



OHIO AUDITOR OF STATE
KEITH FABER



**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

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FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY

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INDEPENDENT AUDITOR'S REPORT

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, and each major fund of the Fulton County Health Department, Fulton County, Ohio (the Health Department), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Health Departments' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Health Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Health Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Health Department, as of December 31, 2020, and the respective changes in cash financial position and the respective budgetary comparison for the General and Environmental Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Health Department. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis 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 and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2021, on our consideration of the Health Department'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Department's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 21, 2021

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FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Net Position - Cash Basis
December 31, 2020

	Governmental Activities
Assets	
Cash with Fiscal Agent	\$ 2,237,459
Net Position	
Restricted for:	
Other Purposes	\$ 436,389
Unrestricted	1,801,070
<i>Total Net Position</i>	<u>\$ 2,237,459</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2020

	Program Receipts			Net (Disbursements)
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Receipts and Changes in Net Position
				Governmental Activities
Governmental Activities				
General Health				
General Health	\$ 940,117	\$ 478,979	\$ 15,030	\$ (446,108)
Vital Statistics	41,958	78,450		36,492
Administration	234,609			(234,609)
Maternal and Child Health (MCH)	27,562		41,000	13,438
Reproductive Health and Wellness (RHW)	134,132	80,219	132,781	78,868
Women, Infant and Children (WIC)	275,018		267,423	(7,595)
Breast Cervical Cancer Project (BCCP)	311,953		420,924	108,971
Immunizations - IAP	49,071		55,511	6,440
Public Health Emergency Preparedness (PHEP)	129,266	65,501	97,224	33,459
MOMS (MOMS)	12,383		26,119	13,736
HC3 (HC3)	114,534	26,100	48,508	(39,926)
Tobacco (TOB)	54,287		100,236	45,949
COVID-19 (COVID)	375,460		457,208	81,748
Environmental Health	481,043	355,418		(125,625)
<i>Total Governmental Activities</i>	\$ 3,181,393	\$ 1,084,667	\$ 1,661,964	(434,762)
General Receipts				
Property Taxes Levied for				
General Health District Purposes				972,202
Grants and Entitlements not				
Restricted to Specific Programs				82,124
Gifts and Contributions				1,151
Miscellaneous				121,903
<i>Total General Receipts</i>				1,177,380
Change in Net Position				742,618
<i>Net Position Beginning of Year</i>				1,494,841
<i>Net Position End of Year</i>				\$ 2,237,459

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2020

	<u>General</u>	<u>Environmental</u>	<u>Total Governmental Funds</u>
Assets			
Cash with Fiscal Agent	<u>\$ 2,139,762</u>	<u>\$ 97,697</u>	<u>\$ 2,237,459</u>
Fund Balances			
Restricted	\$ 338,692	\$ 97,697	\$ 436,389
Assigned	32,466		32,466
Unassigned	1,768,604		1,768,604
<i>Total Fund Balances</i>	<u>\$ 2,139,762</u>	<u>\$ 97,697</u>	<u>\$ 2,237,459</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis -
Governmental Funds
For the Year Ended December 31, 2020

