



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

PUBLIC HEALTH – DAYTON AND MONTGOMERY COUNTY MONTGOMERY COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024



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Columbus, Ohio 43215
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Board of Health
Public Health – Dayton and Montgomery County
117 South Main Street
Dayton, Ohio 45422

We have reviewed the *Independent Auditors' Report* of Public Health – Dayton and Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2024 through December 31, 2024. 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. Public Health – Dayton and Montgomery County is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 13, 2025

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INDEPENDENT AUDITORS' REPORT

Public Health – Dayton and Montgomery County
117 South Main Street
Dayton, Ohio 45422

Report on the Audit of the Financial Statements

Opinions

We have audited the cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Public Health – Dayton and Montgomery County ("PHDMC"), as of and for the year ended December 31, 2024, and related notes to the financial statements, which collectively comprise the PHDMC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of PHDMC, as of December 31, 2024, and the respective changes in cash-basis financial position for the year then ended in accordance with the cash-basis of accounting described in Note 2.

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of PHDMC 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.

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to 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 Board'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.

Auditors' 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 auditors' 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 *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 PHDMC'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 PHDMC'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 financial statements that collectively comprise PHDMC's basic financial statements. The Schedule of Expenditures of Federal Awards as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the budgetary comparison schedules are presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2025, on our consideration of PHDMC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PHDMC'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 PHDMC's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 2, 2025

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2024

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 22,604,879
Total assets	<u>22,604,879</u>
Net position:	
Restricted for:	
Air pollution	1,907,945
Federal programs	811,348
Unrestricted	19,885,586
Total net position	<u>\$ 22,604,879</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Cash	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for	Operating Grants	Governmental
		Services and Sales	and Contributions	Activities
Governmental activities:				
Health:				
Public health services	\$ 32,204,979	\$ 9,603,865	\$ 11,236,302	\$ (11,364,812)
Capital outlay	609,016	-	-	(609,016)
Total governmental activities	<u>\$ 32,813,995</u>	<u>\$ 9,603,865</u>	<u>\$ 11,236,302</u>	<u>(11,973,828)</u>
General Receipts:				
Property taxes levied for:				
Human services				19,246,223
Unrestricted grants and contributions				15,281
Sale of capital assets				3,360
Miscellaneous				<u>217,812</u>
Total general receipts				<u>19,482,676</u>
Change in net position				7,508,848
Net position at beginning of year				<u>15,096,031</u>
Net position at end of year				<u><u>\$ 22,604,879</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	<u>General</u>	<u>Air Pollution</u>	<u>Federal</u>	<u>Capital Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in pooled cash and cash equivalents	\$ 16,584,120	\$ 1,907,945	\$ 811,348	\$ 1,748,745	\$ 1,552,721	\$ 22,604,879
Total assets	<u>\$ 16,584,120</u>	<u>\$ 1,907,945</u>	<u>\$ 811,348</u>	<u>\$ 1,748,745</u>	<u>\$ 1,552,721</u>	<u>\$ 22,604,879</u>
Fund balances:						
Restricted	-	1,907,945	811,348	-	-	2,719,293
Committed	-	-	-	1,748,745	1,552,721	3,301,466
Assigned	3,741,353	-	-	-	-	3,741,353
Unassigned	<u>12,842,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,842,767</u>
Total fund balances	<u>\$ 16,584,120</u>	<u>\$ 1,907,945</u>	<u>\$ 811,348</u>	<u>\$ 1,748,745</u>	<u>\$ 1,552,721</u>	<u>\$ 22,604,879</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>General</u>	<u>Air Pollution</u>	<u>Federal</u>	<u>Capital Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:						
Levy funds	\$ 19,246,223	\$ -	\$ -	\$ -	\$ -	\$ 19,246,223
Charges for services	5,614,814	361,638	1,195,178	-	97,350	7,268,980
Licenses, permits, and fees	781,485	50,062	-	-	1,503,338	2,334,885
Intergovernmental	578,039	1,773,501	8,884,762	-	-	11,236,302
Gifts and contributions	10,266	-	5,015	-	-	15,281
Miscellaneous	212,208	82	5,099	-	423	217,812
Total receipts	<u>26,443,035</u>	<u>2,185,283</u>	<u>10,090,054</u>	<u>-</u>	<u>1,601,111</u>	<u>40,319,483</u>
Disbursements:						
Current:						
Salaries and benefits	13,438,145	1,915,406	5,468,230	-	1,265,577	22,087,358
Supplies	915,054	46,819	183,661	-	5,545	1,151,079
Contracted services	2,927,075	74,081	2,882,396	-	32,478	5,916,030
Intergovernmental	1,272,690	-	26,731	-	83,502	1,382,923
Rentals	1,221,036	744	58,499	-	-	1,280,279
Travel and training	114,335	14,067	138,817	-	44,515	311,734
Other	22,065	53,461	50	-	-	75,576
Capital outlay	249,303	96,620	257,671	5,422	-	609,016
Total disbursements	<u>20,159,703</u>	<u>2,201,198</u>	<u>9,016,055</u>	<u>5,422</u>	<u>1,431,617</u>	<u>32,813,995</u>
Excess (deficiency) of receipts over (under) disbursements	<u>6,283,332</u>	<u>(15,915)</u>	<u>1,073,999</u>	<u>(5,422)</u>	<u>169,494</u>	<u>7,505,488</u>
Other financing sources (uses):						
Sale of capital assets	-	3,360	-	-	-	3,360
Transfers in	-	-	1,246,472	-	-	1,246,472
Transfers (out)	(1,246,472)	-	-	-	-	(1,246,472)
Total other financing sources (uses)	<u>(1,246,472)</u>	<u>3,360</u>	<u>1,246,472</u>	<u>-</u>	<u>-</u>	<u>3,360</u>
Net change in fund balances	5,036,860	(12,555)	2,320,471	(5,422)	169,494	7,508,848
Fund balances (deficit) at beginning of year	<u>11,547,260</u>	<u>1,920,500</u>	<u>(1,509,123)</u>	<u>1,754,167</u>	<u>1,383,227</u>	<u>15,096,031</u>
Fund balances at end of year	<u>\$ 16,584,120</u>	<u>\$ 1,907,945</u>	<u>\$ 811,348</u>	<u>\$ 1,748,745</u>	<u>\$ 1,552,721</u>	<u>\$ 22,604,879</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 - DESCRIPTION OF REPORTING ENTITY

