



OHIO AUDITOR OF STATE  
**KEITH FABER**





**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Zanesville-Muskingum County General Health District  
Muskingum County  
205 North 7th Street  
Zanesville, Ohio 43701

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 Zanesville-Muskingum County General Health District, Muskingum County, Ohio (the Health District), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2024, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2024, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit, described in Note 1.

#### ***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 Health District, as of December 31, 2024, or the changes in financial position thereof for the year then ended.

#### ***Basis for Opinions***

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Health District on the basis of the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 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 § 117.38 and Ohio Administrative Code 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health 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 Health District's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the Health District's financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2025, on our consideration of the Health 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 Health District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health District's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



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

October 9, 2025

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**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM 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)
<b>Cash Receipts</b>			
Property Taxes	\$2,926,628	\$0	\$2,926,628
Charges for Services	1,081,099	0	1,081,099
Fines, Licenses and Permits	188,558	448,635	637,193
Intergovernmental:			
Apportionments	233,410	0	233,410
Grants	41,044	1,379,640	1,420,684
Other	907,359	2,365	909,724
Miscellaneous	72,506	0	72,506
<b>Total Cash Receipts</b>	<b>5,450,604</b>	<b>1,830,640</b>	<b>7,281,244</b>
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	2,581,215	1,124,819	3,706,034
Fringe Benefits	944,294	359,831	1,304,125
Other Personnel Expenses	41,695	39,806	81,501
Contract Services	180,042	197,510	377,552
Building and Equipment	772,925	172,031	944,956
Other/Community Services	142,248	68,120	210,368
Pass Through Expenses	128,826	36,125	164,951
<b>Total Cash Disbursements</b>	<b>4,791,245</b>	<b>1,998,242</b>	<b>6,789,487</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>659,359</b>	<b>(167,602)</b>	<b>491,757</b>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	0	90	90
Transfers Out	(90)	0	(90)
Advances In	461,404	206,000	667,404
Advances Out	(206,000)	(461,404)	(667,404)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>255,314</b>	<b>(255,314)</b>	<b>0</b>
<b>Net Change in Fund Cash Balances</b>	<b>914,673</b>	<b>(422,916)</b>	<b>491,757</b>
<b>Fund Cash Balances, January 1, 2024</b>	<b>5,069,825</b>	<b>1,052,013</b>	<b>6,121,838</b>
<b>Fund Cash Balances, December 31, 2024</b>	<b>\$5,984,498</b>	<b>\$629,097</b>	<b>\$6,613,595</b>

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

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**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Zanesville-Muskingum County General Health District, Muskingum County (the Health District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Health District is directed by a six-member Board and a Health Commissioner. Three Board members are appointed by Zanesville City Council and three are appointed by the District Advisory Council. The District Advisory Council is made up of the president of the Board of County Commissioners, the chief executive of each municipal corporation not constituting a city health district and chairman of the Board of Trustees of each Township. The Health District's services include communicable disease investigations, emergency preparedness, family and community health and wellness, WIC, community engagement and performance management, environmental health, and immunization clinics.

The District participates in a jointly governed organization and a public entity pool. Notes 6 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.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 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 Auditor of State prescribes or permits.

**C. Deposits and Investments**

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

**D. Fund Accounting**

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

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

**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**  
**(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Women, Infants, and Children (WIC) Fund - This is a Federal grant fund to be used for the safeguard of low-income women with infants and children up to age 5 who are at nutrition risk by providing nutritious foods to supplement diets, information on health eating, and referrals to health care.

Enhanced Operations (EO) Fund - This is a Federal grant fund to be used to help with the mitigation and prevention of COVID-19, Mpox and Measles.

The other governmental funds of the Health District account for grants and other resources whose use is restricted for a particular purpose.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2024 budgetary activity appears in Note 2.

**F. Fund Balance**

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

**1. 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.

**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**  
**(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

**2. 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.

**3. 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 Health 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 11.

