



**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

**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 Audit of the Financial Statements

Opinions

We have audited 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, 2021, and the related notes to the financial statements, which collectively comprise the Health Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, and each major fund of the Health Department, as of December 31, 2021, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General and Environmental Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Accounting Basis

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

Emphasis of Matter

As discussed in Note 13 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to 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 Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Department'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 Department'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 to opine on the financial statements as a whole that collectively comprise the Health Department's basic 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 (are) presented for purposes of additional analysis and is (are) 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 basic financial statements. The information has been subjected to the auditing procedures applied to the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022, 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. 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 Department'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 Department's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

July 28, 2022

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FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Net Position - Cash Basis
December 31, 2021

| | | Governmental Activities |
|---------------------------|----|--|
| Assets | | |
| Cash with Fiscal Agent | \$ | 2,692,606 |
| | | |
| Net Position | | |
| Restricted for: | | |
| Other Purposes | \$ | 353,429 |
| Unrestricted | | 2,339,177 |
| <i>Total Net Position</i> | \$ | 2,692,606 |

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, 2021

| | <u>Disbursements</u> | <u>Program Receipts</u> | | <u>Net (Disbursements)</u> |
|---|----------------------|---------------------------------------|---|---|
| | | <u>Charges for Services and Sales</u> | <u>Operating Grants and Contributions</u> | <u>Receipts and Changes in Net Position</u> |
| | | | | <u>Governmental Activities</u> |
| Governmental Activities: | | | | |
| General Health | | | | |
| General Health | \$ 1,073,505 | \$ 492,715 | \$ 13,166 | \$ (567,624) |
| Vital Statistics | 47,691 | 83,927 | | 36,236 |
| Administration | 171,368 | | | (171,368) |
| Reproductive Health and Wellness (RHW) | 129,785 | 66,662 | 134,082 | 70,959 |
| Women, Infant and Children (WIC) | 293,739 | | 286,396 | (7,343) |
| Breast Cervial Cancer Project (BCCP) | 403,809 | | 528,437 | 124,628 |
| Immunizations - IAP | 29,157 | | 33,146 | 3,989 |
| Public Health Emergency Preparedness (PHEP) | 119,310 | 68,580 | 72,733 | 22,003 |
| MOMS (MOMS) | 7,520 | | 31,187 | 23,667 |
| HC3 (HC3) | 97,864 | 25,000 | 35,117 | (37,747) |
| Tobacco (TOB) | 72,888 | | 86,754 | 13,866 |
| Covid-19 (COVID) | 25,383 | | 30,000 | 4,617 |
| Covid Response (COVIDR) | 275,858 | | 182,359 | (93,499) |
| Covid Enhances (COVIDE) | 195,002 | | 143,533 | (51,469) |
| Covid Equity (COVIDQ) | 1,704 | | 50,000 | 48,296 |
| Covid Needs (COVIDN) | 19,656 | | | (19,656) |
| Workforce (WF) | 3,834 | | 1,856 | (1,978) |
| Environmental Health | 435,728 | 338,285 | | (97,443) |
| Total Governmental Activities | \$ 3,403,801 | \$ 1,075,169 | \$ 1,628,766 | (699,866) |
| General Receipts | | | | |
| | | | | |
| Property Taxes Levied for | | | | |
| General Health District Purposes | | | | 993,768 |
| Grants and Entitlements not | | | | |
| Restricted to Specific Programs | | | | 74,522 |
| Gifts and Contributions | | | | 2,209 |
| Miscellaneous | | | | 84,514 |
| Total General Receipts | | | | 1,155,013 |
| Change in Net Position | | | | 455,147 |
| Net Position Beginning of Year | | | | 2,237,459 |
| Net Position End of Year | | | | \$ 2,692,606 |

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, 2021

| | General | Enviromental | Total Governmental Funds |
|----------------------------|---------------------|---------------------|---|
| Assets | | | |
| Cash with Fiscal Agent | \$ 2,592,063 | \$ 100,543 | \$ 2,692,606 |
| Fund Balances | | | |
| Restricted | 233,077 | 100,543 | 333,620 |
| Committed | 19,809 | | 19,809 |
| Assigned | 32,466 | | 32,466 |
| Unassigned | 2,306,711 | | 2,306,711 |
| <i>Total Fund Balances</i> | \$ 2,592,063 | \$ 100,543 | \$ 2,692,606 |