Public Health – Dayton & Montgomery County (PHDMC) is a combined general health district established under the laws of the State of Ohio. An eight-member Board of Health governs PHDMC, which provides public health services to the citizens of Montgomery County and, for certain programs, surrounding counties also. The Board appoints a health commissioner and all employees of PHDMC.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from PHDMC. PHDMC's services include general operations, public health nursing, immunizations, communicable disease clinics and programs, food protection, community and special services, vital statistics, personal health care clinics, regional air pollution monitoring and control, water and solid waste programs, and regional emergency response planning.

Public Entity Risk Pools

PHDMC participates in the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. The PEP provides property and casualty coverage for its members. Note 7 to the financial statements provides additional information for this entity.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

PHDMC's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about PHDMC as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of PHDMC that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. PHDMC has no business-type activities.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Statement of Net Position presents the financial condition of the governmental activities of PHDMC at year end. The Statement of Activities compares disbursements and program receipts for each program or function of the PHDMC's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which PHDMC is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of PHDMC, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of PHDMC.

Fund Financial Statements - During the year, PHDMC segregates transactions related to certain PHDMC functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of PHDMC at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

PHDMC 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. Funds are used to segregate resources that are restricted as to use. PHDMC utilizes the governmental category of funds only; it does not have any fiduciary funds.

Governmental Funds - Governmental funds are those through which all governmental functions of PHDMC are financed.

The following are PHDMC's major governmental funds:

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

Air Pollution Fund - This fund accounts for and reports financial resources that are restricted to expenditure for monitoring and controlling air pollution within Montgomery and surrounding counties.

Federal Fund - This fund accounts for and reports federal grant monies that are restricted to expenditure to meet requirements of the grants, whether received directly from the federal government or from the State in the form of a pass-through.

