanket Certificates - Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of members of the legislative authority against any specific line item amount over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificates – The District may also make expenditures and contracts for any amount for a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most profession services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**HURON COUNTY PUBLIC HEALTH  
HURON COUNTY**

**SCHEDULE OF FINDINGS - CONTINUED  
December 31, 2023**

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

**Finding Number 2023-002 - Ohio Revised Code Non-Compliance (Continued)**

During 2023, 45% of purchase orders tested were not certified by the District Fiscal Officer prior to incurring the obligation respectively. The transactions had no evidence of the above-mentioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balance.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's expenditures exceeding budgetary spending limitations, we recommend that the District certify expenditures prior to incurring the liability. The District may use then and now and blanket purchase orders to assist in complying with this requirement.

**Management Response:**

See Corrective Action Plan

**HURON COUNTY PUBLIC HEALTH  
HURON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended December 31, 2023**

**Prepared by Management**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2022-001	Material weakness for errors in financial reporting	Not Corrected	None

**HURON COUNTY PUBLIC HEALTH  
HURON COUNTY**

**CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 2023  
Prepared by Management**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2023-001	Aware of the issue. Agency will review financial reporting procedures. Agency is reviewing current classification descriptions with the county auditor to make the necessary changes. Agency will review revenue as it comes in to assure that it is put into the correct classifications. Going forward, HCPH will add footnotes on the financial statements, one detailing total federal expense and one detailing all federal expense passed through ODH to easily identify grant revenue and expense.	Immediately	Bethany Bracken, Interim Director
2023-002	Aware of the issue. Will review purchase order procedures with the staff.	Immediately	Bethany Bracken, Interim Director



# OHIO AUDITOR OF STATE KEITH FABER



**HURON COUNTY PUBLIC HEALTH**

**HURON 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 9/17/2024**

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](http://www.ohioauditor.gov)