	<u>General</u>	<u>Environmental</u>	<u>Total Governmental Funds</u>
Receipts			
Property and Other Local Taxes	\$ 972,202		\$ 972,202
Intergovernmental	1,729,058		1,729,058
Fines, Licenses and Permits		\$ 199,246	199,246
Charges for Services	398,505	25,683	424,188
Gifts and Contributions	1,975		1,975
Contractual Services	344,950	130,489	475,439
Miscellaneous	109,293	12,610	121,903
<i>Total Receipts</i>	<u>3,555,983</u>	<u>368,028</u>	<u>3,924,011</u>
Disbursements			
Current:			
General Health	940,117		940,117
Vital Statistics	41,958		41,958
Administration	234,609		234,609
Environmental Health		481,043	481,043
Women's, Infant and Children (WIC)	275,018		275,018
Breast, Cervical Cancer Project (BCCP)	311,953		311,953
Immunizations (IAP)	49,071		49,071
Maternal and Child Health (MCH)	27,562		27,562
Family Planning (FP)	134,132		134,132
Tobacco (TOB)	54,287		54,287
HC3	114,534		114,534
MOMS (MOMS)	12,383		12,383
COVID-19 (COVID)	375,460		375,460
Public Health Emergency Preparedness (PHEP)	129,266		129,266
<i>Total Disbursements</i>	<u>2,700,350</u>	<u>481,043</u>	<u>3,181,393</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>855,633</u>	<u>(113,015)</u>	<u>742,618</u>
Other Financing Sources (Uses)			
Transfers In		175,000	175,000
Transfers Out	(175,000)		(175,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(175,000)</u>	<u>175,000</u>	
<i>Net Change in Fund Balances</i>	680,633	61,985	742,618
<i>Fund Balances Beginning of Year</i>	<u>1,459,129</u>	<u>35,712</u>	<u>1,494,841</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,139,762</u>	<u>\$ 97,697</u>	<u>\$ 2,237,459</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
General Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 875,600	\$ 875,600	\$ 972,202	\$ 96,602
Intergovernmental	1,151,775	1,677,599	1,729,058	51,459
Charges for Services	518,176	508,690	398,505	(110,185)
Gifts and Contributions	3,350	3,350	1,975	(1,375)
Contractual Services	267,272	267,272	344,950	77,678
Miscellaneous	80,942	83,872	109,293	25,421
<i>Total Receipts</i>	<u>2,897,115</u>	<u>3,416,383</u>	<u>3,555,983</u>	<u>139,600</u>
Disbursements				
Current:				
General Health	1,161,336	956,211	972,583	(16,372)
Vital Statistics	45,017	45,017	41,958	3,059
Administration	243,391	243,391	234,609	8,782
Women's, Infant and Children (WIC)	320,965	307,114	275,018	32,096
Breast, Cervical Cancer Project (BCCP)	210,059	461,046	311,953	149,093
Immunizations (IAP)	80,624	59,469	49,071	10,398
Maternal and Child Health (MCH)	39,734	39,734	27,562	12,172
Family Planning (FP)	199,776	190,290	134,132	56,158
Public Health Emergency Preparedness (PHEP)	148,017	145,477	129,266	16,211
Tobacco (TOB)	97,015	97,015	54,287	42,728
HC3	94,500	120,430	114,534	5,896
MOMS (MOMS)	18,761	26,219	12,383	13,836
COVID-19 (COVID)		466,035	375,460	90,575
<i>Total Disbursements</i>	<u>2,659,195</u>	<u>3,157,448</u>	<u>2,732,816</u>	<u>424,632</u>
<i>Excess of Receipts Over Disbursements</i>	<u>237,920</u>	<u>258,935</u>	<u>823,167</u>	<u>564,232</u>
Other Financing Sources (Uses)				
Transfers Out	(140,000)	(191,000)	(175,000)	16,000
Advance In		73,300		(73,300)
Advance Out		(158,315)		158,315
<i>Total Other Financing Sources (Uses)</i>	<u>(140,000)</u>	<u>(276,015)</u>	<u>(175,000)</u>	<u>101,015</u>
<i>Net Change in Fund Balance</i>	97,920	(17,080)	648,167	665,247
<i>Prior Year Encumbrances Appropriated</i>	80	80	80	
<i>Fund Balance Beginning of Year</i>	<u>1,459,049</u>	<u>1,459,049</u>	<u>1,459,049</u>	
<i>Fund Balance End of Year</i>	<u>\$ 1,557,049</u>	<u>\$ 1,442,049</u>	<u>\$ 2,107,296</u>	<u>\$ 665,247</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
Environmental Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Fines, Licenses and Permits	\$ 216,275	\$ 275,493	\$ 199,246	\$ (76,247)
Charges for Services	17,500	17,500	25,683	8,183
Contractual Services	80,000	80,000	130,489	50,489
Miscellaneous	4,000	4,000	12,610	8,610
<i>Total Receipts</i>	<u>317,775</u>	<u>376,993</u>	<u>368,028</u>	<u>(8,965)</u>
Disbursements				
Environmental Health	475,772	534,990	515,059	19,931
<i>Excess of Disbursements Over Receipts</i>	<u>(157,997)</u>	<u>(157,997)</u>	<u>(147,031)</u>	<u>10,966</u>
Other Financing Sources				
Transfers In	157,997	157,997	175,000	17,003
<i>Net Change in Fund Balance</i>			27,969	27,969
<i>Fund Balance Beginning of Year</i>	<u>35,712</u>	<u>35,712</u>	<u>35,712</u>	
<i>Fund Balance End of Year</i>	<u>\$ 35,712</u>	<u>\$ 35,712</u>	<u>\$ 63,681</u>	<u>\$ 27,969</u>

