



OHIO AUDITOR OF STATE
KEITH FABER



PUTNAM COUNTY GENERAL HEALTH DISTRICT
PUTNAM COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Putnam County District Board of Health
Putnam County
256 East Williamstown Road
Ottawa, Ohio 45875-1870

To the Board of Health:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Putnam County District Board of Health, Putnam County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

September 10, 2025

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**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Property Taxes	\$465,587		\$465,587
Intergovernmental	164,755	\$382,133	546,888
Immunizations	462,592		462,592
Fees and Permits		120,738	120,738
Other Fees		5,998	5,998
Licenses		90,339	90,339
Contractual Services	26,130	4,550,071	4,576,201
Contributions and Donations	9,000		9,000
Other Receipts	<u>68,364</u>	<u>19,250</u>	<u>87,614</u>
<i>Total Cash Receipts</i>	<u>1,196,428</u>	<u>5,168,529</u>	<u>6,364,957</u>
Cash Disbursements:			
Current:			
Health:			
Salaries	600,258	2,391,660	2,991,918
Supplies	273,494	345,475	618,969
Remittances to State	24,389	14,655	39,044
Equipment		51,403	51,403
Contracts - Services	99,372	1,364,596	1,463,968
Rentals		46,750	46,750
Travel	8,715	95,069	103,784
Continuing Education/Dues/Licenses	10,937	39,805	50,742
Advertising and Printing		69,808	69,808
Public Employee's Retirement	83,250	17,924	101,174
Fringes	217,130	694,249	911,379
Other	<u>44,282</u>	<u>87,837</u>	<u>132,119</u>
<i>Total Cash Disbursements</i>	<u>1,361,827</u>	<u>5,219,231</u>	<u>6,581,058</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(165,399)</u>	<u>(50,702)</u>	<u>(216,101)</u>
Other Financing Receipts (Disbursements):			
Transfers In	39,554	635,847	675,401
Transfers Out	<u>(135,848)</u>	<u>(539,553)</u>	<u>(675,401)</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(96,294)</u>	<u>96,294</u>	<u></u>
<i>Net Change in Fund Cash Balances</i>	<u>(261,693)</u>	<u>45,592</u>	<u>(216,101)</u>
<i>Fund Cash Balances, January 1</i>	<u>451,658</u>	<u>4,003,414</u>	<u>4,455,072</u>
<i>Fund Cash Balances, December 31</i>	<u>\$189,965</u>	<u>\$4,049,006</u>	<u>\$4,238,971</u>

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

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

NOTE 1 – REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Putnam County District Board of Health, Putnam County, Ohio (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, homecare services, hospice and palliative care, and the District issues health-related licenses and permits.

Jointly Governed Organization and Public Entity Risk Pool

The District participates in a jointly governed organization, the Public Health Services Council of Ohio, and a public entity risk pool, the Public Entities Pool of Ohio (PEP). Notes 7 and 8 to the financial statements provide additional information for these entities. The District's management believes these financial statements present all activities for which the District is financially accountable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Fund Accounting

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

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

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

Home Health Care Fund This fund receives fees for providing home nursing services to elderly and homebound persons.

Hospice Fund This fund receives fees for providing home nursing services to elderly and homebound persons.

Basis of Accounting

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

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)**

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

A summary of 2024 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

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. The financial statements do not include a liability for unpaid leave.

Leases and SBITAs

The District is the lessee in various leases (as defined by GASB 87) related to buildings and other equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

The 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 various software. Subscription disbursements are recognized when they are paid.

Fund Balance

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

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

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Continued)

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*.

