

***CARROLL COUNTY
GENERAL HEALTH DISTRICT***

CARROLL COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2020 and 2019



Charles E. Harris & Associates, Inc.
Certified Public Accountants

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MANAGEMENT LETTER

Carroll County General Health District
Carroll County
PO Box 98
Carrollton, Ohio 44615

To the Board of Health:

We have audited the financial statements of the Carroll County General Health District, Carroll County (the District) as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated May 20, 2021.

Government Auditing Standards requires us to report significant internal control deficiencies, fraud (including noncompliance with laws and regulations), and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated May 20, 2021 for the years ended December 31, 2020 and 2019.

We are also submitting the following comments for your consideration regarding the District's compliance with applicable laws, regulations, grant agreement, contract provisions and internal control. These comments reflect matters that do not require inclusion in the *Government Auditing Standards* report. Nevertheless, these comments represent matters for which we believe improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing these recommendations. However, these comments reflect our continuing desire to assist the District. If you have any questions or concerns regarding these comments, please do not hesitate to contact us.

We wish to thank the Treasurer for her assistance during the audit.

We intend this report for the information and use of the Board of Health, audit committee and management.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
May 20, 2021

Ohio Revise Code Noncompliance:

Disbursements Exceeding Appropriations

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated. We noted the following fund had disbursements plus encumbrances that exceeded appropriations at December 31, 2019:

<u>Fund</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$288,276	\$299,515	(\$11,239)

We recommend Fiscal Officer review and monitor budgets closely and amend appropriations and estimated resources when necessary.

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Members of the Board
Carroll County General Health District
PO Box 98
Carrollton, OH 44615

We have reviewed the *Independent Auditor's Report* of the Carroll County General Health District, Carroll County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Carroll County General Health District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 09, 2021

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**Carroll County General Health District
Carroll County**

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INDEPENDENT AUDITOR'S REPORT

Carroll County General Health District
Carroll County
PO Box 98
Carrollton, Ohio 44615

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Carroll County General Health District, Carroll County, Ohio (the District).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2020 and 2019, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the District, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matters

As discussed in Note 11 to the 2020 financial statements, the District made several changes to its reporting model. We did not modify our opinions regarding this matter.

As discussed in Note 12 to the 2020 financial statements and in Note 10 to the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinions regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2021, on our consideration of the District's internal control over financial reporting and on 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.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
May 20, 2021

Carroll County General Health District
Carroll County
Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Fines, Licenses and Permits	\$ 41,667	\$ 281,186	\$ 322,853
Intergovernmental:			
Apportionments	177,818	-	177,818
Grants	5,027	689,443	694,470
Other	75,830	69,520	145,350
<i>Total Cash Receipts</i>	<u>300,342</u>	<u>1,040,149</u>	<u>1,340,491</u>
Cash Disbursements			
Current:			
Health:			
Salaries	65,027	442,378	507,405
Employee Fringe Benefits	16,989	131,833	148,822
Contractual Services	50,663	65,616	116,279
Equipment and Repairs	5,200	43,458	48,658
Materials and Supplies	8,850	92,418	101,268
Advertising	-	2,881	2,881
Remittance to State	20,505	8,664	29,169
Other expenses	14,843	15,899	30,742
<i>Total Cash Disbursements</i>	<u>182,077</u>	<u>803,147</u>	<u>985,224</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	118,265	237,002	355,267
Other Financing Receipts (Disbursements)			
Transfers In	-	38,000	38,000
Transfers Out	(38,000)	-	(38,000)
Advances In	3,000	-	3,000
Advances Out	-	(3,000)	(3,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(35,000)</u>	<u>35,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	83,265	272,002	355,267
<i>Fund Cash Balances, January 1</i>	<u>85,457</u>	<u>282,052</u>	<u>367,509</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 168,722</u>	<u>\$ 554,054</u>	<u>\$ 722,776</u>

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

Carroll County General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1- Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Carroll County General Health District, Carroll County, Ohio (the District), as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include immunization clinics, inspections, public health nursing services and issuing health-related licenses and permits.

Public Entity Risk Pool

The District participates in Public Entity Pool (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2- Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Public Health Nursing Fund The public health nursing fund accounts for and reports the receipt of fees for providing nursing services to elderly and homebound persons.

Carroll County General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2- Summary of Significant Accounting Policies (continued)

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

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

Carroll County General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance

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

Nonspendable The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3- Budgetary Activity

Budgetary activity for the year ended December 31, 2020 follows:

Fund Type	2020 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 265,342	\$ 300,342	\$ 35,000
Special Revenue	1,073,078	1,078,149	5,071

Carroll County General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3- Budgetary Activity (continued)

2020 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 310,200	\$ 182,077	\$ 128,123
Special Revenue	1,106,404	806,147	300,257

Note 4 – Deposits and Investments

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

Note 5- Intergovernmental Funding

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

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

Note 6 - 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.