Capital Project Fund - This fund accounts for and reports financial resources that are committed to expenditure for the repair and maintenance of various health centers and to purchase/replace other capital items as needed.

The other governmental funds of PHDMC account for and report other resources whose use is restricted, committed or assigned to a particular purpose, such as the food protection program.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Accounting

PHDMC's financial statements are prepared using the cash basis of accounting. Receipts are recorded in PHDMC's financial records and reported in the financial statements when cash is received, rather than when earned. Likewise, disbursements are recorded when cash is paid, rather than when a liability is incurred.

As a result of using this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for services billed or provided but not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund level for all funds. Individual grants are limited to their approved budget; the Board must approve any increase or decrease.

ORC Section 5705.28 (C) (1) requires PHDMC to file an estimate of contemplated revenue and expenses with the municipalities and townships within the health district by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the district if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for general health districts, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, PHDMC must adopt an appropriation measure for the next fiscal year. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, PHDMC may transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Health.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts also automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

E. Cash and Investments

The Montgomery County Treasurer is the custodian for PHDMC's cash and investments. The County's cash and investment pool holds PHDMC's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from: Montgomery County Treasurer, 451 W. Third Street, Dayton, OH 45422-1475, 937-225-4010.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Inventory and Prepaid Items

PHDMC reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Accumulated Leave

For 2024, GASB Statement No. 101, "Compensated Absences", was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The PHDMC does not offer noncash settlements.

PHDMC employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the PHDMC's cash basis of accounting.

I. Employer Contributions to Cost-Sharing Pension Plans

PHDMC recognizes the disbursements for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

J. Long-Term Obligations

The cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an Other Financing Source nor a Capital Outlay expenditure are reported at inception. Lease and SBITA payments are reported when paid.

K. Leases and SBITAs

The Health District is the lessee (as defined by GASB 87) in various leases related to equipment under noncancelable leases. Lease receivables/payables are not reflected under the Health District's cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

The Health District has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems, data storage, and various other software. Subscription assets/liabilities are not reflected under the Health District's cash basis of accounting. Subscription disbursements are recognized when they are paid.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Net Position

Net position is reported as restricted when there are limitations imposed on assets' use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

PHDMC's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

M. Fund Balance

Fund balance is divided into the following classifications based primarily on the extent to which PHDMC is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by PHDMC for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health or a Health District official delegated that authority by resolution, or by State Statute.

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

PHDMC 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.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as Other Financing Sources/Uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2024, the PHDMC has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*", Implementation Guide No. 2023-1 and GASB Statement No. 101, "*Compensated Absences*".

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the PHDMC.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the PHDMC.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the PHDMC.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the PHDMC.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the PHDMC.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Compliance

Contrary to Ohio law, Appropriation authority exceeded estimated resources in the Federal fund by \$8,532,570 for the year ended December 31, 2024.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

NOTE 5 - PROPERTY TAXES

The County Commissioners have established a Human Services Levy Council (HSLC) in which PHDMC participates. Distribution of Levy funds to the participating agencies is on a semi-annual basis in accordance with HSLC recommendations. Currently the combined millage for the two levies is 14.24. The HSLC has established a policy regarding agencies maintaining fund balances: each levy agency shall strive to maintain its fund balances, to the extent possible, at about 9% of budgeted expenses on average. The County Treasurer collects property taxes on behalf of all taxing districts in the county, including PHDMC.

PHDMC receives an award of Human Services Levy funds as a result of an agency request and review process. These funds are released to Public Health on a semi-annual basis through an intergovernmental transfer by the Montgomery County Office of Management and Budget.

NOTE 6 - INTERFUND TRANSFERS

During 2024, the following transfers were made:

<u>Transfer To</u>	<u>Transfers From General</u>
Federal Fund	<u>\$ 1,246,472</u>

The above-mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7 - RISK MANAGEMENT

Risk Pool Membership

The PHDMC is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of PHDMC'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

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 7 - RISK MANAGEMENT - (Continued)

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31, 2023 (the most recent information available):

	<u>2023</u>
Cash and Investments	\$43,996,442
Actuarial liabilities	19,743,401

Blanket real and personal property including boiler and machinery coverage has a limit of \$10,839,422 and a \$1,000 deductible.