See accompanying notes to the basic financial statements

Fulton County Health Department

Fulton County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Note 1 - Reporting Entity

The Fulton County Health Department (the Health Department), 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. A six-member Board of Health, four appointed by the District Advisory Council, one member is appointed by the City of Wauseon and one member is appointed by the Fulton County Licensing Council, governs the Health Department. The Board appoints a health commissioner and all employees of the Health Department.

The reporting entity is composed of the primary government that is included to ensure the financial statements of the Health Department are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health Department. The Health Department's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, health education and emergency response planning.

Public Entity Risk Pools

The Health Department participates in a public entity risk pool. This organization is presented in Note 6 to the financial statements.

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

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

The Health Department's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Health Department as a whole. These statements include the financial activities of the primary government funds. The statements distinguish between those activities of the Health Department that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health Department has no business-type activities.

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

Fund Financial Statements

During the year, the Health Department segregates transactions related to certain Health Department functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Health Department at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. The Health Department has no non-major funds.

Fund Accounting

The Health Department 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 Health Department are presented in the governmental fund category.

Governmental Funds Governmental funds are those through which most governmental functions of the Health Department are financed. The following are the Health Department's major governmental funds:

General - 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 Health Department for any purpose provided it is expended or transferred according to the general laws of Ohio.

Environmental Fund - The fund accounts for monies received from licenses and permits for items such as food, water, sewage, swimming pools, camps, solid waste, and other non-mandated programs.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Basis of Accounting

The Health Department's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health Department's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Health Department are described in the appropriate section in this note.

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

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Health Department may appropriate. The appropriations resolution is the Health Department's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Health Department. The legal level of control has been established by the Health Department at the object level for all funds.

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

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

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

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Cash and Investments

The County Treasurer is the custodian for the Health Department's cash and investments. The County's cash and investment pool holds the Health Department's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. This information may be obtained by writing Charlene E. Lee, Fulton County Treasurer, 152 South Fulton Street, Wauseon Ohio 43567-1390 or by calling 419-337-9252.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Health Department has no restricted assets.

Inventory and Prepaid Items

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

Capital Assets

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

Interfund Receivables/Payables

The Health Department reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. Interfund balances are eliminated in the statement of net position.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Health Department's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Health Department recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for the following funds: Environmental; Women, Infant and Children; Breast and Cervical Cancer Project; Maternal Health Services; Reproductive Health & Wellness; Get Vaccinated; MOMS Quit for Two; Public Health Emergency Preparedness; Healthy Choices Caring Communities; Tobacco Use Prevention and Cessation and COVID-19.

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

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

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

The Health Department 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.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Interfund Transactions

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

Note 3 - Budgetary Basis of Accounting

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

	<u>General</u>	<u>Environmental</u>
Cash Basis	\$680,633	\$61,985
Encumbrances	<u>(32,466)</u>	<u>(34,016)</u>
Budget Basis	<u>\$648,167</u>	<u>\$27,969</u>

Note 4 – Deposits and Investments

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

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes are levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all Health Department operations for the year ended December 31, 2020, was \$1 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

Real Property	\$1,007,008,810
Public Utility Personal Property	139,937,130
Total	<u>\$1,146,945,940</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the County. The County Auditor periodically remits to the Health Department its portion of the taxes collected.

