



OHIO AUDITOR OF STATE  
**KEITH FABER**





**DARKE COUNTY GENERAL HEALTH DISTRICT  
DARKE COUNTY**

**DECEMBER 31, 2022 AND 2021**

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**INDEPENDENT AUDITOR'S REPORT**

Darke County General Health District  
Darke County  
300 Garst Avenue  
Greenville, Ohio 45331

To the Board of Health:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Darke County General Health District, Darke County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

***Basis for Opinions***

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 11 to the financial statements for the years ending December 31, 2022 and December 31, 2021, the financial impact of COVID-19 and the continuing recovery 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 financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2023, 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

October 19, 2023

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**Darke County General Health District**

*Darke County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*

*All Governmental Fund Types*

*For the Year Ended December 31, 2022*

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Fines, Licenses and Permits	\$62,258	\$409,788	\$472,046
Intergovernmental:			
Grants		806,028	806,028
Non-Grants	88,302	264,172	352,474
Other	89,976	199,448	289,424
Local	293,143		293,143
Charges for Services	368,049	54,192	422,241
Reimbursements/Refunds	7,304	34,406	41,710
Miscellaneous	5,079	3,112	8,191
Miscellaneous (IDT)		3,500	3,500
<i>Total Cash Receipts</i>	<u>914,111</u>	<u>1,774,646</u>	<u>2,688,757</u>
<b>Cash Disbursements</b>			
Salaries	449,377	898,201	1,347,578
Health/Life Insurance & ADM Fee	128,445	131,604	260,049
PERS/FICA/Medicare	66,105	130,122	196,227
Workers Comp	4,855	5,353	10,208
Supplies	86,190	134,328	220,518
Utilities	16,639	5,112	21,751
Professional Development	10,449	15,618	26,067
Professional & Consult Services	37,105	247,384	284,489
Bond/Property Insurance	5,003	400	5,403
Maintenance and Repairs	203	3,915	4,118
Equipment		14,179	14,179
Other Services	10,403	37,511	47,914
Refunds	345	7,274	7,619
Disbursements to State	63,955	32,411	96,366
Disbursements to Other Governmental Agencies		160,000	160,000
Reimbursements/Other Disbursements		52,078	52,078
Other Disbursements		3,082	3,082
<i>Total Cash Disbursements</i>	<u>879,074</u>	<u>1,878,572</u>	<u>2,757,646</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>35,037</u>	<u>(103,926)</u>	<u>(68,889)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Advances In	135,160	201,160	336,320
Advances Out	<u>(201,160)</u>	<u>(135,160)</u>	<u>(336,320)</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(66,000)</u>	<u>66,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(30,963)</u>	<u>(37,926)</u>	<u>(68,889)</u>
<i>Fund Cash Balances, January 1</i>	<u>296,959</u>	<u>464,594</u>	<u>761,553</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$265,996</u></u>	<u><u>\$426,668</u></u>	<u><u>\$692,664</u></u>

*See accompanying notes to the basic financial statements.*

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**Darke County General Health District**  
*Darke County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

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

The District maintains direct fiscal control over the funds deposited with the Darke County Treasurer. The Darke County Auditor serves as the fiscal agent.

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 Funds:

***Health/Help Me Grow Fund*** This fund receives federal funds to provide services for early prenatal and well-baby care for Darke County residents.

***Water Pollution Control*** This fund receives state grant money for repair/replacement of household sewage treatment systems for Darke County residents.

***Emergency Preparedness*** This fund receives federal grant money to assist in upgrading the District's ability to effectively respond to a range of public health threats.

***Food Service Fund*** This fund receives revenue from the sale of licenses to prepare food for public consumption.

***Trailer Court Camps*** This fund receives revenue from the sale of permits to trailer courts and campgrounds.

**Darke County General Health District**  
*Darke County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***Private Water Systems Fund*** This fund receives revenue from well permits and the testing of water samples.

***Solid Waste Fund*** This fund receives the proceeds assessed by the County on the hauling of solid waste.

***Sewage Treatment Systems*** This fund receives revenue from Installer Registrations, Service Providers, Scavenger Permits, septic permits, operational and maintenance permits, and special services.

***Swimming Pools*** This fund receives revenue from the sale of licenses to operate public and/or private swimming pools.

***Medical Reserve*** This fund receives revenue for training on emergency preparedness.

***Mosquito Grant*** This fund receives state grant money for efforts to mitigate and prevent the spread of mosquito-borne illnesses.

