



**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY
DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

Seneca County District Board of Health
Seneca County
71 South Washington Street, Suite 1102
Tiffin, Ohio 44883-2359

To the Members of the Board:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seneca County District Board of Health, Seneca County, Ohio (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2021, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General and Construction and Demolition Debris 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole that collectively comprise the District'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 presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Information

We applied no procedures to management's discussion and analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 16, 2022

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

The discussion and analysis of the Seneca County District Board of Health's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2021, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the year 2021 are as follows:

- The District's net position increased \$410,618 or 9.76% from the prior year.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the District's receipts, accounting for 87.64% of all the dollars coming into the District. General receipts in the form of property taxes, donations, State subsidy and miscellaneous receipts make up the remaining 12.36%.
- The District's disbursements increased by \$369,510 from the prior year. This increase is primarily related to a 50.67% and 7.44% increase in disbursements for public health infrastructure related to the COVID-19 pandemic and construction and demolition services, respectively.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as is applicable to the District's cash basis of accounting.

Report Components

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

Reporting the District as a Whole

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis reflect how the District performed financially during 2021, within the limitations of the cash basis of accounting. The Statement of Net Position - Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, one can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, one should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis present governmental activities, which include all the District's services. The District has no business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds - not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the District are governmental.

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's health programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General fund and the construction and demolition debris fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Reporting the District's Fiduciary Responsibilities

The District serves as fiscal agent for the Seneca County Health Alliance (the Alliance). Records for the Alliance are maintained in a custodial fund. The District's fiduciary activities are reported in separate statements of fiduciary net position – cash basis and changes in fiduciary net position – cash basis. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

The District as a Whole

Table 1 provides a summary of the District's net position cash basis at December 31, 2021 compared to December 31, 2020.

**Table 1
Net Position - Cash Basis**

	Governmental Activities	
	2021	2020
Assets		
Equity in pooled cash and cash equivalents	\$ 4,616,612	\$ 4,205,994
Net Position		
Restricted for:		
Environmental health	\$ 3,359,033	\$ 3,040,264
Community health services	309,182	348,614
Unrestricted	948,397	817,116
Total Net Position	\$ 4,616,612	\$ 4,205,994

The District's net position increased \$410,618 from 2020 due to program receipts of \$4,702,189 and general receipts of \$663,167 exceeding current year disbursements of \$4,954,738.

In 2021, 12.36% of the District's total receipts were from general receipts, consisting mainly of property taxes levied for general District purposes. Program receipts accounted for 87.64% of the District's total receipts in 2021. These receipts consist primarily of charges for services for construction and demolition services, birth and death certificates, food service licenses, trailer park, swimming pools and spas, and water system permits and State and federal operating grants and donations.

Administration accounted for 22.21% of the District's total disbursements for 2021. These costs represent the costs to administer all programs not supported by special receipts. Construction and demolition debris disbursements accounted for 49.29% of 2021 total disbursements.

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**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Table 2 reflects the change in net position on a cash basis in 2021 as compared to 2020:

**Table 2
Changes in Net Position - Cash Basis**

	Governmental Activities	
	2021	2020
Receipts		
Program cash receipts:		
Charges for services and sales	\$ 3,709,621	\$ 3,894,674
Operating grants and contributions	992,568	1,248,641
Total program cash receipts	<u>4,702,189</u>	<u>5,143,315</u>
General receipts:		
Property taxes and other local taxes		
Levied for general Health District purposes	596,951	603,357
Grants and entitlements not restricted		
to specific programs	27,164	31,053
Donations	98	137
Interest revenue	149	-
Miscellaneous	38,805	78,801
Total general receipts	<u>663,167</u>	<u>713,348</u>
Total Receipts	<u>5,365,356</u>	<u>5,856,663</u>
Disbursements		
Environmental health:		
Trailer park	6,461	11,650
Swimming pool	4,450	4,204
Food service	105,349	104,828
Water system	16,093	11,492
Solid waste	98,400	94,334
Radon	1,507	2,063
Sewage	384,284	376,423
Construction and demolition debris	2,442,156	2,273,130
Community health services:		
Women, infants, and children	293,639	288,114
Senior services	3,295	1,663
Get vaccinated Ohio - PH initiative	11,730	24,963
Integrated naloxone access and infrastructure	34,362	44,777
Public health infrastructure	452,679	300,447
Smoking cessation program	-	1,368
Administration	1,100,333	1,045,772
Total Disbursements	<u>4,954,738</u>	<u>4,585,228</u>
Change in net position	410,618	1,271,435
Net position at beginning of year	4,205,994	2,934,559
Net position at end of year	<u>\$ 4,616,612</u>	<u>\$ 4,205,994</u>