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

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

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

NOTE 3 – BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2024, follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$1,256,230	\$1,235,982	(\$20,248)
Special Revenue	5,787,337	5,804,376	17,039
Total	<u>\$7,043,567</u>	<u>\$7,040,358</u>	<u>(\$3,209)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgetary	Budgetary	Variance
	Appropriation	Expenditures	
General	\$1,866,882	\$1,497,675	\$369,207
Special Revenue	7,848,084	5,758,784	2,089,300
Total	<u>\$9,714,966</u>	<u>\$7,256,459</u>	<u>\$2,458,507</u>

NOTE 4 – DEPOSITS AND INVESTMENTS

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Continued)

NOTE 5 – INTERGOVERNMENTAL FUNDING AND PROPERTY TAXES

Intergovernmental Funding

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

Property Taxes

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

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

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

NOTE 6 –TRANSFERS

The following is a summary of the District's 2024 transfer activity:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$39,554	\$135,848
 Special Revenue Funds:		
Home Health Care	500,000	
PHEP Grant	5,126	100
Hospice		500,000
Get Vaccinated Grant	1,232	
Tobacco Grant	34,489	15,000
Creating Healthy Community	95,000	
Workforce Development Grant		8,113
Enhanced Operations/COVID Grant		16,340
Total	<u>\$675,401</u>	<u>\$675,401</u>

During 2024, the District transferred \$500,000 between Hospice and Home Health Care Funds. Client services provided amongst these two funds are interrelated, as are the service payments they receive. Other smaller one time transfers were made in accordance with guidance from the Ohio Department of Health, grant guidelines, or to allow the District to track grant activity separately in special funds. Transfers from the General Fund were made to provide operating funds as needed.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)**

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the County Commissioners Association of Ohio Service Corporation, a workers' compensation group rating plan.

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

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

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

	<u>2024</u>
Cash and investments	\$48,150,572
Actuarial liabilities	\$22,652,556

The District also provides health insurance to full-time Health Department employees through a private carrier.

NOTE 8 – JOINTLY GOVERNED ORGANIZATION

The District is a member of the Public Health Services Council of Ohio (the Council). The Council is a jointly governed organization created under the provisions of Chapter 167 of the Ohio Revised Code formed to coordinate the powers and duties of the member Boards to better serve and benefit public health in each of the Council's counties. The Council is made up of five local member Boards of Health in Defiance, Fulton, Putnam, Williams, and Wood Counties. The Council is governed by a Board of Directors consisting of the Health Commissioner (or appointed designee) from each of the participating Boards of Health. Each member County Board may cast a single vote on any Council meeting business that affects the services provided for the member Boards.

Each member Board provides resources to the Council based on a membership fee and any participating County can individually elect to purchase services from the Council. The Board of Directors exercise total control over the operation of the Council including budgeting, contracting, purchasing, and designating management. The Council has retained the Mid East Ohio Regional Council (MEORC) to perform fiscal responsibilities for the Council. The District has no ongoing financial interest or responsibility for the Council. In 2024, the District paid membership dues of \$6,000 to the Council. Financial information can be obtained from Cathy Henthorn, Director of Financial Operations of MEORC, 310 Lincoln Avenue, Montpelier, Ohio 43543.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Continued)

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2024.

NOTE 10 – POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and copays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