***Get Vaccinated Ohio Grant*** This fund receives federal grant money to raise and maintain childhood and adolescent immunization rates and reduce coverage disparities by race, ethnicity, disability status and social economic status in Ohio.

***Lead Grant*** This fund receives federal grant money to raise awareness in the communities about the benefits of having a lead safe and health home by conducting education and research activities.

***Healing Communities Study Grant*** This fund receives federal grant money to support the EMS system and jail with supplies and equipment to help reduce the risk of opioid overdoses.

***Public Health Workforce Grant*** This fund receives federal grant money to build capacity to address State, Territorial, Local, Tribal public health priorities deriving from COVID-19.

***COVID-19 Enhanced Operations Grant*** This fund receives federal grant money to assist local health departments with general coronavirus activities.

***COVID-19 Vaccination Grant*** This fund receives federal grant money to expand the use of COVID-19 vaccinations.

***Intersystem Diversion Team*** Funds to be used by the Intersystem Diversion Team to support services or activities that will keep families united.

***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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

**Darke County General Health District**  
*Darke County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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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 (C) permit.

***Budgetary Process***

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

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

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

***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 2022 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 upon leaving employment, employees are entitled to cash payments 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. 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.

**Darke County General Health District**  
*Darke County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**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 ending December 31, 2022, follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,049,271	\$1,049,271	\$0
Special Revenue	1,975,806	1,975,806	0
Total	\$3,025,077	\$3,025,077	\$0

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,346,350	\$1,080,649	\$265,701
Special Revenue	2,294,856	2,015,037	279,819
Total	\$3,641,206	\$3,095,686	\$545,520

**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Darke 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.

**Darke County General Health District**  
*Darke County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 5 – Intergovernmental Funding**

***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 – Interfund Balances**

Outstanding advances at December 31, 2022, consisted of \$107,000 advanced to Enhanced Operations, Public Health Workforce, Public Health Emergency Performance and COVID-19 Vaccination Grant funds to provide working capital for operations or projects.

**Note 7 – Risk Management**

***Workers’ Compensation***

Workers’ Compensation coverage is provided by the State of Ohio. The District pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***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>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$15,724,479

During 2022, the District did not make significant changes to coverage from the prior year.

**Darke County General Health District**  
*Darke County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Several 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 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2022.

***Social Security***

The District's board members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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, 2022.

**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes 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 percent during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued 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.

**Note 10 – Fund Balances**

Included in fund balance are 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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:



**Darke County General Health District**  
*Darke County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	415	1,305	1,720
Total	\$415	\$1,305	\$1,720

The fund balance of special revenue funds is either restricted or committed. In the general fund, outstanding encumbrances are considered assigned.

**Note 11 – 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 2022, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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**Darke County General Health District**  
Darke County

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2021*

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Fines, Licenses and Permits	\$84,532	\$383,230	\$467,762
Intergovernmental:			
Grants		673,586	673,586
Non-Grants	54,583	141,069	195,652
Other	76,261	141,798	218,059
Local	288,372		288,372
Charges for Services	447,897	62,775	510,672
Reimbursements/Refunds	22,121	17,180	39,301
Miscellaneous		7,701	7,701
<i>Total Cash Receipts</i>	<u>973,766</u>	<u>1,427,339</u>	<u>2,401,105</u>
<b>Cash Disbursements</b>			
Salaries	456,110	879,670	1,335,780
Health/Life Insurance & ADM Fee	115,605	116,060	231,665
PERS/FICA/Medicare	69,305	126,737	196,042
Workers Comp	4,341	4,263	8,604
Supplies	84,576	134,429	219,005
Utilities	16,161	3,787	19,948
Professional Development	18,770	11,608	30,378
Professional & Consult Services	24,331	83,552	107,883
Bond/Property Insurance	4,833	900	5,733
Maintenance and Repairs	5,772	4,984	10,756
Other Services	9,955	30,232	40,187
Refunds		34,919	34,919
Disbursements to State	61,711	30,453	92,164
Other Disbursements		20,735	20,735
Capital Outlay		23,848	23,848
<i>Total Cash Disbursements</i>	<u>871,470</u>	<u>1,506,177</u>	<u>2,377,647</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>102,296</u>	<u>(78,838)</u>	<u>23,458</u>
<b>Other Financing Receipts (Disbursements)</b>			
Sale of Capital Assets			0
Proceeds of Debt			0
Transfers In			0
Transfers Out			0
Advances In	96,000	121,000	217,000
Advances Out	(82,000)	(135,000)	(217,000)
Other Financing Sources			0
Other Financing Uses			0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>14,000</u>	<u>(14,000)</u>	<u>0</u>
Special Item			0
Extraordinary Item			0
<i>Net Change in Fund Cash Balances</i>	116,296	(92,838)	23,458
<i>Fund Cash Balances, January 1</i>	<u>180,662</u>	<u>555,260</u>	<u>735,922</u>
<i>Fund Cash Balances, December 31</i>	<u>\$296,958</u>	<u>\$462,422</u>	<u>\$759,380</u>

See accompanying notes to the basic financial statements.