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Governmental Activities

The first column of the Statement of Activities - Cash Basis lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for environmental health, community health services, and administration, which account for 61.73%, 16.06%, and 22.21% of all governmental disbursements, respectively. The "Program Cash Receipts" columns of the Statement of Activities - Cash Basis identify amounts paid by individuals who are directly charged for services and grants received by the District that must be used to provide a specific service. The net cost column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which is paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts. A comparison between the total cost of services and the net cost for both 2021 and 2020 is presented in Table 3, below.

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Environmental health:				
Trailer park	\$ 6,461	\$ 746	\$ 11,650	\$ (3,838)
Swimming pool	4,450	(2,235)	4,204	(1,826)
Food service	105,349	(8,938)	104,828	(9,204)
Water system	16,093	(11,590)	11,492	(11,929)
Solid waste	98,400	(16,447)	94,334	3,330
Radon	1,507	(1,493)	2,063	(937)
Sewage	384,284	21,862	376,423	(19,126)
Construction and demolition services	2,442,156	(273,993)	2,273,130	(657,300)
Community health services:				
Women, infants, and children	293,639	(3,380)	288,114	(2,379)
Senior services	3,295	1,497	1,663	300
Get vaccinated Ohio - PH initiative	11,730	(4,235)	24,963	(3,825)
Integrated naloxone access and infrastructure	34,362	(20,638)	44,777	(7,723)
Public health infrastructure	452,679	98,809	300,447	(259,710)
Smoking cessation program	-	-	1,368	1,368
Administration	1,100,333	472,584	1,045,772	414,712
Totals	<u>\$ 4,954,738</u>	<u>\$ 252,549</u>	<u>\$ 4,585,228</u>	<u>\$ (558,087)</u>

The District has attempted to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. The District's costs were fully supported by program revenues and supplemented through property taxes, unrestricted grants and other general receipts for 2021.

The District's Funds

Total governmental funds had receipts and other financing sources of \$5,482,885 and disbursements and other financing uses of \$5,072,267.

The General fund is the chief operating fund of the District. Receipts and other financing sources exceeded disbursements and other financing uses in the General fund by \$131,281 in 2021. Property and other local taxes, fees, and contractual services receipts represented 45.69%, 36.60% and 10.56%, respectively, of total receipts and other financing sources of \$1,306,614 for 2021. The General fund had \$1,100,333 in disbursements for administration costs during the year.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

The Construction and Demolition Debris fund, a major special revenue fund, accounts for receipts collected from the landfill. Receipts in the form of fees of \$2,716,149 represent a decrease of 7.31% from 2020. Correspondingly, disbursements for construction and demolition services increased 7.44% as compared to 2020.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General fund.

During the course of 2021, the District amended its budget several times. The General fund's final and original budgeted receipts and other financing sources were both \$1,427,341. Actual receipts and other financing sources were \$1,301,450, \$125,891 less than final budget estimates. Actual budgetary-basis disbursements and other financing uses of \$1,255,815 were \$220,417 less than final appropriated expenditures and other financing uses of \$1,476,232.