**G. Property, Plant, and Equipment**

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

**H. Accumulated Leave**

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

**2. Budgetary Activity**

Budgetary activity for the years ending 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,754,435	\$5,450,604	\$696,169
Special Revenue	2,586,788	1,830,730	(756,058)
Total	<u>\$7,341,223</u>	<u>\$7,281,334</u>	<u>(\$59,889)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,693,101	\$4,791,336	\$901,765
Special Revenue	2,471,290	1,998,673	472,617
Total	<u>\$8,164,391</u>	<u>\$6,790,009</u>	<u>\$1,374,382</u>

**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**  
**(Continued)**

**3. Property Taxes**

The Health District receives receipts from levies authorized by the Board of County Commissioners as a special taxing authority under Ohio Revised Code § 3709.29. A 1-mill levy will be collected through 2033 and a ½-mill levy will be collected through 2028. These levies generated \$2,926,628 during 2024. This amount is reported as Property Taxes in the financial statements.

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

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

**4. Retirement System**

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

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

**5. Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 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.

**6. Risk Management**

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

The Health District insures against injuries to employees through the Ohio Bureau of Workers Compensation.

**Risk Pool Membership**

The Health 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 Health District's policy.

**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**  
**(Continued)**

**6. Risk Management (Continued)**

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

**7. Contingent Liabilities**

Amounts grantor agencies pay to the Health District 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.

**8. Jointly Governed Organization**

The Muskingum Families and Children First Council is a jointly governed organization created under Ohio Revised Code § 121.37. The Council is comprised of the following members: Director of the Zanesville-Muskingum County General Health District, Superintendent of Zanesville City School District, Superintendent of Muskingum County Educational Service Center, Director of the ADAMH Board, Director of the Muskingum County Department of Job and Family Services, Director of the Muskingum County Child and Adult Protective Services, a United Way representative, an Eastside Community Services representative, a Zanesville Civic League representative, a Behavioral Health representative, a county commissioner, representatives from public sector, and a representative from a local hospital. Continued existence of the Council is not dependent on the District's financial participation, no equity interest exists, and no debt is outstanding.

**9. COVID-19**

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

**10. Interfund Balances**

Outstanding advances at December 31, 2024, consisted of \$350,000 advanced to special revenue funds from the General Fund to provide working capital for operations and grants until the anticipated funding is received. Additionally, the District approved to forgive the following advances \$12,354.02 due from fund 737, \$240.16 from fund 727, \$1.47 due from fund 738 and payable to Fund 701 during the fiscal year. This activity is not reflected on the accompanying financial statements.

**Zanesville-Muskingum County General Health District**  
**Muskingum County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**  
**(Continued)**

**11. 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 facilities effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$0	\$431	\$431
Total	\$0	\$431	\$431

The fund balance of special revenue funds is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

**12. Leases and Subscription Based Information Technology Arrangements**

The Health District has no leases. The Health District has several types of software including contracts related to our receipting systems. Accruals for Subscription Based Information Technology Arrangement (SBITA) contracts (as defined by GASB 96) are not reflected under the Health District's cash basis of accounting. Disbursements are recognized when they are paid.



**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i><b>Passed Through Ohio Department of Health</b></i>			
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	06010011WA1424	\$375,634
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	06010011WA1525	105,645
Total WIC Special Supplemental Nutrition Program for Women, Infants and Children			<u>481,279</u>
Total U.S. Department of Agriculture			481,279
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i><b>Passed Through Ohio Department of Health</b></i>			
Public Health Emergency Preparedness	93.069	06010012PH1524	51,679
Public Health Emergency Preparedness	93.069	06010012PH0125	71,924
Total Public Health Emergency Preparedness			<u>123,603</u>
Immunization Cooperative Agreements	93.268	06010012GV0624	17,896
Immunization Cooperative Agreements	93.268	06010012GV0725	12,095
COVID-19 Immunization Cooperative Agreements	93.268	06010012CB0124	19,998
Total Immunization Cooperative Agreements			<u>49,989</u>
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	06010012EO0323	307,255
National and State Based Tobacco Control Program	93.387	06010014TU1024	22,097
National and State Based Tobacco Control Program	93.387	06010014TU1125	28,730
Total National and State Based Tobacco Control Program			<u>50,827</u>
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health of Healthcare Crises	93.391	06010011OI0123	156,834
Opioid STR	93.788	06010014IH0224	128,967
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	06010012WF0223	88,791
Preventative Health and Health Services Block Grant	93.991	06010014CC0425	14,480
<i><b>Direct from Federal Government</b></i>			
Assistance Programs for Chronic Disease Prevention and Control	93.945	6 NU58DP007731-01-02	<u>108,172</u>
Total U.S. Department of Health and Human Services			1,028,918
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i><b>Passed Through Ohio Department of Developmental Disabilities</b></i>			
Special Education - Grants for Infants and Families	84.181	H181A210024	112,785
Special Education - Grants for Infants and Families	84.181	H181A220024	94,354
Total Special Education - Grants for Infants and Families			<u>207,139</u>
Total U.S. Department of Education			<u>207,139</u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$1,717,336</b></u>