Tax Abatements

Fulton County entered into a tax abatement agreements with various companies for the abatement of property taxes to bring jobs and economic development into the area. The agreement affects the property tax receipts collected and distributed to the Health Department. Under the agreements, the Health Department property taxes were reduced by \$6,955 during fiscal year 2020. The Health Department received \$1,040 in compensation for the forgone property taxes.

Note 6 - Risk Management

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

The Health Department insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Health Department 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 Department'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

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

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

	2020
Cash and investments	\$40,318,971
Actuarial liabilities	\$14,111,510

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System (OPERS)

Plan Description – Health Department employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health Department employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Fulton County Health Department
Fulton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020 – (Continued)

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee*	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	<u>14.0 %</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health Department’s contractually required contribution was \$245,375 for year 2020.

Social Security System

Six of the Health Department’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2020.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District’s contractually required contribution was \$4,153 for the year 2020.

Note 9 - Fund Balances

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

Fund Balances	General Fund	Environmental Fund	Total
Restricted for			
General Health	\$ 338,692		\$ 338,692
Environmental		\$ 97,697	97,697
<i>Total Restricted</i>	<u>338,692</u>	<u>97,697</u>	<u>436,389</u>
Assigned to			
Outstanding Encumbrances	<u>32,466</u>		<u>32,466</u>
Unassigned:	<u>1,768,604</u>		<u>1,768,604</u>
Total Fund Balances	<u>\$ 2,139,762</u>	<u>\$ 97,697</u>	<u>\$ 2,237,459</u>

Note 10 - Interfund Transfers

The General Fund transferred \$175,000 to the Environmental Fund since the fees and licenses collected do not cover environmental health expenses.

Note 11 - Contingent Liabilities

Amounts grantor agencies pay to the Health Department 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.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020 – (Continued)

Note 12 - COVID-19

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

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FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Mental Health and Addiction Services</i>				
Coronavirus Relief Fund	21.019		\$	22,660
Block Grants for Prevention and Treatment of Substance Abuse	93.959	20YL3-05 2100085-YL FY20 FY21		18,203 1,440 1,750 365
Total 93.959				21,758
<i>Passed Through Ohio Department of Health</i>				
Coronavirus Relief Fund	21.019	02610012CT0120 02610012CO0121		143,998 142,625
Total 21.019				286,623
Total Coronavirus Relief Fund (CFDA 21.019)				309,283
Public Health Emergency Preparedness	93.069	02610012PH1120 02610012PH1221		56,240 32,715
Total 93.069				88,955
Family Planning Services	93.217	0261001RH0921		72,590
Immunization Cooperative Agreements	93.268	02610012GV0220 02610012GV0321	\$ 22,566 9,114	35,078 17,846
Total 93.268			31,680	52,924
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	02610012CT0121		30,000
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Respon	93.354	02610012CO0120		54,527
Children's Health Insurance Program	93.767	02610014BC1320		60,000
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	02610014BC1320 02610014BC1421		82,950 181,764
Total 93.898				264,714
Maternal and Child Health Services Block Grant to the States	93.994	02610011RH0920 02610011MP0420 B04MC32564-01-04		8,357 18,878 10,000
Total 93.994				37,235
<i>Passed Through Fulton County Job and Family Services</i>				
Temporary Assistance for Needy Families Cluster Temporary Assistance for Needy Families	93.558	(Headlice) FY2020 (Headlice) FY2021 (BTIO) FY2020 (BTIO) FY2021		277 504 92,871 50,753
Total 93.558				144,405
Total Temporary Assistance for Needy Families Cluster				144,405
Total U.S. Department of Health and Human Services			31,680	1,136,391
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Special Education-Grants for Infants and Families	84.181			2,266
Total U.S. Department of Education				2,266
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	02610011WA1320 02610011WA1421		215,296 47,014
Total U.S. Department of Agriculture				262,310
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Public Safety</i>				
Highway Safety Cluster State and Community Highway Safety	20.600	SC-2020-Fulton County Health Department-00050 SC-2021-Fulton County Health Department-00022		9,167 2,105
Total Highway Safety Cluster				11,272
Total U.S. Department of Transportation				11,272
Total Expenditures of Federal Awards			\$31,680	\$1,412,239