Capital Assets

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Current Issues

A major challenge for the District is to provide quality services to the public while complying with the restrictions imposed by limited, and in some cases shrinking funding. The District relies on operating grants and is diligent in searching for new funding sources to allow our programs to continue. Charges for services and contract rates are analyzed to ensure that costs to administer and carry out programs are covered.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Anne Goon, Health Commissioner, 71 South Washington Street, Suite 1102, Tiffin, Ohio 44883-2359.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2021

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash and cash equivalents	\$ 4,616,612
Net position	
Restricted for:	
Environmental health	\$ 3,359,033
Community health services	309,182
Unrestricted	<u>948,397</u>
Total net position	<u>\$ 4,616,612</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Governmental activities:				
Environmental health:				
Trailer park	\$ 6,461	\$ 5,715	\$ -	\$ (746)
Swimming pool	4,450	6,685	-	2,235
Food service	105,349	114,287	-	8,938
Water system	16,093	27,683	-	11,590
Solid waste	98,400	80,000	34,847	16,447
Radon	1,507	3,000	-	1,493
Sewage	384,284	126,555	235,867	(21,862)
Construction and demolition services	2,442,156	2,716,149	-	273,993
Community health services:				
Women, infants, and children	293,639	-	297,019	3,380
Senior services	3,295	1,798	-	(1,497)
Get vaccinated Ohio - PH initiative	11,730	-	15,965	4,235
Integrated naloxone access and infrastructure	34,362	-	55,000	20,638
Public health infrastructure	452,679	-	353,870	(98,809)
Administration	1,100,333	627,749	-	(472,584)
Totals	\$ 4,954,738	\$ 3,709,621	\$ 992,568	(252,549)
 General Receipts:				
Property taxes and other local taxes				596,951
levied for general health district purposes				27,164
Grants and entitlements not restricted to specific programs				98
Donations				149
Interest revenue				38,805
Miscellaneous				663,167
Total general receipts				410,618
Change in net position				4,205,994
Net position at beginning of year				\$ 4,616,612
Net position at end of year				\$ 4,616,612