Workers' Compensation

Montgomery County manages the Workers' Compensation program in which PHDMC participates. Allocation of the cost to PHDMC takes place annually.

NOTE 8 - EMPLOYEE BENEFITS

A. Health Insurance

PHDMC offers health, dental and vision coverage to its employees. Health insurance is provided through Anthem, Blue Cross/Blue Shield and pharmacy benefits are provided through Caredon Rx. Employees have the option of participating in a Basic or Enhanced health plan. Employees who are covered under another health plan receive a waiver payment. HSA accounts are set up through Optum Bank and employees make pre-tax contributions via payroll deduction. PHDMC offers a match up to \$1,000 for each enrolled employee in the HSA plan.

If an employee is covered under the Basic or Enhanced health insurance plan and is ineligible to contribute to a HSA, they are eligible for the Health Reimbursement Arrangement (HRA) benefit. PHDMC offers a matching contribution of \$1,000. The HRA is administered by Optum Bank.

Employees may also elect to participate in a Flexible Spending Account (FSA), which allows them to set aside funds to cover out of pocket expenses for medical care and/or dependent childcare expense. Voluntary employee payroll deductions fund the plan and employees file their own claims. The FSA is administered by Optum Bank.

In addition, PHDMC provides dental and vision benefits through Superior Dental. Life insurance is provided through Companion Life to eligible employees at a dollar value of one times the annual salary for full time employees. Employees also have the opportunity to obtain short term disability, additional life, through Companion Life, and accident insurance, hospital indemnity, and critical illness insurance are offered through VOYA, for which the employee pays the entire cost.

B. Tuition Reimbursement Program

PHDMC offers tuition reimbursement to all eligible employees up to \$2,000 per year per person for full-time employees and \$1,000 for part-time employees, for costs associated with college or university courses that benefit the employee in maintaining, enhancing, or remaining current with new methodologies. All courses are subject to prior approval by management, and a minimum grade is required to receive reimbursement. Employees who resign within one year of receiving tuition reimbursement are required to repay the funds to PHDMC.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 9 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - PHDMC employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	
	Traditional	Combined
2024 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2024 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The PHDMC's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$2,188,530 for 2024.

NOTE 10 - POSTEMPLOYMENT BENEFITS

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 10 - POSTEMPLOYMENT BENEFITS - (Continued)

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

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.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

Group C 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - POSTEMPLOYMENT BENEFITS - (Continued)

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51.00% and 90.00% of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10.00% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20.00% per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - POSTEMPLOYMENT BENEFITS - (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The PHDMC's contractually required contribution was \$0 for 2024.

NOTE 11 - LEASES

PHDMC leases several sites for its operations. PHDMC disbursed \$1,265,729 to pay lease costs for the year ended December 31, 2024. All leases include cancellation provisions. The largest lease is with Montgomery County for the Reibold Building at \$878,540 for the calendar year. No amortization schedules are available for these leases.

NOTE 12 - FUND BALANCES

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which PHDMC is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

2024 Fund Balances	General Fund	Air Pollution Fund	Federal Fund	Capital Project	Other Governmental Funds	Total
Restricted for						
Air Pollution Program	\$ -	\$ 1,907,945	\$ -	\$ -	\$ -	\$ 1,907,945
Federal programs	-	-	811,348	-	-	811,348
<i>Total Restricted</i>	-	1,907,945	811,348	-	-	2,719,293
Committed to						
Capital Projects and						
Equipment	-	-	-	1,748,745	-	1,748,745
Food Service Program	-	-	-	-	1,552,721	1,552,721
<i>Total Committed</i>	-	-	-	1,748,745	1,552,721	3,301,466
Assigned to						
Encumbrances -						
General Fund	1,271,662	-	-	-	-	1,271,662
Subsequent Year						
Appropriations	2,469,691	-	-	-	-	2,469,691
<i>Total Assigned</i>	3,741,353	-	-	-	-	3,741,353
Unassigned	12,842,767	-	-	-	-	12,842,767
<i>Total Fund Balances</i>	\$ 16,584,120	\$ 1,907,945	\$ 811,348	\$ 1,748,745	\$ 1,552,721	\$ 22,604,879

