



OHIO AUDITOR OF STATE
KEITH FABER



**GEAUGA PUBLIC HEALTH
GEAUGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types – For the Year Ended December 31, 2022	5
Notes to the Financial Statements – For the Year Ended December 31, 2022	6
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types – For the Year Ended December 31, 2021	13
Notes to the Financial Statements – For the Year Ended December 31, 2021	14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21

This page intentionally left blank.



INDEPENDENT AUDITOR'S REPORT

Geauga Public Health
Geauga County
12611 Ravenwood Drive, Suite 300
Chardon, Ohio 44024

To the Members of the Board:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Geauga Public Health, Geauga County, Ohio, which comprises the cash balances, receipts and disbursements for each governmental fund type combined total 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 combined total 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 Geauga Public Health, 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 Geauga Public Health, 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 Geauga Public Health 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.

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 Geauga Public Health'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 Geauga Public Health'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 Geauga Public Health'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 February 9, 2024, on our consideration of Geauga Public Health'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 Geauga Public Health'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 Geauga Public Health's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 9, 2024

This page intentionally left blank.

Geauga Public Health
Geauga 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
Cash Receipts			
Property Taxes	\$576,692	\$0	\$576,692
Fines and Fees	283,320	332,149	615,469
Licenses and Permits	148,185	661,049	809,234
Intergovernmental	236,379	354,051	590,430
Miscellaneous	5,471	45,250	50,721
<i>Total Cash Receipts</i>	<u>1,250,047</u>	<u>1,392,499</u>	<u>2,642,546</u>
Cash Disbursements			
Current:			
Salaries	264,079	941,210	1,205,289
Supplies	12,665	12,971	25,636
Equipment	9,785	107,950	117,735
State Remittances	103,564	60,225	163,789
Travel and Expenses	11,621	9,954	21,575
Public Employees Retirement	33,953	132,166	166,119
Hospitalization	59,099	182,622	241,721
Advertising and Printing	2,553	0	2,553
County and State Tax Expense	9,356	0	9,356
Medicare	3,736	13,393	17,129
Unemployment	11,907	0	11,907
Contract Services	284,422	121,076	405,498
Other Expenses	78,331	220,100	298,431
<i>Total Cash Disbursements</i>	<u>885,071</u>	<u>1,801,667</u>	<u>2,686,738</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>364,976</u>	<u>(409,168)</u>	<u>(44,192)</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	105,000	105,000
Transfers Out	(105,000)	0	(105,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(105,000)</u>	<u>105,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	259,976	(304,168)	(44,192)
<i>Fund Cash Balances, January 1</i>	<u>1,353,493</u>	<u>2,941,054</u>	<u>4,294,547</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,613,469</u>	<u>\$2,636,886</u>	<u>\$4,250,355</u>

See accompanying notes to the basic financial statements

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

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

Geauga Public Health’s management believes these financial statements present all activities for which Geauga Public Health is financially accountable.

Public Entities Risk Pool

Geauga Public Health participates in the Public entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the Financial Statements provides additional information for this entity.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

Geauga Public Health’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

Geauga Public Health 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 Geauga Public Health 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 Geauga Public Health 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. Geauga Public Health had the following significant Special Revenue Funds:

Sewage Treatment Fund This is a local fund for administering the Ohio Admin. Code Chapter 3701- 29 Household Sewage Disposal Systems program.

Health for Sale of Property Fund This is a local fund for administering the Ohio Admin. Code 3701-29-25 which is specific to Geauga County for the inspection of residential sewage systems at the point of sale of the residence.

Public Health Emergency Preparedness Fund This is a combined Federal and State grant fund for planning and preparing Geauga Public Health to respond to public health emergencies.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 Geauga Public Health 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. Geauga Public Health 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 Geauga Public Health 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

Geauga Public Health 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.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fund Balance

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

Nonspendable Geauga Public Health 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 Geauga Public Health 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). Geauga Public Health 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.

Geauga Public Health 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.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022, follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,177,092	\$1,250,047	\$72,955
Special Revenue	3,341,489	1,497,499	(1,843,990)
Total	<u>\$4,518,581</u>	<u>\$2,747,546</u>	<u>(\$1,771,035)</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,869,954	\$1,087,295	\$782,659
Special Revenue	3,503,994	2,159,087	1,344,907
Total	<u>\$5,373,948</u>	<u>\$3,246,382</u>	<u>\$2,127,566</u>

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding and Property Taxes

Intergovernmental Funding

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

Property Taxes

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 Geauga Public Health 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.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of Geauga Public Health.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 – Risk Management

The (local entity) 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 (local entity’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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Geauga Public Health 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 Geauga Public Health contributed an amount equaling 14 percent of participants’ gross salaries. Geauga Public Health has paid all contributions required through December 31, 2022.

Note 8 – 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.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 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 9 – Contingent Liabilities

Geauga Public Health is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect Geauga Public Health’s financial condition.

Amounts grantor agencies pay to Geauga Public Health 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.

Note 10 – Fund Balances

Included in fund balance are amounts Geauga Public Health 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:

<u>Fund Balance</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$97,224	\$357,420	\$454,644

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

This page intentionally left blank.