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, 2021

| | <u>General</u> | <u>Environmental</u> | <u>Total Governmental Funds</u> |
|--|---------------------|----------------------|---|
| Receipts | | | |
| Property and Other Local Taxes | \$ 993,768 | | \$ 993,768 |
| Intergovernmental | 1,688,334 | | 1,688,334 |
| Fines, Licenses and Permits | | \$ 193,133 | 193,133 |
| Charges for Services | 407,836 | 25,684 | 433,520 |
| Gifts and Contributions | 3,997 | | 3,997 |
| Contractual Services | 342,214 | 119,468 | 461,682 |
| Miscellaneous | 84,225 | 289 | 84,514 |
| <i>Total Receipts</i> | <u>3,520,374</u> | <u>338,574</u> | <u>3,858,948</u> |
| Disbursements | | | |
| Current: | | | |
| General Health | | | |
| General Health | 1,073,505 | | 1,073,505 |
| Vital Statistics | 47,691 | | 47,691 |
| Administration | 171,368 | | 171,368 |
| Reproductive Health and Wellness (RHW) | 129,785 | | 129,785 |
| Women, Infant and Children (WIC) | 293,739 | | 293,739 |
| Breast Cervical Cancer Project (BCCP) | 403,809 | | 403,809 |
| Immunizations - IAP | 29,157 | | 29,157 |
| Public Health Emergency Preparedness (PHEP) | 119,310 | | 119,310 |
| MOMS (MOMS) | 7,520 | | 7,520 |
| HC3 | 97,864 | | 97,864 |
| Tobacco (TOB) | 72,888 | | 72,888 |
| Covid | 25,383 | | 25,383 |
| Covid Response (COVIDR) | 275,858 | | 275,858 |
| Covid Enhances (COVIDE) | 195,002 | | 195,002 |
| Covid Equity (COVIDQ) | 1,704 | | 1,704 |
| Covid Needs (COVIDN) | 19,656 | | 19,656 |
| Workforce (WF) | 3,834 | | 3,834 |
| Environmental Health | | 435,728 | 435,728 |
| <i>Total Disbursements</i> | <u>2,968,073</u> | <u>435,728</u> | <u>3,403,801</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>552,301</u> | <u>(97,154)</u> | <u>455,147</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | | 100,000 | 100,000 |
| Transfers Out | (100,000) | | (100,000) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(100,000)</u> | <u>100,000</u> | |
| <i>Net Change in Fund Balances</i> | 452,301 | 2,846 | 455,147 |
| <i>Fund Balances Beginning of Year</i> | <u>2,139,762</u> | <u>97,697</u> | <u>2,237,459</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 2,592,063</u> | <u>\$ 100,543</u> | <u>\$ 2,692,606</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, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------|--------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 975,000 | \$ 975,000 | \$ 993,768 | \$ 18,768 |
| Intergovernmental | 1,360,325 | 1,939,793 | 1,688,334 | (251,459) |
| Charges for Services | 565,400 | 524,695 | 407,836 | (116,859) |
| Gifts and Contributions | 3,200 | 3,200 | 3,997 | 797 |
| Contractual Services | 314,250 | 314,250 | 342,214 | 27,964 |
| Miscellaneous | 59,364 | 59,264 | 84,225 | 24,961 |
| <i>Total Receipts</i> | 3,277,539 | 3,816,202 | 3,520,374 | (295,828) |
| Disbursements | | | | |
| Current: | | | | |
| General Health | 1,453,033 | 1,371,849 | 1,104,562 | 267,287 |
| Vital Statistics | 48,212 | 48,212 | 47,691 | 521 |
| Administration | 279,371 | 279,371 | 171,368 | 108,003 |
| Maternal and Child Health (MCH) | 24,796 | | | |
| Family Planning (FP) | 174,354 | 238,232 | 129,785 | 108,446 |
| Women's, Infant and Children (WIC) | 311,485 | 316,585 | 293,739 | 22,846 |
| Breast, Cervical Cancer Project (BCCP) | 445,409 | 551,828 | 403,809 | 148,019 |
| Immunizations (IAP) | 82,371 | 41,583 | 29,157 | 12,426 |
| Public Health Emergency Preparedness (PHEP) | 158,890 | 148,339 | 119,310 | 29,029 |
| MOMS (MOMS) | 16,924 | 16,924 | 7,520 | 9,404 |
| HC3 | 94,500 | 109,026 | 97,864 | 11,162 |
| Tobacco (TOB) | 97,565 | 134,811 | 72,888 | 61,923 |
| COVID-19 | 50,095 | 48,542 | 25,383 | 23,160 |
| Covid Response (COVIDR) | | 280,538 | 275,858 | 4,680 |
| Covid Enhances (COVIDE) | | 198,321 | 195,002 | 3,319 |
| Covid Equity (COVIDQ) | | 50,000 | 1,704 | 48,296 |
| Covid Needs (COVIDN) | | 20,000 | 19,656 | 344 |
| Workforce (WF) | | 3,840 | 3,834 | 6 |
| <i>Total Disbursements</i> | 3,237,005 | 3,858,001 | 2,999,129 | 858,871 |
| <i>Excess of Receipts Over Disbursements</i> | 40,534 | (41,799) | 521,245 | 563,043 |
| Other Financing Uses (Uses) | | | | |
| Transfers Out | (167,620) | (139,620) | (100,000) | 39,620 |
| Advance In | | 68,355 | | (68,355) |
| Advance out | | (75,000) | | 75,000 |
| <i>Total Other Financing Sources (Uses)</i> | (167,620) | (146,265) | (100,000) | 46,265 |
| <i>Net Change in Fund Balance</i> | (127,086) | (188,064) | 421,245 | 609,308 |
| <i>Prior Year Encumbrances Appropriated</i> | 32,466 | 32,466 | 32,466 | |
| <i>Fund Balance Beginning of Year</i> | 2,107,296 | 2,107,296 | 2,107,296 | |
| <i>Fund Balance End of Year</i> | \$ 2,012,676 | \$ 1,951,698 | \$ 2,561,007 | \$ 609,308 |