**PUBLIC HEALTH – DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 13 – SIGNIFICANT CONTRACTUAL COMMITMENTS

At December 31, 2024, PHDMC had significant contractual commitments for services. Some of these commitments will be funded by federal and state program grants. Below is a list of the most significant contract amounts and vendors:

<u>Vendor Name</u>	<u>Amount</u>
Ascend Innovations	\$ 350,000
Brigids Path	700,000
Chris-Tol Clean Janitorial Services	347,200
Cirrus Concept Consulting	290,112
Clark County Combined Health District	200,000
Community Health Centers of Greater Dayton	107,046
Dell Technologies	208,501
Elizabeth Place	200,276
Montgomery County Coroner's Office	120,000
Montgomery County Sheriff Office	155,726
Montgomery County Solid Waste Management	172,557
ODJFS	280,000
SHC Services	460,874
TESCO Speciality Vehicles	283,130
Total	<u>\$ 3,875,422</u>

NOTE 14 - OTHER COMMITMENTS

The PHDMC utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the PHDMC's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 1,271,662
Air Pollution	84,167
Federal	1,793,199
Capital Projects	34,769
Nonmajor Governmental	2,957
Total	<u>\$ 3,186,754</u>

NOTE 15 - CONTINGENT LIABILITIES

PHDMC is a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect PHDMC's financial condition.

Grants

Amounts grantor agencies pay to PHDMC are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Over (Under) Actual Amounts
Budgetary receipts:				
Levy funds	\$ 17,529,019	\$ 17,321,687	\$ 19,246,223	\$ 1,924,536
Charges for services	5,113,844	5,053,358	5,614,814	561,456
Licenses, permits, and fees	711,759	703,340	781,485	78,145
Intergovernmental	526,465	520,238	578,039	57,801
Gifts and contributions	9,350	9,239	10,266	1,027
Miscellaneous	193,274	190,988	212,208	21,220
Total budgetary receipts	24,083,711	23,798,850	26,443,035	2,644,185
Budgetary disbursements:				
Current:				
Salaries and benefits	16,516,311	16,294,958	13,439,805	(2,855,153)
Supplies	1,222,933	1,206,543	995,136	(211,407)
Contracted services	4,552,533	4,491,519	3,704,529	(786,990)
Intergovernmental	2,035,235	2,007,958	1,656,130	(351,828)
Rentals	1,513,912	1,493,622	1,231,914	(261,708)
Travel and training	142,433	140,524	115,902	(24,622)
Other	37,221	36,722	30,288	(6,434)
Capital outlay	316,642	312,399	257,661	(54,738)
Total budgetary disbursements	26,337,220	25,984,245	21,431,365	(4,552,880)
Budgetary excess (deficiency) of receipts over (under) disbursements	(2,253,509)	(2,185,395)	5,011,670	7,197,065
Budgetary other financing (uses):				
Transfers out	(1,531,802)	(1,511,273)	(1,246,472)	264,801
Total budgetary other financing (uses)	(1,531,802)	(1,511,273)	(1,246,472)	264,801
Net change in fund cash balance	(3,785,311)	(3,696,668)	3,765,198	7,461,866
Budgetary fund balance at beginning of year	10,100,409	10,100,409	10,100,409	-
Prior year encumbrances appropriated	1,446,851	1,446,851	1,446,851	-
Budgetary fund balance at end of year	<u>\$ 7,761,949</u>	<u>\$ 7,850,592</u>	<u>\$ 15,312,458</u>	<u>\$ 7,461,866</u>