NOTE 11 – CONTINGENT LIABILITIES

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

NOTE 12 – FUND BALANCES

The fund balance of Special Revenue Funds is either restricted or committed.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Property Taxes	\$457,060		\$457,060
Intergovernmental	224,680	\$530,035	754,715
Immunizations	445,795		445,795
Fees and Permits		128,052	128,052
Other Fees		25,767	25,767
Licenses		79,229	79,229
Contractual Services	21,563	3,440,391	3,461,954
Contributions and Donations	10,250		10,250
Other Receipts	<u>46,410</u>	<u>20,340</u>	<u>66,750</u>
<i>Total Cash Receipts</i>	<u>1,205,758</u>	<u>4,223,814</u>	<u>5,429,572</u>
Cash Disbursements:			
Current:			
Health:			
Salaries	646,219	2,076,548	2,722,767
Supplies	315,546	431,225	746,771
Remittances to State	32,567	32,931	65,498
Equipment		36,394	36,394
Contracts - Services	111,216	1,764,063	1,875,279
Rentals		53,929	53,929
Travel	7,357	97,305	104,662
Continuing Education/Dues/Licenses	14,529	28,453	42,982
Advertising and Printing		77,482	77,482
Public Employee's Retirement	89,866	19,299	109,165
Fringes	177,621	635,785	813,406
Other	49,849	14,466	64,315
Debt Service:			
Principal Retirement		<u>126,635</u>	<u>126,635</u>
<i>Total Cash Disbursements</i>	<u>1,444,770</u>	<u>5,394,515</u>	<u>6,839,285</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(239,012)</u>	<u>(1,170,701)</u>	<u>(1,409,713)</u>
Other Financing Receipts (Disbursements):			
Transfers In		1,198,682	1,198,682
Advances In		2,000	2,000
Transfers Out	(448,682)	(750,000)	(1,198,682)
Advances Out		(2,000)	(2,000)
Loan Proceeds		<u>126,635</u>	<u>126,635</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(448,682)</u>	<u>575,317</u>	<u>126,635</u>
<i>Net Change in Fund Cash Balances</i>	<u>(687,694)</u>	<u>(595,384)</u>	<u>(1,283,078)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,139,352</u>	<u>4,598,798</u>	<u>5,738,150</u>
<i>Fund Cash Balances, December 31</i>	<u>\$451,658</u>	<u>\$4,003,414</u>	<u>\$4,455,072</u>

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Putnam County District Board of Health, Putnam County, Ohio (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, homecare services, hospice and palliative care, and the District issues health-related licenses and permits.

Jointly Governed Organization and Public Entity Risk Pool

The District participates in a jointly governed organization, the Public Health Services Council of Ohio, and a public entity risk pool, the Public Entities Pool of Ohio (PEP). Notes 7 and 8 to the financial statements provide additional information for these entities. The District's management believes these financial statements present all activities for which the District is financially accountable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Home Health Care Fund This fund receives fees for providing home nursing services to elderly and homebound persons.

Hospice Fund This fund receives fees for providing home nursing services to elderly and homebound persons.

Basis of Accounting

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

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(Continued)

Budgetary Process

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

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

Leases and SBITAs

The District is the lessee in various leases (as defined by GASB 87) related to buildings and other equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

The 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 various software. Subscription disbursements are recognized when they are paid.

Fund Balance

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

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

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

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(Continued)

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

NOTE 3 – BUDGETARY ACTIVITY

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,889,190	\$1,205,758	(\$683,432)
Special Revenue	10,167,897	5,551,131	(4,616,766)
Total	<u>\$12,057,087</u>	<u>\$6,756,889</u>	<u>(\$5,300,198)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,369,918	\$1,895,320	\$474,598
Special Revenue	9,915,209	6,146,515	3,768,694
Total	<u>\$12,285,127</u>	<u>\$8,041,835</u>	<u>\$4,243,292</u>

NOTE 4 – DEPOSITS AND INVESTMENTS

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

NOTE 5 – INTERGOVERNMENTAL FUNDING AND PROPERTY TAXES

Intergovernmental Funding

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

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(Continued)

Property Taxes

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

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

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

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Advances

During 2023, the Aging in Place Grant Special Revenue Fund returned a prior year \$2,000 advance from the Home Health Care Special Revenue Fund.

Transfers

During 2023, the following is a summary of the transfers activity:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		\$448,682
Special Revenue Funds:		
Home Health Care	\$550,000	
PHEP Grant	66,577	
Health-MRC Grant	10,000	
Hospice		750,000
Palliative Care	200,000	
Septic		
Get Vaccinated Grant	35,246	
Workforce Development Grant	180,000	
Enhanced Operations/COVID Grant	156,859	
Total	<u>\$1,198,682</u>	<u>\$1,198,682</u>

During 2023, the District transferred \$750,000 between Hospice, Home Health Care, and Palliative Care Funds. Client services provided amongst these three funds are interrelated, as are the service payments they receive. Other smaller transfers were made from the General Fund to allow the District to provide operating funds as needed.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(Continued)

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the County Commissioners Association of Ohio Service Corporation, a workers' compensation group rating plan.

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

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

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

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

The District also provides health insurance to full-time Health Department employees through a private carrier.