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in pooled cash and cash equivalents	\$ 948,397	\$ 2,976,118	\$ 692,097	\$ 4,616,612
Fund Balances				
Restricted:				
Environmental health:				
Trailer park	\$ -	\$ -	\$ 17,069	\$ 17,069
Swimming pool	-	-	7,754	7,754
Food service	-	-	92,991	92,991
Water system	-	-	33,293	33,293
Solid waste	-	-	64,116	64,116
Radon	-	-	2,746	2,746
Nuisance	-	-	19,253	19,253
Sewage	-	-	145,693	145,693
Construction and demolition debris	-	2,976,118	-	2,976,118
Community health services:				
Women, infants, and children	-	-	57,686	57,686
Senior services	-	-	1,094	1,094
Get vaccinated Ohio - PH initiative	-	-	5,280	5,280
Integrated naloxone access and infrastructure	-	-	37,959	37,959
Public health infrastructure	-	-	187,163	187,163
Public health workforce	-	-	20,000	20,000
Committed:				
Termination benefits	13,009	-	-	13,009
Assigned:				
Administration	89,955	-	-	89,955
Subsequent year appropriations	294,656	-	-	294,656
Unassigned	550,777	-	-	550,777
Total fund balances	<u>\$ 948,397</u>	<u>\$ 2,976,118</u>	<u>\$ 692,097</u>	<u>\$ 4,616,612</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	Construction and Demolition Debris	Nonmajor Governmental Funds	Total Governmental Funds
Receipts				
Property and other local taxes	\$ 596,951	\$ -	\$ -	\$ 596,951
Licenses and permits	11,545	-	295,825	307,370
Fees	478,275	2,716,149	62,875	3,257,299
Contractual services	137,929	-	7,023	144,952
Intergovernmental	27,164	-	992,568	1,019,732
Donations	1	-	97	98
Interest revenue	149	-	-	149
Miscellaneous	12,071	-	26,734	38,805
Total receipts	1,264,085	2,716,149	1,385,122	5,365,356
Disbursements				
Current:				
Environmental health:				
Trailer park	-	-	6,461	6,461
Swimming pool	-	-	4,450	4,450
Food service	-	-	105,349	105,349
Water system	-	-	16,093	16,093
Solid waste	-	-	98,400	98,400
Radon	-	-	1,507	1,507
Sewage	-	-	384,284	384,284
Construction and demolition services	-	2,442,156	-	2,442,156
Community health services:				
Women, infants, and children	-	-	293,639	293,639
Senior services	-	-	3,295	3,295
Get vaccinated Ohio - PH initiative	-	-	11,730	11,730
Integrated naloxone access and infrastructure	-	-	34,362	34,362
Public health infrastructure	-	-	452,679	452,679
Administration	1,100,333	-	-	1,100,333
Total disbursements	1,100,333	2,442,156	1,412,249	4,954,738
Excess of receipts over (under) disbursements	163,752	273,993	(27,127)	410,618
Other financing sources (uses)				
Transfers in	12,529	-	-	12,529
Transfers (out)	-	-	(12,529)	(12,529)
Advances in	30,000	-	75,000	105,000
Advances (out)	(75,000)	-	(30,000)	(105,000)
Total other financing sources (uses)	(32,471)	-	32,471	-
Net change in fund balances	131,281	273,993	5,344	410,618
Fund balances at beginning of year	817,116	2,702,125	686,753	4,205,994
Fund balances at end of year	<u>\$ 948,397</u>	<u>\$ 2,976,118</u>	<u>\$ 692,097</u>	<u>\$ 4,616,612</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and other local taxes	\$ 545,369	\$ 545,369	\$ 596,951	\$ 51,582
Licenses and permits	10,800	10,800	11,545	745
Fees	570,000	570,000	478,275	(91,725)
Contractual services	155,000	155,000	137,929	(17,071)
Intergovernmental	30,029	30,029	27,164	(2,865)
Donations	-	-	1	1
Interest revenue	-	-	149	149
Miscellaneous	7,650	7,650	12,071	4,421
	<u>1,318,848</u>	<u>1,318,848</u>	<u>1,264,085</u>	<u>(54,763)</u>
Total receipts				
Disbursements				
Current:				
Administration	1,356,232	1,377,732	1,180,815	196,917
	<u>1,356,232</u>	<u>1,377,732</u>	<u>1,180,815</u>	<u>196,917</u>
Excess of receipts over (under) disbursements	(37,384)	(58,884)	83,270	142,154
	<u>(37,384)</u>	<u>(58,884)</u>	<u>83,270</u>	<u>142,154</u>
Other financing sources (uses)				
Transfers in	8,493	8,493	7,365	(1,128)
Advances in	100,000	100,000	30,000	(70,000)
Advances (out)	(120,000)	(98,500)	(75,000)	23,500
	<u>(11,507)</u>	<u>9,993</u>	<u>(37,635)</u>	<u>(47,628)</u>
Total other financing sources (uses)				
Net change in fund balance	(48,891)	(48,891)	45,635	94,526
Unencumbered fund balance at beginning of year	741,496	741,496	741,496	-
Prior year encumbrances appropriated	58,302	58,302	58,302	-
	<u>58,302</u>	<u>58,302</u>	<u>58,302</u>	<u>-</u>
Unencumbered fund balance at end of year	<u>\$ 750,907</u>	<u>\$ 750,907</u>	<u>\$ 845,433</u>	<u>\$ 94,526</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CONSTRUCTION AND DEMOLITION DEBRIS FUNE
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Fees	\$ 2,100,000	\$ 2,716,149	\$ 2,716,149	\$ -
Miscellaneous	10	10	-	(10)
Total receipts	<u>2,100,010</u>	<u>2,716,159</u>	<u>2,716,149</u>	<u>(10)</u>
Disbursements				
Current:				
Environmental health:				
Construction and demolition services	3,081,804	3,251,804	3,094,822	156,982
Net change in fund balance	(981,794)	(535,645)	(378,673)	156,972
Unencumbered fund balance at beginning of year	2,206,978	2,206,978	2,206,978	-
Prior year encumbrances appropriated	495,147	495,147	495,147	-
Unencumbered fund balance at end of year	<u>\$ 1,720,331</u>	<u>\$ 2,166,480</u>	<u>\$ 2,323,452</u>	<u>\$ 156,972</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
DECEMBER 31, 2021

	<u>Custodial</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 37,634
Net position:	
Restricted for:	
Seneca County Health Alliance	\$ 37,634

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
DECEMBER 31, 2021

	<u>Custodial</u>
Additions:	
Other	\$ 37,634
Net change in fiduciary net position	<u>37,634</u>
Net position at beginning of year	-
Net position at end of year	<u><u>\$ 37,634</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - REPORTING ENTITY

The Seneca County District Board of Health, Seneca County, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A nine-member Board with two members appointed by the City of Tiffin, two members appointed by the City of Fostoria, and five members appointed by the District Advisory Council.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, certification of birth and death records, Women, Infant, and Children (WIC) nutritional education, and emergency response planning.