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AIR POLLUTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Over (Under) Actual Amounts
Budgetary receipts:				
Charges for services	\$ 795,845	\$ 740,315	\$ 361,638	\$ (378,677)
Licenses, permits, and fees	110,170	102,483	50,062	(52,421)
Intergovernmental	3,902,885	3,630,562	1,773,501	(1,857,061)
Miscellaneous	180	168	82	(86)
Total budgetary receipts	4,809,080	4,473,528	2,185,283	(2,288,245)
Budgetary disbursements:				
Current:				
Salaries and benefits	3,867,247	4,637,535	1,915,406	(2,722,129)
Supplies	101,512	121,732	50,278	(71,454)
Contracted services	310,625	372,496	153,849	(218,647)
Rentals	1,502	1,801	744	(1,057)
Travel and training	30,299	36,335	15,007	(21,328)
Other	107,939	129,438	53,461	(75,977)
Capital outlay	195,078	233,934	96,620	(137,314)
Total budgetary disbursements	4,614,202	5,533,271	2,285,365	(3,247,906)
Budgetary excess (deficiency) of receipts over (under) disbursements	194,878	(1,059,743)	(100,082)	959,661
Budgetary other financing sources:				
Sale of capital assets	7,394	6,878	3,360	(3,518)
Total budgetary other financing sources	7,394	6,878	3,360	(3,518)
Net change in fund cash balance	202,272	(1,052,865)	(96,722)	956,143
Budgetary fund balance at beginning of year	1,872,772	1,872,772	1,872,772	-
Prior year encumbrances appropriated	47,728	47,728	47,728	-
Budgetary fund balance at end of year	<u>\$ 2,122,772</u>	<u>\$ 867,635</u>	<u>\$ 1,823,778</u>	<u>\$ 956,143</u>

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

**PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Over (Under) Actual Amounts
Budgetary receipts:				
Charges for services	\$ 1,782,653	\$ 1,366,551	\$ 1,195,178	\$ (171,373)
Intergovernmental	13,251,957	10,158,726	8,884,762	(1,273,964)
Gifts and contributions	7,480	5,734	5,015	(719)
Miscellaneous	7,605	5,830	5,099	(731)
Total budgetary receipts	15,049,695	11,536,841	10,090,054	(1,446,787)
Budgetary disbursements:				
Current:				
Salaries and benefits	8,513,383	10,110,702	5,468,425	(4,642,277)
Supplies	303,210	360,100	194,762	(165,338)
Contracted services	7,202,449	8,553,804	4,626,369	(3,927,435)
Intergovernmental	41,616	49,424	26,731	(22,693)
Rentals	94,186	111,858	60,499	(51,359)
Travel and training	232,056	275,595	149,057	(126,538)
Other	78	92	50	(42)
Capital outlay	441,144	523,913	283,361	(240,552)
Total budgetary disbursements	16,828,122	19,985,488	10,809,254	(9,176,234)
Budgetary excess (deficiency) of receipts over (under) disbursements	(1,778,427)	(8,448,647)	(719,200)	7,729,447
Budgetary other financing sources:				
Transfers in	1,859,160	1,425,200	1,246,472	(178,728)
Total budgetary other financing sources	1,859,160	1,425,200	1,246,472	(178,728)
Net change in fund cash balance	80,733	(7,023,447)	527,272	7,550,719
Budgetary fund balance (deficit) at beginning of year	(2,678,390)	(2,678,390)	(2,678,390)	-
Prior year encumbrances appropriated	1,169,267	1,169,267	1,169,267	-
Budgetary fund balance (deficit) at end of year	<u>\$ (1,428,390)</u>	<u>\$ (8,532,570)</u>	<u>\$ (981,851)</u>	<u>\$ 7,550,719</u>

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

**PUBLIC HEALTH DAYTON & MONTGOMERY COUNTY
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 - BUDGETARY PROCESS

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Schedule of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the general fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as a cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budgetary basis to the cash basis are as follows:

	General	Air Pollution	Federal
Budgetary basis	\$ 3,765,198	\$ (96,722)	\$ 527,272
Encumbrances	1,271,662	84,167	1,793,199
Cash basis	<u>\$ 5,036,860</u>	<u>\$ (12,555)</u>	<u>\$ 2,320,471</u>

