



Certified Public Accountants, A.C.

**LORAIN COUNTY
GENERAL HEALTH DISTRICT
LORAIN COUNTY
Single Audit
For the Year Ended December 31, 2017**

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St.,
Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave.,
Suite 300
Cambridge, OH 43725
740.435.3417

www.perrycpas.com



Dave Yost • Auditor of State

Board of Health
Lorain County General Health District
9880 South Murray Ridge Road
Elyria, Ohio 44035

We have reviewed the *Independent Auditor's Report* of the Lorain County General Health District, Lorain County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 24, 2018

This page intentionally left blank.

**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|------|
| Independent Auditor's Report | 1 |
| Management's Discussion and Analysis..... | 4 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position – Cash Basis | 10 |
| Statement of Activities – Cash Basis | 11 |
| Fund Financial Statements: | |
| Statement of Cash Basis Assets and Fund Balances – Governmental Funds | 12 |
| Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds..... | 13 |
| Statement of Cash Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund..... | 14 |
| Statement of Cash Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual (Budget Basis) – WIC Fund | 15 |
| Notes to the Basic Financial Statements | 16 |
| Supplementary Information: | |
| Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Non-major Governmental Funds | 28 |
| Schedule of Federal Awards Expenditures..... | 30 |
| Notes to the Schedule of Federal Awards Expenditures | 31 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 32 |
| Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance..... | 34 |
| Schedule of Audit Findings | 36 |

This page intentionally left blank.



Certified Public Accountants, A.C.

www.perrycpas.com

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

INDEPENDENT AUDITOR'S REPORT

April 27, 2018

Lorain County General Health District
Lorain County
9880 South Murray Ridge Road
Elyria, Ohio 44035

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Lorain County General Health District**, Lorain County, Ohio (the District), as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

www.perrycpas.com
...*"bringing more to the table"*

Auditor's Responsibility (Continued)

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lorain County General Health District, Lorain County, Ohio, as of December 31, 2017, and the respective changes in cash financial position and the respective budgetary comparison for the General and WIC Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Combining Schedule of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances presents additional analysis and is not a required part of the basic financial statements.

The Schedule of Federal Awards Expenditures presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is also not a required part of the financial statements.

The schedules are management's responsibility and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

We applied no procedures to the Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2018 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

(UNAUDITED)

The management's discussion and analysis of the Lorain County General Health District, dba Lorain County Public Health (District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2017, within the limitations of the District's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2017 are as follows:

Net position of governmental activities decreased \$ 1,285,631 or 13.6 percent during 2017.

The largest source of District revenue was from operating grants, entitlements and contributions. These receipts represented 32.4 percent of total revenue. Charges for services and property and other local taxes provided the next largest sources of revenue, each representing 31.5 percent of total revenue.

Using the Basic Financial Statements

This annual report is in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

Report Components

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis provide information about the cash activities of the District as a whole. Fund financial statements provide a greater level of detail. Funds segregate money based on legal regulations or for specific purposes. These statements present financial information by fund, presenting major funds in separate columns. The notes to the basic financial statements are an integral part of the District-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. These financial statements follow the basis of accounting the Auditor of State prescribes or permits. The District has elected to present its financial statements on the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts are recognized when received, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

(UNAUDITED)

Reporting the Health District as a Whole

The Statement of Net Position – Cash Basis and The Statement of Activities – Cash Basis reflect how the District did financially during 2017. The Statement of Net Position – Cash Basis presents the cash balances of the governmental type activities of the District at year-end. The Statement of Activities – Cash Basis compares cash disbursements with program receipts for each Governmental program activity. Program receipts include charges paid by the recipient for the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each Governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, one should also consider other non-financial factors as well, such as the District's property tax base, the condition of the District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the District's major funds, not the District as a whole. The District establishes separate funds to manage its many activities and to help demonstrate that money that is restricted in its use is spent for the intended purpose.

All of the District's activities are reported as governmental activities. Governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine the availability of financial resources to support the District's programs. The District's major Governmental funds have separate columns on the financial statements. The District's major Governmental funds are the General Fund and the Women, Infants and Children (WIC) Fund. The programs reported in Governmental funds are those reported in the Governmental activities section of the entity-wide statements.