Risk Pool Membership

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

Carroll County General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 6 - Risk Management (continued)

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

	<u>2019</u>
Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

Note 7 - Defined Benefit Pension Plan

Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2020.

Note 8 - Postemployment Benefits

Public Employees Retirement System

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0% during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0% during calendar year 2020.

Note 9 - Contingent Liabilities

The District may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the District's financial condition.

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

Carroll County General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 – Fund Balances

Included in fund balance may be amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the District had none of the above fund balances nor encumbrances.

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned.

Note 11 – Change in Accounting Principle

For 2020, the District has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types. There was no effect on the beginning fund balance.

Note 12 – COVID-19

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

Note 13 – Transfers

During 2020, transfers were made from the General Fund to the Nursing fund to subsidize operations. All transfers were made in accordance with the Ohio Revised Code.

Carroll County General Health District
Carroll County
Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Fines, Licenses and Permits	\$ 47,009	\$ 293,759	\$ 340,768
Intergovernmental:			
Apportionments	177,818	-	177,818
Grants	5,027	259,168	264,195
Other	<u>73,668</u>	<u>85,427</u>	<u>159,095</u>
<i>Total Cash Receipts</i>	303,522	638,354	941,876
Cash Disbursements			
Current:			
Health:			
Salaries	92,871	381,334	474,205
Employee Fringe Benefits	19,644	102,073	121,717
Contractual Services	63,175	68,157	131,332
Equipment and Repairs	-	1,615	1,615
Materials and Supplies	10,955	63,162	74,117
Advertising	11	13,000	13,011
Remittance to State	20,427	13,228	33,655
Other expenses	<u>34,432</u>	<u>22,887</u>	<u>57,319</u>
<i>Total Cash Disbursements</i>	<u>241,515</u>	<u>665,456</u>	<u>906,971</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	62,007	(27,102)	34,905
Other Financing Receipts (Disbursements)			
Transfers In	8,370	58,000	66,370
Transfers Out	(58,000)	(8,370)	(66,370)
Advances In	18,000	3,000	21,000
Advances Out	<u>(3,000)</u>	<u>(18,000)</u>	<u>(21,000)</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(34,630)</u>	<u>34,630</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	27,377	7,528	34,905
<i>Fund Cash Balances, January 1</i>	<u>58,080</u>	<u>274,524</u>	<u>332,604</u>
Fund Cash Balances, December 31			
Restricted	-	282,052	282,052
Assigned	37,383	-	37,383
Unassigned	<u>48,074</u>	<u>-</u>	<u>48,074</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 85,457</u>	<u>\$ 282,052</u>	<u>\$ 367,509</u>

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

Carroll General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1- Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Carroll General Health District, Carroll County, Ohio (the District), as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include immunization clinics, inspections, public health nursing services and issuing health-related licenses and permits.

Public Entity Risk Pool

The District participates in Public Entity Pool (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2- Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Public Health Nursing Fund The public health nursing fund accounts for and reports the receipt of fees for providing nursing services to elderly and homebound persons.

Basis of Accounting

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

Carroll General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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

Budgetary Process

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

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

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

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

A summary of 2019 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

Carroll General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget in the general fund.

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

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

Note 3- Budgetary Activity

Budgetary activity for the year ended December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 271,891	\$ 311,892	\$ 40,001
Special Revenue	699,357	696,354	(3,003)

2019 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 288,276	\$ 299,515	\$ (11,239)
Special Revenue	826,453	673,826	152,627

Carroll General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments

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

Note 5- Intergovernmental Funding

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

Note 6 - 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.

Risk Pool Membership

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

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

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

	<u>2019</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	12,965,015

Carroll General Health District
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

Note 8 – Postemployment Benefits

Ohio Public Employees Retirement System

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0% during calendar year 2019.

Note 9 - Contingent Liabilities

The District may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the District's financial condition.

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

Note 10 – COVID-19

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

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

Carroll County General Health District
Carroll County
PO Box 98
Carrollton, Ohio 44615

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursement for each governmental fund type, as of and for the years ended December 31, 2020 and 2019, and related notes of the Carroll County General Health District, Carroll County, (the District) and have issued our report thereon dated May 20, 2021, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. We also noted the District made other changes to its reporting model.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 20, 2021.