NOTE 8 – JOINTLY GOVERNED ORGANIZATION

The District is a member of the Public Health Services Council of Ohio (the Council). The Council is a jointly governed organization created under the provisions of Chapter 167 of the Ohio Revised Code formed to coordinate the powers and duties of the member Boards to better serve and benefit public health in each of the Council's counties. The Council is made up of seven local member Boards of Health in Defiance, Fulton, Henry, Paulding, Putnam, Williams, and Wood Counties. The Council is governed by a Board of Directors consisting of the Health Commissioner (or appointed designee) from each of the participating Boards of Health. Each member County Board may cast a single vote on any Council meeting business that affects the services provided for the member Boards.

Each member Board provides resources to the Council based on a membership fee and any participating County can individually elect to purchase services from the Council. The Board of Directors exercise total control over the operation of the Council including budgeting, contracting, purchasing, and designating management. The Council has retained the Mid East Ohio Regional Council (MEORC) to perform fiscal responsibilities for the Council. The District has no ongoing financial interest or responsibility for the Council. In 2023, the District paid membership dues of \$5,000 to the Council. Financial information can be obtained from Cathy Henthorn, Director of Financial Operations of MEORC, 310 Lincoln Avenue, Montpelier, Ohio 43543.

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(Continued)

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2023.

NOTE 10 – POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and copays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

NOTE 11 – DEBT

The District had an Ohio Water Development Authority (OWDA) loan in 2022 through the OWDA Water Pollution Control Loan Fund. A total of \$126,635 in loan proceeds was drawn on this loan with all \$126,635 being repaid through the OWDA loan principal forgiveness program as of December 31, 2023.

NOTE 12 – CONTINGENT LIABILITIES

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

NOTE 13 – FUND BALANCES

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

Fund Balances	General Fund
Outstanding Encumbrances	<u>\$1,868</u>

The fund balance of Special Revenue Funds is either restricted or committed. In the General Fund, outstanding encumbrances are considered assigned.



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

Putnam County District Board of Health
Putnam County
256 East Williamstown Road
Ottawa, Ohio 45875-1870

To the Board of Health:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Putnam County District Board of Health, Putnam County, Ohio (the District) and have issued our report thereon dated September 10, 2025, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Putnam County District Board of Health
Putnam County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Finding

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



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

September 10, 2025

**PUTNAM COUNTY DISTRICT BOARD OF HEALTH
PUTNAM COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING NUMBER 2024-001

Material Weakness – Financial Reporting

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

The following errors were identified in the accompanying financial statements and notes to the financial statements:

- In 2024, appropriation authority in the budgetary activity note to the financial statements did not agree to amounts approved by the Board. Appropriation authority was understated in the General Fund in the amount of \$178,778 and overstated in the Special Revenue Fund in the amount of \$110,915.
- In 2023, appropriation authority in the budgetary activity note to the financial statements did not agree to amounts approved by the Board. Appropriation authority was overstated in the General and Special Revenue Funds in the amounts of \$217,987 and \$84,167, respectively.
- In 2023, transfers in and transfers out were overstated in the General Fund in the amount of \$242,795.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to the Board making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other errors in amounts ranging from \$20,250 to \$155,000. In addition to the adjustments noted above, we also identified additional misstatements in amounts ranging from \$4,454 to \$73,475 that we have brought to the District's attention.

The District should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Health Commissioner and the Board, to help identify and correct errors and omissions.

Officials' Response:

The District strives to produce complete and accurate financial statements. As a result of this audit, the District now has a better understanding of certain reporting and posting issues and will continue to make improvements where needed.



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"Working towards a healthy and safe Putnam County"

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024 AND 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	This finding was first reported in 2015. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2024-001 in this report.	An effort was made to correct errors in the financial statements. The District now has a better understanding of the reporting issues and will continue to make improvements where needed.

OHIO AUDITOR OF STATE KEITH FABER



PUTNAM COUNTY DISTRICT BOARD OF HEALTH

PUTNAM COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/23/2025

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