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2017

(UNAUDITED)

The District as a Whole

Table 1 provides a summary of the District's net position for 2017 compared to 2016 on a cash basis:

TABLE 1
 Net Position

| | Governmental Activities | |
|-----------------------|-------------------------|--------------|
| | 2017 | 2016 |
| Assets | | |
| Equity in pooled cash | \$ 8,154,908 | \$ 9,440,539 |
| Total assets | 8,154,908 | 9,440,539 |
| Net position | | |
| Restricted | 1,096,349 | 961,020 |
| Unrestricted | 7,058,559 | 8,479,519 |
| Total net position | \$ 8,154,908 | \$ 9,440,539 |

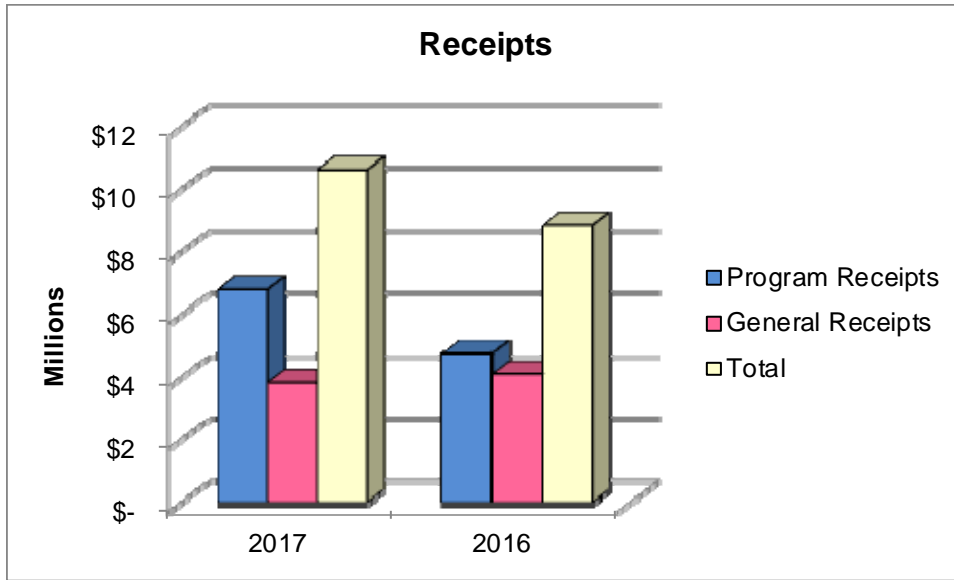
As mentioned previously, the net position of Governmental activities decreased \$ 1,285,631 during 2017. The decrease was primarily associated with the General Fund, which decreased by \$ 1,424,742.

Table 2 reflects the changes in net position in 2017 compared to 2016 on a cash basis.

Table 2
 Change in Net Position

| | Governmental Activities | |
|--|-------------------------|--------------|
| | 2017 | 2016 |
| Receipts | | |
| Program receipts | | |
| Charges for services and sales | \$ 3,348,822 | \$ 2,309,856 |
| Operating grants, entitlements and contributions | 3,443,804 | 2,441,695 |
| Total program receipts | 6,792,626 | 4,751,551 |
| General receipts | | |
| Property and other local taxes | 3,343,595 | 3,304,928 |
| Grants and entitlements | 461,925 | 483,895 |
| Miscellaneous | 18,356 | 315,710 |
| Total general receipts | 3,823,876 | 4,104,533 |
| Total receipts | 10,616,502 | 8,856,084 |
| Disbursements | | |
| Public health services | 11,902,133 | 9,276,782 |
| Excess of receipts over disbursements | (1,285,631) | (420,698) |
| Net position, beginning of year | 9,440,539 | 9,861,237 |
| Net position, end of year | \$ 8,154,908 | \$ 9,440,539 |

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (UNAUDITED)



Program receipts in 2017 represent 64.0 percent of total receipts as compared to 53.7 percent in 2016. These receipts are primarily comprised of fees received for home health services, immunizations, inspections, food service licenses and restricted intergovernmental receipts.

General receipts represent 36.0 percent of the District's total receipts, and of this amount, 87.4 percent are local taxes.

