

**MORROW COUNTY DISTRICT  
BOARD OF HEALTH  
MORROW COUNTY, OHIO**

**Cash Basis Financial Statements**

**For the Year Ended  
December 31, 2023**



**MORROW COUNTY DISTRICT BOARD OF HEALTH  
MORROW COUNTY, OHIO**

**CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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Accountant's Compilation Report

To the Morrow County District Board of Health  
Mt. Gilead, Ohio

Management is responsible for the accompanying basic financial statements for the Morrow County District Board of Health, which comprise the statements listed in the table of contents as of December 31, 2023 and the related notes to the financial statements in accordance with the cash basis of accounting permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), and for determining that the regulatory cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

We draw attention to Note 1.B of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting permitted by 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.

*Julian & Grube, Inc.*

Westerville, Ohio  
February 21, 2024



**MORROW COUNTY DISTRICT BOARD OF HEALTH  
MORROW COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>General</b>	<b>Special Revenue</b>	<b>Total (Memorandum Only)</b>
<b>Cash Receipts</b>			
Property Taxes	\$ 410,944	\$ -	410,944
Federal Awards	-	454,399	454,399
Intergovernmental	84,101	179,821	263,922
Investment Income	5,194	-	5,194
Permits	-	111,527	111,527
Other Fees	19,817	110,340	130,157
Licenses	1,372	94,053	95,425
Fines	37	898	935
Miscellaneous	4,923	1,161	6,084
	<u>526,388</u>	<u>952,199</u>	<u>1,478,587</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	212,819	468,439	681,258
Fringe Benefits	176,885	80,016	256,901
Supplies	14,077	74,879	88,956
Remittance to State	10,112	135,892	146,004
Equipment	30,970	69,795	100,765
Contracts - Services	63,159	39,517	102,676
Travel	860	14,580	15,440
Printing & Advertising	1,211	88,383	89,594
Other	75	27,043	27,118
	<u>510,168</u>	<u>998,544</u>	<u>1,508,712</u>
Excess (Deficiency) of Receipts over (Under) Disbursements	<u>16,220</u>	<u>(46,345)</u>	<u>(30,125)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Reimbursements	19,143	-	19,143
Advances in	14,948	15,000	29,948
Advances out	(15,000)	(14,948)	(29,948)
Operating Transfers in	64,517	162,419	226,936
Operating Transfers (out)	(162,419)	(64,517)	(226,936)
	<u>(78,811)</u>	<u>97,954</u>	<u>19,143</u>
Net Change in Cash Fund Balances	(62,591)	51,609	(10,982)
Fund Cash Balances, January 1	<u>284,250</u>	<u>708,950</u>	<u>993,200</u>
Fund Cash Balances, December 31	<u>\$ 221,659</u>	<u>\$ 760,559</u>	<u>\$ 982,218</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

# MORROW COUNTY DISTRICT BOARD OF HEALTH

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (SEE ACCOUNTANT'S COMPILATION REPORT)

### NOTE 1 – REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Morrow County District Board of Health, Morrow 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, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates.

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

#### A. 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, which is organized on a fund type basis.

#### B. Fund Accounting

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

##### 1. 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.

##### 2. 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:

Food Service Fund - This fund receives revenue from food service operations in the form of licenses and fines to maintain food service establishments. These monies are used by the District to cover staff expenses and supplies.

Sewage Fund - Money is receipted into this fund for septic related registrations; permits; and fees associated with onsite household sewage treatment systems & the maintenance of those systems. As building in Morrow County has increased, so has the number of permits issued & systems identified. Fees have been established to address the complexity and oversight of the program.

Reproductive Health & Wellness Fund – This fund receives revenue in the forms of clinic fees & grant funds including state & federal grants. These monies are used to improve the overall reproductive health & well-being of both women & men by means of clinical services provided by the District including staff expenses & program supplies.

PH Emergency Preparedness – This fund is a continuing federal grant. This grant serves as the primary planning resource as well as the primary point of contact with the Ohio Department of Health in regards to emergency planning, response, & recovery throughout the county. The monies used in this grant are used primarily to fund (1) staff epidemiologist as well as a contract with an outside agency to complete mandated PH deliverables.



**MORROW COUNTY DISTRICT BOARD OF HEALTH**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

COVID-19 Enhanced Operations – This fund is a federal grant funded program. Monies received into this fund supported the operations of the District including staff expenses, supplies & equipment.

**C. 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 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.

**D. Budgetary Process**

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

**1. 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. 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.

**3. 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 2023 budgetary activity appears in Note 2.

**E. 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:

**1. 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 nonexpendable portion of the corpus in permanent funds.

**MORROW COUNTY DISTRICT BOARD OF HEALTH**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**2. 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.