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, 2021

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Receipts | | | | |
| Fines, Licenses and Permits | \$ 239,675 | \$ 182,675 | \$ 193,133 | \$ 10,458 |
| Charges for Services | 17,500 | 17,500 | 25,684 | 8,184 |
| Contractual Services | 143,000 | 143,000 | 119,468 | (23,532) |
| Miscellaneous | 10,000 | 10,000 | 289 | (9,711) |
| <i>Total Receipts</i> | <u>410,175</u> | <u>353,175</u> | <u>338,574</u> | <u>(14,601)</u> |
| Disbursements | | | | |
| Environmental Health | 596,811 | 545,486 | 462,029 | 83,457 |
| <i>Excess of Disbursements Over Receipts</i> | <u>(186,636)</u> | <u>(192,311)</u> | <u>(123,455)</u> | <u>68,856</u> |
| Other Financing Sources | | | | |
| Transfers In | 152,620 | 152,620 | 100,000 | (52,620) |
| <i>Net Change in Fund Balance</i> | (34,016) | (39,691) | (23,455) | 16,236 |
| <i>Prior Year Encumbrances Appropriated</i> | 34,016 | 34,016 | 34,016 | |
| <i>Fund Balance Beginning of Year</i> | <u>63,681</u> | <u>63,681</u> | <u>63,681</u> | |
| <i>Fund Balance End of Year</i> | <u>\$ 63,681</u> | <u>\$ 58,006</u> | <u>\$ 74,242</u> | <u>\$ 16,236</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, 2021

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, 2021

(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.

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.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

(Continued)

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 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The County Auditor cannot allocate property taxes from the municipalities and townships within the Health District if the filing has not been made.

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.

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.

Fulton County Health Department
Fulton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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.

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.

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 grants: Environmental; Women, Infant and Children; Breast and Cervical Cancer Project; Reproductive Health & Wellness; Get Vaccinated; MOMS Quit for Two; Public Health Emergency Preparedness; Healthy Choices Caring Communities; Tobacco Use Prevention and Cessation, COVID, COVID Response, COVID Enhanced Operations, COVID Equity, COVID Needs and Workforce.

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.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

(Continued)

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.

Inter-fund 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 inter-fund transfers. Inter-fund 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.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

(Continued)

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 | \$452,301 | \$2,846 |
| Encumbrances | (31,056) | (26,301) |
| Budget Basis | <u>\$421,245</u> | <u>(23,455)</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 2021 for real and public utility property taxes represents collections of 2020 taxes.