Governmental Activities

If one looks at the Statement of Activities – Cash Basis, the first column lists the major service provided by the District. The next column identifies the costs of providing that service. The major program disbursements for governmental activities are for public health services. The next two columns of the Statement entitled Program Receipts identify amounts collected through fees and grants received by the District that have a restricted use. The Net (Disbursement) column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the services that expend general receipts, the source of which to a significant extent is the local taxpayer. A comparison between the total cost of services and the net cost is presented below.

| | Total Cost of Services | | Net Cost of Services | |
|------------------------|------------------------|--------------|----------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| Public health services | \$ 11,902,133 | \$ 9,276,782 | \$ 5,109,507 | \$ 4,525,231 |

Property taxes and other general receipts support 32.1 percent of the governmental activities.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

(UNAUDITED)

The District's Funds

Total Governmental funds had receipts of \$ 10,616,502 and disbursements of \$ 11,902,133. The General Fund balance decreased by \$ 1,424,742 in 2017, as compared to a decrease of \$ 824,301 in 2016. WIC fund balance had an increase of \$ 19,374 in 2017 as compared to an increase of \$ 181,798 in 2016.

Budget Highlights

The District's budget is prepared according to Ohio law and accounts for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The Board of Health amends the General Fund budget as necessary to reflect incremental revenues and corresponding expenditures. The Health Commissioner approves all adjustments to categories within the Board approved appropriations.

Excluding other sources, General Fund final budgeted receipts were \$ 66,000 higher than originally budgeted. Actual receipts were greater than final budget receipts by \$ 148,004. Excluding other uses, General Fund final disbursements budget was \$ 855,500 higher than the originally budgeted amount, while actual disbursements were \$ 994,726 less than final appropriations.

Excluding other sources, WIC Fund final budgeted receipts were equal to originally budgeted. Actual receipts were lower than final budget receipts by \$ 89,908. Excluding other uses, WIC Fund final disbursements budget was \$ 10 higher than the originally budgeted amount, while actual disbursements were \$ 114,834 less than final appropriations.

Capital Assets and Debt Administration

Capital Assets

The District currently tracks its capital assets. However, since the financial statements are presented on a cash basis, capital assets are not reflected on the District's financial statements. Instead, the acquisitions of property, plant and equipment are recorded as disbursements when paid.

Debt

The District has no debt obligations.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

(UNAUDITED)

Current Issues

The District has gone through a significant change in 2017. The merger of the three local health districts in Lorain County into one local health district as of January 1, 2017 has led to an influx of new employees and new revenue sources.

The passage of the public health levy in the fall of 2016 will supply funding for many of the changes and will be in place for 5 years. These levy dollars provide a stable funding base for the District.

The District has been located in the current building for many years. The space is tightening in terms of staff and for the many programs offered by the District. In 2017, the board decided to pursue a new building on the current site. An architect has begun the process of designing a building. Bids for construction and the beginning of the work will take place in 2018 with an expected move in date in mid-2019.

In the summer of 2016 the District earned Public Health Accreditation. Public Health Accreditation will position the District to compete for grant dollars that may not be available to those departments that are not accredited and to better respond to current funders. The District has already received additional dollars from the state health department due to becoming accredited. The opportunity for future funding should prove to be worth the extra effort that the District has put forth to become accredited and lead to more opportunity over the next few years.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. If you have any questions about this report or need additional information, contact the Health Commissioner at Lorain County General Health District, 9880 S. Murray Ridge Road, Elyria, Ohio 44035, or by telephone at 440-284-3219.

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 STATEMENT OF NET POSITION – CASH BASIS
 DECEMBER 31, 2017

| | Governmental Activities |
|-----------------------|----------------------------|
| Assets | |
| Equity in pooled cash | \$ 8,154,908 |
| Total assets | 8,154,908 |
| Net position | |
| Restricted | 1,096,349 |
| Unrestricted | 7,058,559 |
| Total net position | \$ 8,154,908 |

See accompanying notes to the basic financial statements.

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 STATEMENT OF ACTIVITIES – CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Cash</u> <u>Disbursements</u> | <u>Program Cash Receipts</u> | | <u>Net</u> <u>(Disbursements)</u> <u>Receipts and</u> <u>Changes in</u> <u>Net Position</u> |
|---|-------------------------------------|---|---|---|
| | | <u>Charges</u> <u>for Services</u> <u>and Sales</u> | <u>Operating</u> <u>Grants and</u> <u>Contributions</u> | |
| Governmental activities | | | | |
| Public health services | \$ 11,902,133 | \$ 3,348,822 | \$ 3,443,804 | \$ (5,109,507) |
| | | | | |
| General receipts | | | | |
| Property taxes levied for: | | | | |
| General purposes | | | | 3,343,595 |
| Grants and entitlements not restricted to specific purposes | | | | 461,925 |
| Miscellaneous | | | | <u>18,356</u> |
| Total general receipts | | | | <u>3,823,876</u> |
| | | | | |
| Change in net position | | | | (1,285,631) |
| Net position at beginning of year | | | | <u>9,440,539</u> |
| Net position at end of year | | | | <u>\$ 8,154,908</u> |

See accompanying notes to the basic financial statements.