*The accompanying notes are an integral part of this Schedule.*

**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM 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 the Zanesville-Muskingum County General Health District, Muskingum County, Ohio (the Health District) 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 the Health District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Health District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D – COMMINGLED MONIES**

The National State Based Tobacco Control Program (Federal AL No. 93.387) and certain Special Education – Grants for Infants and Families (Early Intervention Part C) (Federal AL No. 84.181) include both state and federal monies. The Schedule includes only those portions identified as federal monies on the award notices received from the State.

# OHIO AUDITOR OF STATE KEITH FABER



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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

Zanesville-Muskingum County General Health District  
Muskingum County  
205 North 7<sup>th</sup> Street  
Zanesville, Ohio 43701

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 year ended December 31, 2024 and the related notes to the financial statements of the Zanesville-Muskingum County General Health District, Muskingum County, Ohio (the Health District), and have issued our report thereon dated October 9, 2025, wherein we noted the Health 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 Health District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Health District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 the Health District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards* as Finding 2024-001.

### ***Health District's Response to Findings***

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

### ***Purpose of This Report***

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

October 9, 2025



65 East State Street  
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800-282-0370

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

Zanesville-Muskingum County General Health District  
Muskingum County  
205 North 7th Street  
Zanesville, Ohio 43701

To the Board of Health:

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

***Opinion on Each Major Federal Program***

We have audited the Zanesville-Muskingum County General Health District, Muskingum County, Ohio (the Health District), compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Zanesville-Muskingum County General Health District's major federal programs for the year ended December 31, 2024. Zanesville-Muskingum County General Health District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Zanesville-Muskingum County General Health District 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 *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's 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 the Health District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Health District'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 the Health District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Health District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Health District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as item 2024-002 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Health District's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings. The Health District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

KEITH FABER  
Ohio Auditor of State



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

October 9, 2025

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**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2024**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Adverse under GAAP, unmodified under the regulatory basis
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion:</b> <ul style="list-style-type: none"> <li>• Unmodified - WIC Special Supplemental Nutrition Program for Women, Infants and Children – AL #10.557</li> <li>• Unmodified - COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases – AL #93.323</li> </ul>	
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b> <ul style="list-style-type: none"> <li>• WIC Special Supplemental Nutrition Program for Women, Infants and Children – AL #10.557</li> <li>• COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases – AL #93.323</li> </ul>	
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2024  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2024-001**

**Noncompliance**

**Ohio Rev. Code § 5705.39** provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. 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 estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

On December 31, 2024, the Health District's appropriations exceeded the amount certified as available by the budget commission in the following funds:

Fund	Estimated Resources	Appropriations	Variance
710 - PHEP 24	52,000	54,398	(2,398)
713 - IH24	122,036	132,055	(10,019)
717 - Tobacco Use Prevention and Cessation	98,978	104,440	(5,462)
727 - WIC 20-21	445,535	476,210	(30,675)
737 - Get Vaccinated Ohio	8,795	24,461	(15,666)
738 - Closing the Gap with Social Determination	112,834	129,662	(16,828)

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

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

**Officials Response:** Refer to Corrective Action Plan

**ZANESVILLE-MUSKINGUM COUNTY GENERAL HEALTH DISTRICT  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2024  
(Continued)**

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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**Allowable Costs/Cost Principles**

<b>Finding Number:</b>	<b>2024-002</b>
<b>Assistance Listing Number and Title:</b>	<b>AL # 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases</b>
<b>Federal Award Identification Number / Year:</b>	<b>06010012EO0323 / 2023</b>
<b>Federal Agency:</b>	<b>U.S. Department of Health and Human Services</b>
<b>Compliance Requirement:</b>	<b>Allowable Costs/Cost Principles</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Health</b>
<b>Repeat Finding from Prior Audit?</b>	<b>Yes</b>

**Noncompliance / Significant Deficiency**

45 CFR part 75 gives regulatory effect to the Department of Health and Human Services for 2 CFR sections 200.420 through 200.476. These sections provide the principles to be applied in establishing the allowability of certain items of cost.