Geauga Public Health
Geauga 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
Cash Receipts			
Property Taxes	\$568,202	\$0	\$568,202
Fines and Fees	280,896	483,783	764,679
Licenses and Permits	146,272	781,421	927,693
Intergovernmental	117,462	624,540	742,002
Miscellaneous	14,619	10,349	24,968
<i>Total Cash Receipts</i>	<u>1,127,451</u>	<u>1,900,093</u>	<u>3,027,544</u>
Cash Disbursements			
Current:			
Salaries	149,720	1,237,761	1,387,481
Supplies	18,529	37,268	55,797
Equipment	5,282	11,078	16,360
State Remittances	126,014	60,353	186,367
Travel and Expenses	11,955	17,404	29,359
Public Employees Retirement	19,093	170,156	189,249
Hospitalization	38,999	258,523	297,522
Advertising and Printing	3,198	0	3,198
Worker's Compensation	0	1,091	1,091
County and State Tax Expense	9,147	0	9,147
Medicare	2,116	17,631	19,747
Unemployment	0	0	0
Contract Services	63,460	0	63,460
Other Expenses	53,923	380,852	434,775
<i>Total Cash Disbursements</i>	<u>501,436</u>	<u>2,192,117</u>	<u>2,693,553</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>626,015</u>	<u>(292,024)</u>	<u>333,991</u>
Other Financing Receipts (Disbursements)			
Transfers In	17,230	280,000	297,230
Transfers Out	(280,000)	(17,230)	(297,230)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(262,770)</u>	<u>262,770</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	363,245	(29,254)	333,991
<i>Fund Cash Balances, January 1</i>	<u>990,248</u>	<u>2,970,308</u>	<u>3,960,556</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,353,493</u>	<u>\$2,941,054</u>	<u>\$4,294,547</u>

See accompanying notes to the basic financial statements

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

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

Geauga Public Health's management believes these financial statements present all activities for which Geauga Public Health is financially accountable.

Public Entities Risk Pool

Geauga Public Health participates in the Public entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the Financial Statements provides additional information for this entity.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

Geauga Public Health'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

Geauga Public Health 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 Geauga Public Health 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 Geauga Public Health 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. Geauga Public Health had the following significant Special Revenue Funds:

Sewage Treatment Fund This is a local fund for administering the Ohio Admin. Code Chapter 3701-29 Household Sewage Disposal Systems program.

Health for Sale of Property Fund This is a local fund for administering the Ohio Admin. Code 3701-29-25 which is specific to Geauga County for the inspection of residential sewage systems at the point of sale of the residence.

Public Health Emergency Preparedness Fund This is a combined Federal and State grant fund for planning and preparing Geauga Public Health to respond to public health emergencies.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 (D) permit.

Budgetary Process

The Ohio Revised Code requires Geauga Public Health 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. Geauga Public Health 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 Geauga Public Health 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

Geauga Public Health 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.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fund Balance

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

Nonspendable Geauga Public Health 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 Geauga Public Health 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). Geauga Public Health 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.

Geauga Public Health 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.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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	\$1,151,555	\$1,144,681	(\$6,874)
Special Revenue	2,499,921	2,180,093	(319,828)
Total	\$3,651,476	\$3,324,774	(\$326,702)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,099,153	\$845,458	\$253,695
Special Revenue	3,079,963	2,300,117	779,846
Total	\$4,179,116	\$3,145,575	\$1,033,541

Note 4 – Deposits and Investments

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

Note 5 – Intergovernmental Funding and Property Taxes

Intergovernmental Funding

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

Property Taxes

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 Geauga Public Health 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.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of Geauga Public Health.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Risk Management

The (local entity) 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 (local entity’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>2021</u>
Cash and Investments	\$41,996,850
Actuarial Liabilities	14,974,099

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Geauga Public Health 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 Geauga Public Health contributed an amount equaling 14 percent of participants’ gross salaries. Geauga Public Health has paid all contributions required through December 31, 2021.

Note 8 – 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.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Contingent Liabilities

Geauga Public Health is defendant in an employment lawsuit. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect Geauga Public Health’s financial condition.

Amounts grantor agencies pay to Geauga Public Health 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.

Note 10 – Fund Balances

Included in fund balance are amounts Geauga Public Health 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 balances of these amounts were as follows:

<u>Fund Balance</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$64,022	\$90,810	\$154,832

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. 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 ended in May, 2023. During 2021, Geauga Public Health received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of Geauga Public Health. The impact on Geauga Public Health’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



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

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

Geauga Public Health
Geauga County
12611 Ravenwood Drive, Suite 300
Chardon, Ohio 44024

To the Members of the Board:

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 combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Geauga Public Health, Geauga County, and have issued our report thereon dated February 9, 2024, wherein we noted Geauga Public Health followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Geauga Public Health'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Geauga Public Health's internal control. Accordingly, we do not express an opinion on the effectiveness of Geauga Public Health'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 Geauga Public Health'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 Geauga Public Health'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 Geauga Public Health's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Geauga Public Health's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

February 9, 2024

OHIO AUDITOR OF STATE KEITH FABER



GEAUGA PUBLIC HEALTH

GEAUGA 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 3/21/2024

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