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH

STATEMENT OF CASH BASIS ASSETS AND
 FUND BALANCES – GOVERNMENTAL FUNDS

DECEMBER 31, 2017

| | General Fund | WIC Fund | Other Governmental Funds | Total Governmental Funds |
|----------------------------|---------------------|-------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Equity in pooled cash | \$ 7,106,816 | \$ 251,147 | \$ 796,945 | \$ 8,154,908 |
| Total assets | <u>7,106,816</u> | <u>251,147</u> | <u>796,945</u> | <u>8,154,908</u> |
| Fund balances | | | | |
| Restricted | 48,257 | 251,147 | 796,945 | 1,096,349 |
| Committed | 3,232 | - | - | 3,232 |
| Assigned | 266,572 | - | - | 266,572 |
| Unassigned | 6,788,755 | - | - | 6,788,755 |
| Total fund balances | <u>\$ 7,106,816</u> | <u>\$ 251,147</u> | <u>\$ 796,945</u> | <u>\$ 8,154,908</u> |

See accompanying notes to the basic financial statements.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH BASIS FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | General Fund | WIC Fund | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|-------------------|--------------------------------|--------------------------------|
| Receipts | | | | |
| Taxes | \$ 3,343,595 | \$ - | \$ - | \$ 3,343,595 |
| Intergovernmental | | | | |
| Federal | - | 1,079,156 | 1,180,265 | 2,259,421 |
| State | 1,160,915 | - | 275,733 | 1,436,648 |
| Local grants | 455,560 | - | - | 455,560 |
| Special assessments | 3,536 | - | - | 3,536 |
| Charges for services | | | | |
| Home health services | 196,720 | - | - | 196,720 |
| Immunizations | 437,332 | - | - | 437,332 |
| Inspection fees | 100,022 | - | - | 100,022 |
| Contractual services | 636,028 | - | - | 636,028 |
| Licenses | 79,988 | - | 691,144 | 771,132 |
| Miscellaneous | | | | |
| Other receipts | 21,053 | - | 117,307 | 138,360 |
| Other fees | 537,139 | - | - | 537,139 |
| Refunds | 283,116 | 2,936 | 14,957 | 301,009 |
| Total receipts | <u>7,255,004</u> | <u>1,082,092</u> | <u>2,279,406</u> | <u>10,616,502</u> |
| Disbursements | | | | |
| Salaries and benefits | 5,827,532 | 1,032,093 | 1,440,309 | 8,299,934 |
| Travel | 74,299 | 8,113 | 33,051 | 115,463 |
| Office supplies | 117,824 | 1,454 | 14,338 | 133,616 |
| Medical supplies | 319,470 | 443 | 8,297 | 328,210 |
| Equipment | 163,684 | - | - | 163,684 |
| Contracts - repair/service | 238,133 | - | 460,958 | 699,091 |
| Distribution to state | 277,761 | - | 153,127 | 430,888 |
| Other expenditures | 1,655,043 | 20,615 | 55,589 | 1,731,247 |
| Total disbursements | <u>8,673,746</u> | <u>1,062,718</u> | <u>2,165,669</u> | <u>11,902,133</u> |
| Excess receipts over/(under) disbursements | <u>(1,418,742)</u> | <u>19,374</u> | <u>113,737</u> | <u>(1,285,631)</u> |
| Other financing sources (uses) | | | | |
| Advances in | 624,000 | 250,000 | 380,000 | 1,254,000 |
| Advances out | (630,000) | (250,000) | (374,000) | (1,254,000) |
| Total other financing sources (uses) | <u>(6,000)</u> | <u>-</u> | <u>6,000</u> | <u>-</u> |
| Net change in fund balances | (1,424,742) | 19,374 | 119,737 | (1,285,631) |
| Cash balance, beginning | <u>8,531,558</u> | <u>231,773</u> | <u>677,208</u> | <u>9,440,539</u> |
| Cash balance, ending | <u>\$ 7,106,816</u> | <u>\$ 251,147</u> | <u>\$ 796,945</u> | <u>\$ 8,154,908</u> |