The Seneca County Auditor acts as fiscal agent for the District and the Seneca County Treasurer acts as custodian of all funds.

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

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization, or (4) the District is obligated for the debt of the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District and organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. The District has no component units.

C. Related Organization

Seneca County Health Alliance

On December 1, 2021, the Board assumed fiscal responsibilities for the Seneca County Health Alliance (the Alliance) from the Mental Health and Recovery Services Board of Seneca, Ottawa, Sandusky and Wyandot Counties. During 2021, the Board received \$37,634 from the Mental Health and Recovery Services Board of Seneca, Ottawa, Sandusky, and Wyandot Counties. This amount is reflected as other additions on the statement of changes in fiduciary net position – cash basis.

The Alliance is made up of public and private entities that contribute to the public's health and well-being throughout the community. Members include hospitals, mental health providers, the City of Tiffin, the Mental Health and Recovery Services Board of Seneca, Ottawa, Sandusky and Wyandot Counties, Community Health Services, Community Hospice Care by Stein, Firelands Counseling and Recovery Services, Fostoria City Schools, Great Lakes Community Action Partnership, Heidelberg University, H.O.P.E. in Fostoria/Community Action for Reducing Substance Abuse, Mercy Health - Tiffin Hospital, Ohio State University Extension, Seneca County, ProMedica Fostoria Community Hospital, Seneca County Department of Job and Family Services, Seneca County Family and Children First Council, Seneca County Juvenile Court, Seneca County Sheriff's Office, Tiffin City Schools, Tiffin Community Health Center, Tiffin Community YMCA, Tiffin-Seneca United Way and other local companies and organizations.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

The Alliance was formed for the purposes of conducting local health assessments and developing a comprehensive strategic plan based on the assessment findings. Accounting records for the Alliance are maintained in a custodial fund of the Board. Financial information for the Alliance may be obtained by contacting the Executive Director of the Seneca County Board of Health.

Financial information for the Alliance may be obtained by contacting Anne Goon, Health Commissioner of the Seneca County District Board of Health, 71 South Washington Street, Suite 1102, Tiffin, Ohio 44883-2359.

D. Public Entity Risk Pool

The District participates in the County Employee Benefits Consortium of Ohio, Inc (CEBCO). Note 8 provides additional information for this entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes 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 District's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position - cash basis and the statement of activities - cash basis display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position - cash basis presents the cash balance of the District at year end. The statement of activities - cash basis compares disbursements and program receipts for each program or function of the District'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 District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, 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 District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District 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 District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

B. Fund Accounting

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

Governmental Funds

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

General fund - the General fund is used to account for and report all financial resources, except those required to be accounted for in another fund. The General fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Construction and Demolition Debris fund - the Construction and Demolition Debris fund is used to account for and report financial resources that are restricted for a particular purpose. This fund receives receipts from the landfill at a rate of \$1.60 per ton collected by the landfill. The District retains \$.40 per ton collected and the remaining receipts are disbursed to the Environmental Protection Agency, Department of Natural Resources, Loudon Township, and the Seneca County Commissioners.

The other governmental funds of the District account for grants and other resources that are restricted or committed for a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. The District's only fiduciary fund is a custodial fund which accounts for funds of the Seneca County Health Alliance, for which the District serves as fiscal agent.

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District'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 incurred.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements.

D. Budgetary Process

All funds, other than custodial 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 District may appropriate. The appropriations resolution is the District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established by the District at the fund and object level for all funds.

SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District. 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 District.

