



OHIO AUDITOR OF STATE
KEITH FABER



**GEAUGA PUBLIC HEALTH
GEAUGA COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Geauga Public Health
Geauga County
470 Center Street, Building 8
Chardon, Ohio 44024

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type for the years ended December 31, 2020 and 2019, and related notes of Geauga Public Health, Geauga County, Ohio.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

As discussed in Note 11 to the 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of Geauga Public Health. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021, on our consideration of the 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Geauga Public Health's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

October 13, 2021

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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, 2020

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$561,510	\$0	\$561,510
Fines and Fees	250,459	405,062	655,521
Licenses and Permits	107,730	651,431	759,161
Intergovernmental	155,435	798,895	954,330
Miscellaneous	10,038	14,881	24,919
<i>Total Cash Receipts</i>	<u>1,085,172</u>	<u>1,870,269</u>	<u>2,955,441</u>
Cash Disbursements			
Salaries	172,044	1,152,939	1,324,983
Supplies	14,260	30,027	44,287
Equipment	3,104	80,750	83,854
State Remittance	68,874	52,806	121,680
Travel and Expenses	8,465	9,685	18,150
Public Employees Retirement	24,970	146,491	171,461
Hospitalization	56,799	219,509	276,308
Advertising and Printing	3,563	2,000	5,563
Worker's Compensation	0	1,091	1,091
County and State Tax Expense	9,108	0	9,108
Medicare	2,427	16,422	18,849
Unemployment	6,729	0	6,729
Contract Services	35,735	0	35,735
Other Expenses	56,516	188,543	245,059
<i>Total Cash Disbursements</i>	<u>462,594</u>	<u>1,900,263</u>	<u>2,362,857</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>622,578</u>	<u>(29,994)</u>	<u>592,584</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	265,000	265,000
Transfers Out	(265,000)	0	(265,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(265,000)</u>	<u>265,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	357,578	235,006	592,584
<i>Fund Cash Balances, January 1</i>	<u>632,670</u>	<u>2,735,302</u>	<u>3,367,972</u>
<i>Fund Cash Balances, December 31</i>	<u>\$990,248</u>	<u>\$2,970,308</u>	<u>\$3,960,556</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, 2020

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 the 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 Entity 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, 2020

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 and object level of control, and appropriations may not exceed estimated resources. The 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 2019 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, 2020

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.

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.

Note 3 – Budgetary Activity

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,165,486	\$1,085,172	(\$80,314)
Special Revenue	2,582,648	2,135,269	(447,379)
Total	\$3,748,134	\$3,220,441	(\$527,693)

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity (Continued)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,075,339	\$831,684	\$243,655
Special Revenue	3,212,087	2,176,525	1,035,562
Total	\$4,287,426	\$3,008,209	\$1,279,217

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 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, 2020

Note 6 – Risk Management

Risk Pool Membership

Geauga Public Health is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of Geauga Public Health’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:

	2020
Cash and investments	\$40,318,971
Actuarial liabilities	14,111,510

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Geauga Public Health’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. 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, 2019.

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 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 encumbrances, which 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:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$104,090	\$276,262	\$380,352

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts include 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of Geauga Public Health. In addition, the impact on Geauga Public Health’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, Geauga Public Health received \$564,762 in CARES Act funding as an on-behalf of grant from another government. These amounts are recorded in the Public Health Infrastructure Fund.

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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, 2019*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Taxes	\$552,638	\$0	\$552,638
Intergovernmental	92,798	275,079	367,877
Fines and Fees	231,486	473,742	705,228
Licenses and Permits	130,420	607,084	737,504
Miscellaneous	90,324	27,467	117,791
<i>Total Cash Receipts</i>	<u>1,097,666</u>	<u>1,383,372</u>	<u>2,481,038</u>
Cash Disbursements			
Salaries	323,930	787,605	1,111,535
Supplies	17,309	10,604	27,913
Equipment	16,343	28,327	44,670
State Remittance	88,724	61,449	150,173
Travel and Expenses	14,556	9,800	24,356
Public Employees Retirement	48,772	105,286	154,058
Hospitalization	98,118	164,217	262,335
Advertising and Printing	6,597	0	6,597
Worker's Compensation	0	595	595
County and State Tax Expense	23,612	0	23,612
Other Expenses	48,542	186,862	235,404
Medicare	4,670	11,183	15,853
Contract Services	69,308	8,414	77,722
<i>Total Cash Disbursements</i>	<u>760,481</u>	<u>1,374,342</u>	<u>2,134,823</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>337,185</u>	<u>9,030</u>	<u>346,215</u>
Other Financing Receipts (Disbursements)			
Transfers In	148,401	508,750	657,151
Transfers Out	(508,750)	(148,401)	(657,151)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(360,349)</u>	<u>360,349</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	(23,164)	369,379	346,215
<i>Fund Cash Balances, January 1</i>	<u>655,834</u>	<u>2,365,923</u>	<u>3,021,757</u>
Fund Cash Balances, December 31			
Restricted	0	2,735,302	2,735,302
Assigned	66,995	0	66,995
Unassigned	565,675	0	565,675
<i>Fund Cash Balances, December 31</i>	<u>\$632,670</u>	<u>\$2,735,302</u>	<u>\$3,367,972</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, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Geauga Public Health, Geauga County, (Gauga Public Health) 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, public health nursing services, and issues health-related licenses and permits.

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

Public Entity Risk Pool

Gauga 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

Gauga 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

Gauga 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 System 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 local code 3701-29-25 which is specific to Geauga County for the inspection of residential sewage systems at the point of sale of residence.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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 and object level of control, and appropriations may not exceed estimated resources. Geauga Public Health's 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 2018 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, 2019

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.

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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or Geauga Public Health official delegated that authority by resolution, or by State Statute.

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.

Note 3 – Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,059,870	\$1,246,067	\$186,197
Special Revenue	1,583,117	1,892,122	309,005
Total	\$2,642,987	\$3,138,189	\$495,202

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Activity (Continued)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,169,265	\$1,336,226	(\$166,961)
Special Revenue	2,337,489	1,637,726	699,763
Total	\$3,506,754	\$2,973,952	\$532,802

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 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, 2019

Note 6 – Risk Management

Risk Pool Membership

Geauga Public Health 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:

	2019
Cash and investments	\$38,432,610
Actuarial liabilities	14,705,917

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Geauga Public Health'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. 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, 2019.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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, and 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 OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 9 – Contingent Liabilities

Geauga Public Health is named as a defendant in an employment lawsuit, currently in Federal Court. Although management cannot presently determine the outcome of this suit, management believes the resolution of this matter will not have materially adverse effect on Geauga Public Health's financial condition.

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

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Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

**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
470 Center Street, Building 8
Chardon, Ohio 44024

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of Geauga Public Health, Geauga County, and have issued our report thereon dated October 13, 2021, wherein we noted Geauga Public Health followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of Geauga Public Health.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

October 13, 2021

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 11/4/2021

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

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