See accompanying notes to the basic financial statements.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS) – GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

| | GENERAL FUND | | | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Receipts | | | | |
| Taxes | \$ 3,195,476 | \$ 3,341,900 | \$ 3,343,595 | \$ 1,695 |
| Intergovernmental | | | | |
| State | 1,027,337 | 1,146,913 | 1,160,915 | 14,002 |
| Local grants | 493,200 | 493,200 | 455,560 | (37,640) |
| Special assessments | 3,600 | 3,600 | 3,536 | (64) |
| Charges for services | | | | |
| Home health services | 230,000 | 230,000 | 196,720 | (33,280) |
| Immunizations | 320,000 | 320,000 | 437,332 | 117,332 |
| Inspection fees | 73,000 | 73,000 | 100,022 | 27,022 |
| Contractual services | 657,000 | 657,000 | 636,028 | (20,972) |
| Licenses | 73,000 | 73,000 | 79,988 | 6,988 |
| Miscellaneous | | | | |
| Other receipts | 7,000 | 7,000 | 21,053 | 14,053 |
| Other fees | 500,000 | 500,000 | 537,139 | 37,139 |
| Refunds | 461,387 | 261,387 | 283,116 | 21,729 |
| Total receipts | <u>7,041,000</u> | <u>7,107,000</u> | <u>7,255,004</u> | <u>148,004</u> |
| Disbursements | | | | |
| Salaries and benefits | 6,516,127 | 6,449,227 | 5,853,828 | 595,399 |
| Travel | 76,079 | 84,079 | 77,464 | 6,615 |
| Office supplies | 100,318 | 153,118 | 119,104 | 34,014 |
| Medical supplies | 365,754 | 366,354 | 330,444 | 35,910 |
| Equipment | 252,248 | 252,458 | 165,240 | 87,218 |
| Contracts - repair/service | 706,467 | 447,417 | 304,462 | 142,955 |
| Distribution to state | 310,435 | 359,035 | 354,461 | 4,574 |
| Other expenditures | 748,334 | 1,819,574 | 1,731,533 | 88,041 |
| Total disbursements | <u>9,075,762</u> | <u>9,931,262</u> | <u>8,936,536</u> | <u>994,726</u> |
| Excess receipts over/(under) disbursements | <u>(2,034,762)</u> | <u>(2,824,262)</u> | <u>(1,681,532)</u> | <u>1,142,730</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 50,000 | 50,000 | - | (50,000) |
| Transfers out | (50,000) | (50,000) | - | (50,000) |
| Advances in | 674,000 | 674,000 | 624,000 | (50,000) |
| Advances out | (636,000) | (636,000) | (630,000) | 6,000 |
| Total other financing sources (uses) | <u>38,000</u> | <u>38,000</u> | <u>(6,000)</u> | <u>(144,000)</u> |
| Net change in fund balances | (1,996,762) | (2,786,262) | (1,687,532) | 998,730 |
| Prior year encumbrances | 210,761 | 210,761 | 210,761 | - |
| Cash balance, beginning | 8,268,756 | 8,268,756 | 8,268,756 | - |
| Cash balance, ending | <u>\$ 6,482,755</u> | <u>\$ 5,693,255</u> | <u>\$ 6,791,985</u> | <u>\$ 998,730</u> |

See accompanying notes to the basic financial statements.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS) – WIC FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

| | WIC FUND | | | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Receipts | | | | |
| Intergovernmental | | | | |
| Federal | \$ 1,172,000 | \$ 1,172,000 | \$ 1,079,156 | \$ (92,844) |
| Miscellaneous | | | | |
| Refunds | - | - | 2,936 | 2,936 |
| Total receipts | <u>1,172,000</u> | <u>1,172,000</u> | <u>1,082,092</u> | <u>(89,908)</u> |
| Disbursements | | | | |
| Salaries and benefits | 1,129,839 | 1,129,839 | 1,046,390 | 83,449 |
| Travel | 10,000 | 9,500 | 8,113 | 1,387 |
| Office supplies | 3,000 | 353 | 1,454 | (1,101) |
| Medical supplies | 8,000 | 8,000 | 443 | 7,557 |
| Equipment | 500 | 500 | - | 500 |
| Contracts - repair/service | 400 | 400 | - | 400 |
| Other expenditures | 40,100 | 43,257 | 20,615 | 22,642 |
| Total disbursements | <u>1,191,839</u> | <u>1,191,849</u> | <u>1,077,015</u> | <u>114,834</u> |
| Excess receipts over/(under) disbursements | <u>(19,839)</u> | <u>(19,849)</u> | <u>5,077</u> | <u>24,926</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 15,000 | - | - | - |
| Transfers out | (15,000) | - | - | - |
| Advances in | 250,000 | 250,000 | 250,000 | - |
| Advances out | (250,000) | (250,000) | (250,000) | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (19,839) | (19,849) | 5,077 | 24,926 |
| Prior year encumbrances | 19,839 | 19,839 | 19,839 | - |
| Cash balance, beginning | <u>263,973</u> | <u>263,973</u> | <u>263,973</u> | <u>-</u> |
| Cash balance, ending | <u>\$ 263,973</u> | <u>\$ 263,963</u> | <u>\$ 288,889</u> | <u>\$ 24,926</u> |