Purpose of this Report

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

Charles E. Harris Associates

Charles E. Harris and Associates, Inc.
May 20, 2021

Carroll County General Health District
Carroll County
Schedule of Prior Audit Findings
(Prepared by Management)
For the Years Ended December 31, 2020 and 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Disbursements Exceeding Appropriations	Partially corrected	Moved to Management letter

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OHIO AUDITOR OF STATE KEITH FABER



CARROLL COUNTY GENERAL HEALTH DISTRICT

CARROLL COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/22/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov

**Carroll County General Health District
Carroll County
Scheduled of Expenditures of Federal Awards
For the Year Ended December 31, 2019**

Federal Grantor/Pass Through Grantor, Program Title	Pass Through Entity Number	Federal CFDA Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Health & Human Services</u>				
Maternal and Child Health & Human Services Block Grant to the States <i>Passed through Ohio Department of Health/ Passed through Harrison County General Health District</i>				
Reproductive Health & Wellness Grant	01-01-001-1-RH-0319	93.217	\$4,026.60	\$28,351.63
Reproductive Health & Wellness Grant	01-01-001-1-RH-0420	93.217	\$12,439.50	\$3,864.94
Reproductive Health & Wellness Grant	01-01-001-1-RH-0420	93.994	0	\$3,136.29
Total Maternal and Child Health & Human Services Block Grant to the States			\$16,466.10	\$35,352.86
Public Health Emergency Preparedness (PHEP) <i>Passed through Ohio Department of Health</i>				
Public Health Emergency Preparedness Grant	01-01-00-2-PH-1019	93.074	0	\$48,811.00
Public Health Emergency Preparedness Grant	01-01-001-2-PH-1120	93.069	0	\$22,085.10
Total Public Health Emergency Preparedness (PHEP)				\$70,896.10
Centers for Disease Control and Prevention Investigations & Technical Assistance <i>Passed through Ohio Department of Health</i>				
Tobacco Use Prevention and Cessation	01-01-001-4-TU-0319	93.283	0	0
Tobacco Use Prevention and Cessation	01-01-001-4-TU-0420	93.305	0	\$10,200.00
Total Centers for Disease Control and Prevention Investigations & Technical Assistance				\$10,200.00
<u>U.S. Department of Transportation</u>				
State and Community Highway Safety <i>Passed through Ohio Department of Public Safety</i>				
Safe Communities Grant	SC-2019-Carroll County General He-00025	20.600	0	\$24,349.06
Total State and Community Highway Safety				\$24,349.06
Total Expenditure of Federal Awards			\$16,466.10	\$140,798.02

**Carroll County General Health District
Carroll County
Scheduled of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Grantor/Pass Through Grantor, Program Title	Pass Through Entity Number	Federal CFDA Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Health & Human Services</u>				
Maternal and Child Health & Human Services Block Grant to the States <i>Passed through Ohio Department of Health/ Passed through Harrison County General Health District</i>				
Reproductive Health & Wellness Grant	01-01-001-1-RH-0420	93.217	\$7,404.00	\$14,059.26
Reproductive Health & Wellness Grant	01-01-001-1-RH-0420	93.994	\$0.00	\$3,902.51
Reproductive Health & Wellness Grant	01-01-001-1-RH-0521	93.217	\$11,050.02	\$67,017.28
Reproductive Health & Wellness Grant	01-01-001-1-RH-0521	93.994	\$0.00	\$0.00
Total Maternal and Child Health & Human Services Block Grant to the States			\$18,454.02	\$84,979.05
Public Health Emergency Preparedness (PHEP) <i>Passed through Ohio Department of Health</i>				
Public Health Emergency Preparedness Grant	01-01-001-2-PH-1120	93.069	0	\$40,813.90
Public Health Emergency Preparedness Grant	01-01-001-2-PH-1221	93.069	0	\$8,868.77
Total Public Health Emergency Preparedness (PHEP)				\$49,682.67
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response <i>Passed through Ohio Department of Health</i>				
Coronavirus Response	01-01-001-2-CO-0120	93.354	0	\$39,815.58
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				\$39,815.58
Centers for Disease Control and Prevention Investigations & Technical Assistance <i>Passed through Ohio Department of Health</i>				
Tobacco Use Prevention and Cessation	01-01-001-4TU-0420	93.387	0	0
Total Centers for Disease Control and Prevention Investigations & Technical Assistance				\$0.00
<u>U.S. Department of the Treasury</u>				
Coronavirus Relief Fund <i>Passed through Ohio Department of Health</i>				
COVID-19 Contact Tracing	01-01-001-2-CT-0120	21.019	0	\$78,750.00
Coronavirus Response Supplemental	01-01-001-2-CO-0121	21.019	0	\$237,500.00
COVID-19 Vaccine Needs Assessment	01-01-001-2-VN-0121	21.019	0	\$20,000.00
Total Coronavirus Relief Fund				\$336,250.00
Total Expenditure of Federal Awards			\$18,454.02	\$510,727.30