**PUBLIC HEALTH - DAYTON AND MONTGOMERY COUNTY
MONTGOMERY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number / Award Identification Number	Assistance Listing Numbers	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	05710011WA1724	10.557	\$ 1,581,904
	05710011WA1825	10.557	530,298
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children			<u>2,112,202</u>
Total U.S. Department of Agriculture			<u>2,112,202</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Aid</i>			
Comprehensive Opioid, Stimulant, and other Substances Use Program	N/A	16.838	<u>440,663</u>
Total U.S. Department of Justice			<u>440,663</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
<i>Direct Aid</i>			
Air Pollution Control Program Support (USEPA)	A-00526418	66.001	614,018
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act (Particulate Matter 2.5)	PM-98577210	66.034	111,760
	PM-98577211	66.034	54,537
	5A00E03432	66.034	<u>36,465</u>
Total Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act (Particulate Matter 2.5)			<u>202,762</u>
Total U.S. Environmental Protection Agency			<u>816,780</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Public Health Emergency Preparedness	05710012PH1524	93.069	222,950
	05710012PH0125	93.069	<u>107,859</u>
Total Public Health Emergency Preparedness			<u>330,809</u>
Immunization Cooperative Agreements	05710012GV0624	93.268	45,624
	05710012GV0725	93.268	<u>27,717</u>
Total Immunization Cooperative Agreements			<u>73,341</u>
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	05710012EO0323	93.323	554,571
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	05710012WF0223	93.354	165,000
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	05710012WF0223	93.391	5,000
State Physical Activity and Nutrition (SPAN)	05710011CK0624	93.439	47,083
	1NU58DP007560-01-00	93.439	<u>5,000</u>
Total State Physical Activity and Nutrition (SPAN)			<u>52,083</u>
HIV Prevention Activities Health Department Based	05710012HP1623	93.940	328,788
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	05710012WF0223	93.967	121,324
Sexually Transmitted Diseases (STD) Prevention and Control Grants	05710012ST1523	93.977	89,281
	05710012ST1624	93.977	<u>235,380</u>
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants			<u>324,661</u>
Preventive Health and Health Services Block Grant	05710014CC1225	93.991	6,788
Maternal and Child Health Services Block Grant to the States	05710011OH0424	93.994	44,350

(continued)

**PUBLIC HEALTH - DAYTON AND MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Continued)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Assistance Listing Numbers	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)			
<i>Passed Through Ohio Department of Jobs and Family Services</i>			
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	G-2223-17-0016	93.566	190,939
<i>Passed through National Association of County and City Health Officials</i>			
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	2021-032301	93.421	<u>286,580</u>
Total U.S. Department of Health and Human Services			<u>2,484,234</u>
Total Expenditures of Federal Awards			<u>\$ 5,853,879</u>

The accompanying notes are an integral part of this schedule.

**PUBLIC HEALTH – DAYTON AND MONTGOMERY COUNTY
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(B)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Public Health – Dayton & Montgomery County (“PHDMC”) under programs of the federal government for the year ended December 31, 2024. 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 PHDMC, it is not intended to and does not present the financial position or changes in net position of PHDMC.

NOTE B – 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. PHDMC has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require that PHDMC to contribute non-Federal funds (matching funds) to support the Federally funded programs. PHDMC has complied with the matching requirements. Schedule does not include the expenditure of non-Federal matching funds.

NOTE D – SAPT BLOCK GRANT

Addiction Services is a department of PHDMC. Addiction Services receives a Block Grant for Prevention and Treatment of Substance Abuse (SAPT) ALN #93.959, 93.788 and 93.243 from Montgomery County Alcohol Drug and Mental Health Services Board (ADAMHS) to provide prevention, identification, education, referral and community-based services for alcohol and drug users and gambling prevention and treatment. Based on the agreement between ADAMHS and Addiction Services, SAPT monies disbursed by ADAMHS to Addiction Services are considered contractual and not pass through or sub-recipient. ADAMHS reports SAPT monies on their Federal Awards Expenditures Schedule. These monies will not be reported on PHDMC’s schedule.

NOTE E – COMMINGLING

Federal monies are comingled with other state and local revenues for the following programs:

- Maternal and Child Health Services Block Grants to States (ALN #93.994)
- Ohio Equity Institute 2.0 (ALN #93.994)
- Air Pollution and Control Program Support (ALN #66.001)
- HIV Prevention Activities Health Department Based (ALN #93.940)

When reporting expenditures on the Schedule, PHDMC assumes it expends federal monies first.