The accompanying notes are an integral part of this schedule.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Fulton County Health Department, Fulton County, Ohio (the Health Department's) under programs of the federal government for the year ended December 31, 2020. 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 Department, it is not intended to and does not present the financial position or changes in net position of the Health Department.

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

NOTE D - SUBRECIPIENTS

The Health Department passes certain federal awards received from the Ohio Department of Health to other governments or not-for-profit agencies (subrecipients). As Note B describes, the Health Department reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the Health Department has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require the Health Department to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Health Department has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE F – MEDICAID ADMINISTRATIVE CLAIMING (MAC)

During the calendar year, the Health Department received reimbursements passed through the Ohio Department of Health for the Medicaid program (CFDA #93.778) in the amount of \$45,265. These MAC reimbursements are for administrative costs by participating in a quarterly time study, and are considered to be earned state revenue. The MAC fund is based on time study results and calculated using a Medicaid Eligible Rate (MER) specific to the Health Department. The underlying expenses are on a cost reimbursement basis and occurred in prior reporting periods and are not listing on the Health Department's Schedule of Expenditures of Federal Awards.



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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**

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities and each major fund of the Fulton County Health Department, Fulton County, Ohio (the Health Department) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Health Department's basic financial statements and have issued our report thereon dated June 21, 2021, wherein we noted the Health Department uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Health Department.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Health Department's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Health Department's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2020-001 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Health Department's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Health Department's Response to Findings

The Health Department's response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not subject the Health Department's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Health Department's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Health Department's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 21, 2021



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**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**

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

Report on Compliance for Each Major Federal Program

We have audited Fulton County Health Department, Fulton County, Ohio's (the Health Department) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Fulton County Health Department's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Health Department's major federal programs.

Management's Responsibility

The Health Department's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Health Department's compliance for each of the Health Department's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the Health Department's major programs. However, our audit does not provide a legal determination of the Health Department's compliance.

Opinion on Each Major Federal Program

In our opinion, Fulton County Health Department complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Health Department's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Health Department's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Health Department's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 21, 2021

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2020-001

Significant Deficiency – 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 accompanying the Statement of Receipts, Disbursements and Changes in Fund balance – Budget and Actual – Budget Basis General Fund:

- Original Budgeted Disbursements were understated by \$215,080.
- The Final Budgeted Disbursements were overstated by \$149,851.

The final budget should include all legislatively approved changes to the original budget during the fiscal year and original budget expenditures should be the first complete appropriated budget (GASB Cod. 2400.102.)

These errors were not identified and corrected prior to the Health Department preparing its financial statements due to deficiencies in the Health Department's internal controls over financial statement monitoring. The accompanying financial statements have been adjusted to correct these errors. Failing to prepare accurate financial statements could lead to the Board or financial statement user to make misinformed decisions. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$80 to \$100,000 that we have brought to the Health Department's attention.

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

Officials' Response:

See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

None



FULTON COUNTY HEALTH DEPARTMENT

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WIC 419-337-6979
www.fultoncountyhealthdept.com
fchd@fultoncountyoh.com

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2020**

Finding Number: 2020-001
Planned Corrective Action: Management is aware and understands the importance of the information presented on the financial statements and will ensure all monies be correctly reported on the financial statements.
Anticipated Completion Date: December 31, 2021
Responsible Contact Person: Jane Sauder, Fiscal Supervisor

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OHIO AUDITOR OF STATE KEITH FABER



FULTON COUNTY HEALTH DEPARTMENT

FULTON 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 7/8/2021

88 East Broad 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