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

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. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Health Department operations for the year ended December 31, 2021, was \$1 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

| | |
|----------------------------------|------------------------|
| Real Property | \$1,014,621,230 |
| Public Utility Personal Property | <u>130,247,790</u> |
| Total | <u>\$1,144,869,020</u> |

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

(Continued)

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 \$9,783 during fiscal year 2021. The Health Department received \$1,892 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 breakdowns

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

| | 2020 |
|-------------|---------------------|
| Assets | \$40,318,971 |
| Liabilities | <u>(14,111,510)</u> |
| Net Assets | <u>\$26,207,461</u> |

Fulton County Health Department
Fulton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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 in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

| Group A | 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 |

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

(Continued)

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

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, current law provides for an annual cost of living adjustment (COLA). 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 on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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. 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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:

Fulton County Health Department
Fulton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

| | State and Local | Public Safety | Law Enforcement |
|--|--------------------|------------------|--------------------|
| 2021 Statutory Maximum Contribution Rates | | | |
| Employer | 14.0 % | 18.1 % | 18.1 % |
| Employee * | 10.0 % | ** | *** |
| 2021 Actual Contribution Rates | | | |
| Employer: | | | |
| Pension **** | 14.0 % | 18.1 % | 18.1 % |
| Post-employment Health Care Benefits **** | 0.0 | 0.0 | 0.0 |
| Total Employer | <u>14.0 %</u> | <u>18.1 %</u> | <u>18.1 %</u> |
| Employee | <u>10.0 %</u> | <u>12.0 %</u> | <u>13.0 %</u> |

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- *** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- **** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health Department's contractually required contribution was \$265,726 for year 2021.

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.

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, 2021.

Fulton County Health Department
Fulton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Fulton County Health Department
Fulton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report 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. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, 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.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, 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 2021 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 \$25,290 for the year 2021.

Fulton County Health Department
Fulton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(Continued)

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 | \$ 233,077 | | \$ 233,077 |
| Environmental | | \$ 100,543 | 100,543 |
| <i>Total Restricted</i> | <u>233,077</u> | <u>100,543</u> | <u>333,620</u> |
| Committed | | | |
| Epidemiologist (6 Pact Agreement) | <u>19,809</u> | | <u>19,809</u> |
| Assigned to | | | |
| Insurance | <u>32,466</u> | | <u>32,466</u> |
| Unassigned: | 2,306,711 | | 2,306,711 |
| Total Fund Balances | <u>\$ 2,592,063</u> | <u>\$ 100,543</u> | <u>\$ 2,692,606</u> |

Note 10 - Interfund Transfers

The General Fund transferred \$100,000 to the Environmental Fund since the fees and licenses collected do not cover environmental health expenses.

Note 12– 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.

Note 13 – 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. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District’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, 2021