See accompanying notes to the basic financial statements.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - DESCRIPTION OF THE GENERAL HEALTH DISTRICT AND REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Lorain County General Health District, dba Lorain County Public Health, (the District) as a body corporate and politic. An eight member Board, including a Health Commissioner govern the District which provides health services to the community including education and prevention of disease.

REPORTING ENTITY

A reporting entity is comprised of the primary government, component units and other organizations ensuring that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. They comprise the District's legal entity which provides services associated with immunization, vital statistics, health related licenses and permits, disease prevention and control, public health nursing, water and solid waste programs and emergency preparedness programs.

The Lorain County Commissioners are the taxing authority for the District. The Lorain County Auditor and the Lorain County Treasurer are responsible for fiscal control of the resources of the District.

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

These financial statements follow the basis of accounting the Auditor of State prescribes or permits.

The District's Basic Financial Statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis display information about the District as a whole. These statements include the financial activities of the primary government.

The Statement of Net Position – Cash Basis presents the cash balances of the governmental activities of the District at year-end. The Statement of Activities – Cash Basis presents a comparison between direct disbursements and program receipts for each program or function of the District's governmental activities. Direct disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing or draws from the general receipts of the District.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION (continued)

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. FUND ACCOUNTING

The District uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The District utilizes the governmental category of funds.

Governmental Funds

Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the District's major governmental funds:

General Fund - is used to account for all financial resources, except those required to be accounted for 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.

Women, Infants and Children (WIC) Fund – this fund receives federal grant funds which are used to provide services through the Special Supplemental Nutrition Program.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

C. MEASUREMENT FOCUS

The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

D. BASIS OF ACCOUNTING

These financial statements are presented in accordance with the cash basis of accounting. As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. CASH

As required by Ohio Revised Code, the Lorain County Treasurer is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. Financial information can be obtained from the Lorain County Treasurer, located at 226 Middle Avenue, Elyria, Ohio 44035.

F. CAPITAL ASSETS

Acquisitions of property, plant and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the District uses.

G. COMPENSATED ABSENCES

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The cash basis of accounting does not recognize unpaid leave as a liability.

H. LONG-TERM OBLIGATIONS

The District did not have any bonds or other long-term debt obligations.

I. INTERFUND RECEIVABLES/PAYABLES

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Non-exchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses.

J. NET POSITION

These statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use. The Statement of Net Position reports \$ 1,096,349 as restricted net position, none of which is restricted by enabling legislation.

The District first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. FUND BALANCE

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted - Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Health.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. BUDGETARY PROCESS

The Ohio Revised Code requires that all funds be budgeted and appropriated. The major documents prepared are the appropriations resolution and certificate of estimated resources, which use the budgetary basis of accounting. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The certificate of estimated resources establishes a limit on the amounts the Board of Health may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The Board of Health uses the fund/function level as its legal level of control for all funds.

ORC Section 5705.28(C) (1) requires the District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the District if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, the District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The District amends the certificate of estimated resources during the year if the District receives additional or new sources of funds. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect at the time final appropriations were passed by the District.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District during the year.

Budget versus actual statements for major funds are presented as part of the basic financial statements.