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 amounts reported as the final budgeted amounts represent the final appropriations passed by the District during the year.

E. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Seneca County Treasurer, who acts as custodian for the District's monies. The District's assets are held in the County Treasurer's cash and investment pool, and are valued at the Treasurer's reported carrying amount. Individual fund integrity is maintained through District records.

F. 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 District's cash basis of accounting.

G. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits (OPEB).

H. Net Position

Net position is reported as restricted to the extent of limitations imposed on its use, either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District's policy is to first apply restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

I. Fund Cash Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The District had no nonspendable balance at December 31, 2021.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District. Those committed amounts cannot be used for any other purpose unless the District 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 District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General fund, assigned amounts include those approved through the District's formal purchasing procedure and those required for subsequent year appropriations.

Unassigned - Unassigned fund balance is the residual classification for the General fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

J. 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 cash disbursements to the funds that initially paid for them are not presented in the financial statements.

The District records advances in and advances out as interfund loans; however, these items are not reported as assets and liabilities in the accompanying financial statements.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For 2021, the District has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. Since the District does not prepare financial statements using generally accepted accounting principles, the implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

For 2021, the District has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncements are postponed by one year and the District has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following pronouncements are postponed by eighteen months and the District has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison schedule presented for the General fund and the major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary-basis) rather than assigned, committed or restricted fund balance (cash-basis).

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statements:

	Fund Balance	
	General	Construction and Demolition Debris
Cash basis	\$ 948,397	\$ 2,976,118
Adjustment for encumbrances	(89,955)	(652,666)
Funds budgeted elsewhere	(13,009)	-
Budgetary basis	\$ 845,433	\$ 2,323,452

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. Real property tax receipts received in 2021 represent the collection of 2020 taxes. Real property taxes received in 2021 were levied after October 1, 2020, on the assessed values as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. The first payment is due on December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

Public utility real property taxes collected for 2021 were levied after October 1, 2020, on the assessed values determined as of December 31, 2020, the lien date. These taxes will be collected in and are intended to finance 2022 operations. Public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described earlier.

The full tax rate for all District operations for the year ended December 31, 2021, was \$0.30 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2021 property tax receipts were based are as follows:

Real property	\$ 1,113,370,380	73.49%
Public utility personal property	<u>401,675,470</u>	<u>26.51%</u>
Total assessed valuation	<u><u>\$ 1,515,045,850</u></u>	<u><u>100.00%</u></u>

NOTE 6 - INTERFUND TRANSACTIONS

A. Advances

Interfund advances for the year ended December 31, 2021, consisted of the following, as reported on the fund statements:

<u>Advances to the General fund from:</u>	
Nonmajor governmental funds	\$ 30,000
<u>Advances from the General fund to:</u>	
Nonmajor governmental funds	<u>75,000</u>
Total	<u><u>\$ 105,000</u></u>

The primary purpose of the interfund advances is to cover costs in specific funds where revenues were not received by December 31. These interfund advances are also made to repay advances made in the prior fiscal year from the General fund.

Interfund advances between governmental funds are eliminated on the government-wide financial statements.

Interfund advance balances at December 31, 2021, consisted of \$65,000 advanced to other governmental funds to provide working capital for operations or projects. The interfund advances are expected to be repaid within one year.

B. Transfers

Interfund transfers for the year ended December 31, 2021, consisted of the following, as reported on the fund statements:

<u>Transfer to the General fund from:</u>	
Nonmajor governmental funds	<u><u>\$ 12,529</u></u>

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

NOTE 7 - RISK MANAGEMENT

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

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

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

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021:

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	14,974,099

NOTE 8 - PUBLIC ENTITY RISK POOL

The District participates in the County Employee Benefits Consortium of Ohio, Inc (CEBCO).