**3. 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.

**4. 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.

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

**5. 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.

**F. 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.

**G. 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.

**H. Interfund Transactions**

During the course of normal operations, the District occasionally has transactions between funds. These normally include transfers and advances of resources from one fund to another fund. The resources transferred are to be expended for operations by the necessary fund and are recorded as operating transfers. Advances are temporary loans to other funds which will ultimately be repaid.

**MORROW COUNTY DISTRICT BOARD OF HEALTH**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(SEE ACCOUNTANT’S COMPILATION REPORT)

**NOTE 3 - BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$624,996	\$624,996	\$0
Special Revenue	1,121,305	1,129,618	8,313
Total	\$1,746,301	\$1,754,614	\$8,313

  

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$775,043	\$693,033	\$82,010
Special Revenue	1,378,890	1,117,871	261,019
Total	\$2,153,933	\$1,810,904	\$343,029

**NOTE 4- DEPOSITS AND INVESTMENTS**

As required by the Ohio Revised Code, the Morrow 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 AND PROPERTY TAXES**

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.

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the District is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include credits and/or deduction amounts the State pays as Other Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

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

**NOTE 6 - DEFINED BENEFIT PENSION PLANS**

The District’s 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. For 2022 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, 2023.

**MORROW COUNTY DISTRICT BOARD OF HEALTH**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(SEE ACCOUNTANT’S COMPILATION REPORT)

**NOTE 7 - POSTEMPLOYMENT BENEFITS**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0.00% for members in the traditional pension plan and 2.00% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.00%; however, a portion of the health care rate was funded with reserves.

**NOTE 8 - RISK MANAGEMENT**

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

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

The District is a member of the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP assumes the risk of losses up to the limits of the District’s policy. PEP covers the following risks:

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

PEP reported the following summary of actuarially-measured liabilities and assets available to pay those liabilities as of December 31, 2022 (latest information available):

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

**NOTE 9 - CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. 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.

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**MORROW COUNTY DISTRICT BOARD OF HEALTH**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(SEE ACCOUNTANT’S COMPILATION REPORT)

**NOTE 10 - OHIO DEPARTMENT OF HEALTH FUNDS**

During the year ended December 31, 2023, the District received federal funding passed through the Ohio Department of Health as follows:

Federal Grantor	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services
CFDA Number	93.354	93.391 93.354 93.967	93.268	93.268
Grant Title	Public Health Workforce	Public Health Workforce	COVID-19 Vaccination	Get Vaccinated Ohio Public Health Initiative
Project Number(s)	05910012WF0122	05910012WF0223	05910012CN0122	05910012GV0223
Federal Receipts	\$ 133,929	\$ 18,206	\$ 8,137	\$ 53,068
Federal Grantor	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services
CFDA Number	93.268	93.994 93.217	93.323	93.323
Grant Title	Get Vaccinated Ohio Public Health Initiative	Reproductive Health and Wellness	COVID-19 Enhanced Operations	COVID-19 Enhanced Operations
Project Number(s)	05910012GV0324	05910011RH0824	05910012EO0222	05910012EO0323
Federal Receipts	\$ 11,208	\$ 614	\$ 79,031	\$ 4,452

**MORROW COUNTY DISTRICT BOARD OF HEALTH**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(SEE ACCOUNTANT’S COMPILATION REPORT)

**NOTE 10 - OHIO DEPARTMENT OF HEALTH FUNDS – (Continued)**

Federal Grantor	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services Central Ohio Trauma System
CFDA Number	93.994 93.197	93.069	93.069	93.889
Grant Title	Ohio Healthy Homes & Lead Poisoning Prevention Program	Public Health Emergency Preparedness	Public Health Emergency Preparedness	Regional Health Care System Coordination for Disaster Preparedness
Project Number(s)	51978	05910012PH1423	05910012PH1524	02560112RP1623
Federal Receipts	\$ 15,000.00	\$ 54,426.00	\$ 23,466.00	\$ 7,000.00

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Federal Grantor	U.S. Department of Health and Human Services	U.S. Department of Health and Human Services
CFDA Number	93.977	93.977
Grant Title	Innovative Approaches to STI Prevention	Innovative Approaches to STI Prevention
Project Number(s)	05910012II0123	05910012II0224
Federal Receipts	\$ 26,500.00	\$ 27,500.00

**NOTE 11 - FUND BALANCES**

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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 5,446	\$ 39,862	\$ 45,308
Total	<u>\$ 5,446</u>	<u>\$ 39,862</u>	<u>\$ 45,308</u>

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

**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. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.