The following adjustment is necessary to reconcile the cash basis statement to the budget basis statement:

| | Net Change in Fund Balance | |
|-----------------------------|----------------------------|-------------|
| | General Fund | WIC Fund |
| Budget basis | \$ (1,687,532) | \$ 5,077 |
| Adjustment for encumbrances | 266,572 | 10,515 |
| Funds budgeted elsewhere | (3,782) | - |
| Funds presented elsewhere | - | 3,782 |
| Cash basis, as reported | \$ (1,424,742) | \$ 19,374 |

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 3 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on a fund for the major governmental funds and all other governmental funds are presented below:

| Fund balances | General Fund | WIC Fund | Nonmajor Governmental Funds | Total |
|---|---------------------|-------------------|-----------------------------------|---------------------|
| Restricted for: | | | | |
| WIC Retirement | \$ 48,257 | \$ - | \$ - | \$ 48,257 |
| WIC | - | 251,147 | - | 251,147 |
| Food Service | - | - | 249,769 | 249,769 |
| Solid Waste Management | - | - | 113,755 | 113,755 |
| Car Seat Program | - | - | 1,814 | 1,814 |
| Construction, Demolition and Debris | - | - | 184,896 | 184,896 |
| Smoke Free Ohio | - | - | 9,037 | 9,037 |
| Family Planning Services | - | - | 5,220 | 5,220 |
| Public Health Emergency Preparedness | - | - | 19,655 | 19,655 |
| Healthy Homes and Lead Poisoning Prevention | - | - | 217 | 217 |
| Maternal and Child Health Grants | - | - | 24,382 | 24,382 |
| Ohio Infant Mortality Reduction Initiative | - | - | 31,606 | 31,606 |
| State and Community Highway Safety | - | - | 28,761 | 28,761 |
| Preventative Health | - | - | 24,207 | 24,207 |
| State Public Health Actions | - | - | 88,445 | 88,445 |
| Beach Monitoring | - | - | 515 | 515 |
| Dental Sealant | - | - | 14,666 | 14,666 |
| Total restricted | <u>48,257</u> | <u>251,147</u> | <u>796,945</u> | <u>1,096,349</u> |
| Committed for: | | | | |
| Sewer replacement | 3,232 | - | - | 3,232 |
| Total committed | <u>3,232</u> | <u>-</u> | <u>-</u> | <u>3,232</u> |
| Assigned for: | | | | |
| Encumbrances | 266,572 | - | - | 266,572 |
| Total assigned | <u>266,572</u> | <u>-</u> | <u>-</u> | <u>266,572</u> |
| Unassigned | <u>6,788,755</u> | <u>-</u> | <u>-</u> | <u>6,788,755</u> |
| Total fund balances | <u>\$ 7,106,816</u> | <u>\$ 251,147</u> | <u>\$ 796,945</u> | <u>\$ 8,154,908</u> |

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - CASH BALANCES

The District's cash pool, used by all funds, is deposited with the Lorain County Treasurer. The cash pool is commingled with Lorain County's cash and investment pool and is not identifiable as to demand deposits or investments. The carrying amount of cash on deposit with the Lorain County Treasurer at December 31, 2017 was \$ 8,154,908.

NOTE 5 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Health. The Ohio Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State of Ohio, and are reflected in the accompanying financial statements as intergovernmental receipts. Tax payments are due to Lorain County by December 31. If the property owner elects to make semi-annual payment, 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 District.

The full tax rate for all District operations for the year ended December 31, 2017, was \$ 1.00 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2017 property tax receipts were based are as follows:

| | |
|-------------------------|-------------------------|
| Real property | \$ 3,844,565,150 |
| Public utility property | 129,929,410 |
| | <u>\$ 3,974,494,560</u> |

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

NOTE 6 - RISK MANAGEMENT

The District has obtained commercial insurance for comprehensive property and general liability, vehicles, and errors and omissions. Settled claims have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in coverage from prior years. The District provides health, prescription, dental and vision insurance coverage through commercial insurance coverage.

NOTE 7 - CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, management believes such refunds, if any, would not be significant.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – DEFINED BENEFIT PENSION PLAN (continued)

| Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Group C Members not in other Groups and members hired on or after January 7, 2013 |
|---|---|---|
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| Public Safety | Public Safety | Public Safety |
| Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit |
| Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 |

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – DEFINED BENEFIT PENSION PLAN (continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | State and Local | Public Safety | Law Enforcement |
|---|--------------------|------------------|--------------------|
| 2017 Statutory maximum contribution rates | | | |
| Employer | 14.0% | 18.1% | 18.1% |
| Employee | 10.0% | * | ** |
| 2017 Actual contribution rates | | | |
| Employer | | | |
| Pension | 13.0% | 16.1% | 16.1% |
| Post-employment health care benefits | 1.0% | 2.0% | 2.0% |
| Total employer | <u>14.0%</u> | <u>18.1%</u> | <u>18.1%</u> |
| Employee | <u>10.0%</u> | <u>12.0%</u> | <u>13.0%</u> |

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

**This rate is determined by OPERS' Board , but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$ 831,472 for year 2017.