| FEDERAL GRANTOR <i>Pass Through Grantor</i> 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> | | | | |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | 2100085-YL FY2022 Study Group FY2021 Study Group FY2022 | | \$ 18,843 4,322 1,646 1,031 <u>25,842</u> |
| Total 93.959 | | | | |
| Coronavirus Relief Fund | 21.019 | | | 1,340 |
| <i>Passed Through Ohio Department of Health</i> | | | | |
| Coronavirus Relief Fund | 21.019 | 02610012CO0121 02610012VN0121 | | 278,417 20,000 <u>298,417</u> |
| Total 21.019 | | | | |
| Total Coronavirus Relief Fund (CFDA 21.019) | | | | 299,757 |
| Public Health Emergency Preparedness | 93.069 | 02610012PH1221 02610012PH1322 | | 52,185 <u>32,716</u> 84,901 |
| Total 93.069 | | | | |
| Family Planning Services | 93.217 | 02610011RH1021 02610011RH1122 | | 22,083 <u>91,913</u> 113,996 |
| Total 93.217 | | | | |
| Immunization Cooperative Agreements | 93.268 | 02610012VE0121 02610012GV0321 02610012GV0422 | \$ 7,987 12,100 <u>20,087</u> | 50,000 11,228 <u>23,824</u> 85,052 |
| Total 93.268 | | | | |
| National State Based Tobacco Control Programs | 93.305 | 02610014TU0120 | | 507 |
| COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | 02610012EO0121 | | 194,678 |
| COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | 02610012WF0122 | | 3,834 |
| National and State Tobacco Control Program (B) | 93.387 | 02610014TU0322 | | 10,200 |
| Children's Health Insurance Program | 93.767 | 02610014BC1421 | | 58,301 |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | 93.898 | 02610014BC1421 02610014BC1522 | | 227,736 <u>145,167</u> 372,903 |
| Total 93.898 | | | | |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 02610011RH1021 | | 12,471 |
| <i>Passed Through Fulton County Job and Family Services</i> | | | | |
| <u>Temporary Assistance for Needy Families Cluster</u> | | | | |
| Temporary Assistance for Needy Families | 93.558 | (Headlice) FY2021 (Headlice) FY2022 (BTIO) FY2021 (BTIO) FY2022 | | 130 457 78,380 57,330 <u>136,297</u> 136,297 |
| Total 93.558 | | | | |
| Total Temporary Assistance for Needy Families Cluster | | | | 136,297 |
| Total U.S. Department of Health and Human Services | | | 20,087 | 1,398,739 |
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| <i>Passed Through Ohio Department of Health</i> | | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | 02610011WA1421 02610011WA1522 | | 236,810 <u>56,466</u> 293,276 |
| Total 10.557 | | | | |
| Total U.S. Department of Agriculture | | | | 293,276 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | |
| <i>Passed Through Ohio Department of Public Safety</i> | | | | |
| <u>Highway Safety Cluster</u> | | | | |
| State and Community Highway Safety | 20.600 | SC-2021-Fulton County Health Depa-00022 SC-2022-Fulton County Health Depa-00044 | | 10,642 <u>3,234</u> 13,876 |
| Total Highway Safety Cluster | | | | 13,876 |
| Total U.S. Department of Transportation | | | | 13,876 |
| Total Expenditures of Federal Awards | | | \$ 20,087 | \$ 1,705,891 |

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, 2021**

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, 2021. 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 \$50,181. 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.



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

**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 of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021, 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 July 28, 2022, 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Health Department’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health Department’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Health Department’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 Department’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Health Department's Response to Finding

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health Department'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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

July 28, 2022

OHIO AUDITOR OF STATE KEITH FABER



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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

Opinion on Each Major Federal Program

We have audited Fulton County Health Department, Fulton County, Ohio's (the Health Department) 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 Fulton County Health Department's major federal programs for the year ended December 31, 2021. Fulton County Health Department's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Fulton County Health Department 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, 2021.

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 Department 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 Health Department's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Health Department'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 Department'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 Department'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 Department'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 Department'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 Department'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 Department's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

July 28, 2022

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**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

| |
|--|
| 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)? | Yes |
| (d)(1)(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| (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 Temporary Assistance for Needy Families Cluster |
| (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 2021-001

Material Weakness – Financial Reporting

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

The following errors were identified in accompanying financial statements:

- Final budgeted appropriations were overstated by \$3,826,945 on the Statement of Receipts, Disbursements and Changes in Fund balance – Budget and Actual – Budgetary Basis - General Fund. 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.).
- Beginning budgetary fund balance reported on the State of Receipts, Disbursements, and Changes in Fund balance – Budgetary and actual – Budgetary Basis – Environmental Fund were overstated by \$34,016 and prior year encumbrances appropriated were understated by \$34,016.

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 \$5,675 to \$137,309 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 financial statement and notes to the financial statements by the Fiscal Supervisor and the Board to help identify and correct errors and omissions.

Officials’ Response:

See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

None



FULTON COUNTY HEALTH DEPARTMENT

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2021**

| Finding Number | Finding Summary | Status | Additional Information |
|-----------------------|---|--|--|
| 2020-001 | Significant Deficiency due to financial statement reporting errors. | Not corrected and repeated as Finding 2021-001 in this report. | Additional errors occurred and were not corrected. Management is aware of and understands the importance of the information presented on the financial statements and will ensure the financial statements are properly presented. |



FULTON COUNTY HEALTH DEPARTMENT

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2021

Finding Number: 2021-001
Planned Corrective Action: Management is aware of 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, 2022
Responsible Contact Person: Jane Sauder, Fiscal Supervisor

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 8/16/2022

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