NOTE F – MEDICAID ADMINISTRATIVE CLAIMING

PHDMC receives Medicaid Administrative Claiming (MAC) reimbursements ALN #93.778 from the Ohio Department of Health (ODH). Based on the agreement between ODH and PHDMC, MAC reimbursements disbursed by ODH to PHDMC are not considered federal dollars. In 2024, PHDMC spent \$647,954 of the MAC reimbursements from the Ohio Department of Health. The monies are not reported on PHDMC’s federal schedule.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Public Health – Dayton and Montgomery County
117 South Main Street
Dayton, Ohio 45422

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Public Health – Dayton and Montgomery County ("PHDMC"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise PHDMC's basic financial statements, and have issued our report thereon dated June 2, 2025, wherein we noted the PHDMC reported on the cash basis of accounting.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PHDMC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PHDMC's internal control. Accordingly, we do not express an opinion on the effectiveness of PHDMC'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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether PHDMC'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 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 2024-001.

PHDMC's Response to Finding

PHDMC's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. PHDMC's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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 PHDMC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PHDMC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 2, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Public Health – Dayton and Montgomery County
117 South Main Street
Dayton, Ohio 45422

Report on Compliance for Each Major Federal Program**Opinion on Each Major Federal Program**

We have audited the Public Health – Dayton and Montgomery County's ("PHDMC") 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 each of PHDMC's major federal programs for the year ended December 31, 2024. PHDMC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the PHDMC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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 PHDMC's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on PHDMC'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 PHDMC's compliance with the requirements of each 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 PHDMC'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 PHDMC'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 PHDMC's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio

June 2, 2025

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
ALN 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	
ALN 93.323 – COVID 19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	
Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2024-001: Material Noncompliance – Estimated Resources and Appropriations

Ohio Rev. Code section 5705.39 states that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission. During the audit, we noted the Federal special revenue fund had appropriations in excess of estimated resources of \$1,428,390 and \$8,532,570, for the original and final budget, respectively. Appropriation levels in excess of estimated resources increase the risk that deficit spending on a budgetary basis could occur. We recommend PHDMC monitor its estimated resources throughout the year to ensure there will be sufficient resources available to support the level of appropriations adopted for each fund.

Management's Response: See PHDMC's Corrective Action Plan.

Section III – Federal Awards Findings and Questioned Costs

None noted



Public Health - Dayton & Montgomery County

Reibold Building, 117 South Main Street, Dayton, Ohio 45422-1280
(937) 225-5700 • www.phdmc.org



Public Health – Dayton and Montgomery County Schedule of Prior Audit Findings Year Ended December 31, 2024

Finding 2023-001: Material Noncompliance – Budgeting Procedures

Ohio Rev. Code section 5705.39 states that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official certificate or amended official certificate.

We noted the Federal special revenue fund had appropriations in excess of estimated resources of \$1,280,699. Although revenue budget amendments were recorded in the accounting system, the required amended certificates of estimated resources were not filed with the County Budget Commission until well after the end of the fiscal period, thereby making these amendments null and void.

Status: Not corrected; See finding 2024-001.

Finding 2023-002: Material Noncompliance – Negative Cash Balance

Ohio Revised Code Section 5705.10 states in part that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenditures of another fund. PHDMC reported a negative \$1,509,123 fund balance in the Federal special revenue fund at December 31, 2023.

Status: Corrected.



Public Health - Dayton & Montgomery County

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Public Health – Dayton and Montgomery County Corrective Action Plan Year Ended December 31, 2024

Finding Number:	2024-001
Planned Corrective Action:	PHDMC concurs with the finding. Management will monitor budgetary activity on a monthly basis and make necessary adjustments in a timely basis.
Anticipated Completion Date:	06/03/2025
Responsible Contact Person:	Jan Schultz, Budget Management Senior Manager



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OHIO AUDITOR OF STATE KEITH FABER



PUBLIC HEALTH - DAYTON & MONTGOMERY COUNTY

MONTGOMERY 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 8/26/2025

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