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**Darke County General Health District**  
*Darke County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

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The District maintains direct fiscal control over the funds deposited with the Darke County Treasurer. The Darke County Auditor serves as the fiscal agent.

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.

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**Darke County General Health District**  
*Darke County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Private Water Systems Fund*** This fund receives revenue from well permits and the testing of water samples.

***Solid Waste Fund*** This fund receives the proceeds assessed by the County on the hauling of solid waste.

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***Mosquito Grant*** This fund receives state grant money for efforts to mitigate and prevent the spread of mosquito-borne illnesses.

***Get Vaccinated Ohio Grant*** This fund receives federal grant money to raise and maintain childhood and adolescent immunization rates and reduce coverage disparities by race, ethnicity, disability status and social economic status in Ohio.

***Coronavirus Response Grant*** This fund receives federal grant money to assist with the Coronavirus pandemic.

***Coronavirus Response Supplemental Grant*** This fund receives additional funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (HR 748) to assist with general Coronavirus activities.

***COVID-19 Contact Tracing Grant*** This fund receives funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (HR 748) to assist with contact tracing due to the Coronavirus pandemic.

***COVID-19 Contact Tracing Supplemental Grant*** This fund receives additional funding from grant to assist with general Contact Tracing activities.

***Healing Communities Study Grant*** This fund receives federal grant money to support the EMS system and jail with supplies and equipment to help reduce the risk of opioid overdoses.

***Public Health Workforce Grant*** This fund receives federal grant money to build capacity to address State, Territorial, Local, Tribal public health priorities deriving from COVID-19.

***COVID-19 Enhanced Operations Grant*** This fund receives federal grant money to assist local health departments with general coronavirus activities.

***COVID-19 Vaccine Needs Assessment Grant*** This fund receives federal grant money to prepare an initial vaccine needs assessment.

**Darke County General Health District**  
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***COVID-19 Vaccine Equity Supplement Grant*** This fund receives federal grant money to support local health departments and ensure safe and equitable distribution and administration of COVID-19 vaccines, expanding immunization infrastructure, engage in strategic partnerships, and implementing and evaluating new strategies to reach affected populations.

***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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

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

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

***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 2021 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 upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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*For the Year Ended December 31, 2021*

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**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 ending December 31, 2021, follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,069,766	\$1,069,766	\$0
Special Revenue	1,548,339	1,548,339	0
Total	\$2,618,105	\$2,618,105	\$0



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2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,250,428	\$953,590	\$296,838
Special Revenue	2,020,023	1,641,177	378,846
Total	\$3,270,451	\$2,594,767	\$675,684

**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Darke 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.

The District has a retainage account with a balance of \$2,173.

**Note 5 – Intergovernmental Funding**

***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 – Interfund Balances**

Outstanding advances at December 31, 2021, consisted of \$47,000 advanced to Darke County General Health funds to provide working capital for operations or projects.

**Note 7 – Risk Management**

***Workers’ Compensation***

Workers’ Compensation coverage is provided by the State of Ohio. The District pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***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:

**Darke County General Health District**  
*Darke County*  
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*For the Year Ended December 31, 2021*

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

During 2021, the District did not make significant changes to coverage from the prior year.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Several 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 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

***Social Security***

The District's board members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes 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 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

**Darke County General Health District**  
*Darke County*  
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*For the Year Ended December 31, 2021*

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**Note 10 – Fund Balances**

Included in fund balance are 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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	120		120
Total	\$120	\$0	\$120

The fund balance of special revenue funds is either restricted or committed. In the general fund, outstanding encumbrances are considered assigned.

**Note 11 – 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 recovery measures will impact subsequent periods of the District. The impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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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

Darke County General Health District  
Darke County  
300 Garst Avenue  
Greenville, Ohio 45331

To the Board of Health:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Darke County General Health District, Darke County (the District) and have issued our report thereon dated October 19, 2023, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures 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 purpose 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

October 19, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**DARKE COUNTY GENERAL HEALTH DISTRICT**

**DARKE 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 11/9/2023**

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