Seneca County is the fiscal agent of the District and therefore the District is a member of CEBCO, which is a self-funded, group purchasing consortium that offers medical, dental, vision, and prescription drug coverage to thirty-six counties in Ohio. CEBCO is a nonprofit organization formed by the County Commissioners Association of Ohio (CCAO) to provide cost-effective employee benefit programs for Ohio county governments. Various plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit copays, and out-of-pocket maximums. CEBCO is governed by a board of directors composed mainly of representatives of counties that participate in the program. Premiums are paid on a monthly basis. Pursuant to participation agreements with CEBCO, each member agrees to pay all funding rates associated with the coverage it elects; as such, funding rates are set and billed to the members by CEBCO. The assigned funding rates consist of the following components: administrative fees, stop-loss fees, expected claim costs, and reserves. Reserves are actuarially determined and allocated based on expected claim activity. Rates are calculated to cover the administrative expenses and expected claims costs of the program.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

NOTE 9 - DEFINED BENEFIT PENSION PLANS

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - District 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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

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.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

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 subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. 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 annuitization of the benefit (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:

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

The District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$157,171 for 2021.

Social Security

Some of the District's board members 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.

NOTE 10 - DEFINED BENEFIT OPEB PLAN

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, 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.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA 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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan 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 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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 4.00%.

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

For 2021, OPERS did not allocate any employer contributions to post-employment health care.

NOTE 11 - CONTINGENT GRANTS

The District receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

NOTE 12 - COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District’s commitments for encumbrances in the governmental funds were as follows:

Fund:	Year-End Encumbrances
General fund	\$ 89,955
Construction and Demolition Debris fund	652,666
Nonmajor governmental funds	234,212
Total	\$ 976,833

NOTE 13 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under Enterprise Zone Agreements (EZAs) and the Ohio Community Reinvestment Area (CRA) program with the taxing districts of the District. The EZAs and CRA program are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Tiffin, Hopewell Township and the City of Fostoria have entered into such agreements. Under these agreements, the District’s property taxes were reduced by \$1,721. The District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

NOTE 14 - 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.

SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA 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 AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	07410011WA1522	\$ 64,868
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	07410011WA1521	<u>232,130</u>
			<u>296,998</u>
Total U.S. Department of Agriculture			
UNITED STATES DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Health</i>			
COVID-19 Coronavirus Relief Fund	21.019	07410012CO0121	285,322
COVID-19 Coronavirus Relief Fund	21.019	07410012CT0120	67,086
COVID-19 Coronavirus Relief Fund	21.019	07410012VN0121	<u>6,811</u>
Total U.S. Department of Treasury			<u>359,219</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Public Health Emergency Preparedness	93.069	07410012PH1322	21,253
Public Health Emergency Preparedness	93.069	07410012PH1221	<u>31,393</u>
Total CFDA #93.069			<u>52,646</u>
Immunization Cooperative Agreements	93.268	07410012GV0221	12,135
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	07410012CT0121	41,465
Opioid STR	93.788	07410014IN0423	3,371
Opioid STR	93.788	07410014IN0322	<u>31,269</u>
Total Opioid STR			<u>34,640</u>
Total U.S. Department of Health and Human Services			<u>140,886</u>
Total Expenditures of Federal Awards			<u>\$ 797,103</u>

The accompanying notes are an integral part of this schedule.

**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA 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 the Seneca County District Board of Health, Seneca County, Ohio (the District) 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 District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – MATCHING REQUIREMENTS

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

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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**

Seneca County District Board of Health
Seneca County
71 South Washington Street, Suite 1102
Tiffin, Ohio 44883-2359

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seneca County District Board of Health, Seneca County, Ohio (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 16, 2022 wherein we noted the District 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 District.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 16, 2022

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

Seneca County District Board of Health
Seneca County
71 South Washington Street, Suite 1102
Tiffin, Ohio 44883-2359

To the Members of the Board:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Seneca County District Board of Health, Seneca County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Seneca County District Board of Health's major federal program for the year ended December 31, 2021. Seneca County District Board of Health's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Seneca County District Board of Health complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

Report on Internal Control Over Compliance

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

September 16, 2022

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**SENECA COUNTY DISTRICT BOARD OF HEALTH
SENECA 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)?	No
(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):	COVID-19 Coronavirus Relief Fund – AL #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**

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



SENECA COUNTY DISTRICT BOARD OF HEALTH

SENECA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/29/2022

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