Section B2.4 of the Ohio Department of Health (ODH) Grants Administration Policy and Procedures (OGAPP) Manual states compensation must follow the Ohio Department of Administrative Services regulations and meet federal merit system or other requirements, where applicable. Federal guidelines require subrecipients to maintain Time and Activity or Time and Effort reporting to verify time worked for all employees who are charged less than 100% to a specific funding source.

The Health District utilized its own employees for the development and implementation of the COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases subgrant. These employees performed work for multiple grants and/or general business throughout the period. Employees maintained timesheets, which documented the time, date and activities they worked on; however, this documentation was not in agreement with the actual payroll expense charged to the federal grant.

We identified 2 out of 3 employees selected for testing had actual and projected payroll costs charged to the federal program totaling \$1,385 and \$3,436, respectively, that was not supported by Time and Activity or Time and Effort documentation. Additionally, 1 out of 3 employees selected for testing was charged less to the grant than was supported by their Time and Activity and Time and Effort documentation. These errors were due to a failure in the Health District's internal control to ensure supporting Time and Activity and Time and Effort documentation was in agreement with actual costs charged to the federal grant.

Failure to have adequate controls in place to complete accurate time and effort documentation and ensuring the documentation is in agreement with costs charged to federal grants could result in the Health District not meeting federal compliance requirements and result in questioned costs for federal programs.

The Health District should implement and have controls in place to ensure salaries and wages are adequately documented and properly charged to the respective federal programs.

**Officials' Response:** See Corrective Action Plan

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## Our Mission

To use best practices to prevent illness, protect our health, and promote well-being.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS 2 CFR § 200.511(b) 12/31/2024

**Finding Number:** 2023-001

**Fiscal Audit Year:** 2023

**Nature of Finding:** Significant Deficiency – Financial Reporting Re: Reclassification and Adjustments.

**Status:** Corrective Action Taken and Finding is Fully Corrected.

**Finding Number:** 2023-002

**Fiscal Audit Year:** 2023

**Nature of Finding:** Allowable Costs/Cost Principles Re: Noncompliance/Material Weakness/Questioned Cost

**Status:** Partially Corrected

- The corrective actions were fully completed. The recurrence was due to the change of our time tracking system. ZMCHD will continue to educate staff on time and activity reporting. ZMCHD will create a process to evaluate staff time and effort reporting to ensure the grant is not being overcharged.

**Health Department**  
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Abby Nguyen, DBA, MBA, BSN, RN  
Ashokkumar (AJ) Patel  
James Shepherd, MEd, CIT



## Our Mission

To use best practices to prevent illness, protect our health, and promote well-being.



## CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) December 31, 2024

**Finding Number:** 2024-001  
**Planned Corrective Action:** Findings related to the financial statements required to be reported in accordance with GAGAS

- ZMCHD will refer to our Amended Certificate at the beginning of the year and throughout the year to verify that our appropriations do not exceed the total of estimated revenue available for expenditure.

**Anticipated Completion Date:** 12/31/2025  
**Responsible Contact Person:** Jacque Layton, Fiscal Officer

**Finding Number:** 2024-002  
**Planned Corrective Action:** Findings and questioned costs for federal awards

- ZMCHD will continue to educate staff on time and activity reporting.
- ZMCHD will create a process to evaluate staff time and effort reporting to ensure the grant is not being overcharged.

**Anticipated Completion Date:** 12/31/2025  
**Responsible Contact Person:** Jacque Layton, Fiscal Officer

**Health Department**  
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James Shepherd, MEd, CIT

# OHIO AUDITOR OF STATE KEITH FABER



**ZANESVILLE MUSKINGUM COUNTY GENERAL HEALTH DISTRICT**

**MUSKINGUM 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 10/21/2025**

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