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9 - POSTEMPLOYMENT BENEFITS (continued)

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016, and was 1.0 percent during calendar year 2017. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Substantially all of the District's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$ 831,472, \$ 677,414, and \$ 593,945 respectively, of which \$ 59,391, \$ 96,735 and \$ 84,849 respectively, was allocated to the healthcare plan. The full amount has been contributed for all three years.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 10 – CHANGE IN ACCOUNTING PRINCIPLES

During 2017, the District implemented the following Governmental Accounting Standards Board (GASB) statements: Statement No. 80, “Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14”; Statement No. 81, “Irrevocable Split-Interest Agreements”; and Statement No. 82, “Pension Issues – an amendment of GASB Statements No. 67, No.68 and No.73”.

GASB Statement No. 80 improves the financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement had no effect on the District’s financial statements.

GASB Statement No 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This statement had no effect on the District’s financial statements.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the District’s fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued.

This page intentionally left blank.

SUPPLEMENTARY INFORMATION

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH BASIS FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | Food Service | Solid Waste Management | Car Seat Program | Construction Demolition and Debris | Smoke Free Ohio | Family Planning Services | Public Health Emergency Preparedness |
|---|-------------------|------------------------------|------------------------|--|-----------------------|--------------------------------|--|
| Receipts | | | | | | | |
| Intergovernmental | | | | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - | \$ - | 201,222 | \$ 173,860 |
| State | - | 275,733 | - | - | - | - | - |
| Charges for services | | | | | | | |
| Licenses | 691,144 | - | - | - | - | - | - |
| Miscellaneous | | | | | | | |
| Other receipts | - | - | 6,676 | 110,501 | - | - | - |
| Refunds | 1,151 | 202 | - | - | 11,713 | - | 392 |
| Total receipts | 692,295 | 275,935 | 6,676 | 110,501 | 11,713 | 201,222 | 174,252 |
| Disbursements | | | | | | | |
| Salaries and benefits | 456,147 | 147,650 | - | 16,248 | 5,603 | 1,161 | 236,293 |
| Travel | 19,798 | - | - | - | - | - | 3,775 |
| Office supplies | 5,815 | - | - | - | - | - | 375 |
| Medical supplies | - | - | - | - | - | - | - |
| Contracts - repair/service | - | - | 7,952 | - | - | 279,572 | 2,548 |
| Distribution to state | 36,842 | 57,500 | - | 58,785 | - | - | - |
| Other expenditures | 2,154 | 500 | - | - | - | - | 12,429 |
| Total disbursements | 520,756 | 205,650 | 7,952 | 75,033 | 5,603 | 280,733 | 255,420 |
| Excess receipts over/ (under) disbursements | 171,539 | 70,285 | (1,276) | 35,468 | 6,110 | (79,511) | (81,168) |
| Other financing sources (uses) | | | | | | | |
| Advances in | - | - | - | - | - | 50,000 | 50,000 |
| Advances out | - | - | - | - | - | (60,000) | - |
| Total other financing sources (uses) | - | - | - | - | - | (10,000) | 50,000 |
| Excess of receipts and other financing sources over/(under) disbursements and other financing uses | 171,539 | 70,285 | (1,276) | 35,468 | 6,110 | (89,511) | (31,168) |
| Cash balance, beginning | 78,230 | 43,470 | 3,090 | 149,428 | 2,927 | 94,731 | 50,823 |
| Cash balance, ending | \$ 249,769 | \$ 113,755 | \$ 1,814 | \$ 184,896 | \$ 9,037 | \$ 5,220 | \$ 19,655 |

| Miscellaneous Federal Grants | Maternal and Child Health Grants | Ohio Infant Mortality Reduction Initiative | State and Community Highway Safety | Preventative Health | State Public Health Actions | Beach Monitoring | Dental Sealant | Total |
|------------------------------------|---|---|---|------------------------|--------------------------------------|---------------------|-------------------|-------------------|
| \$ 19,113 | \$ 90,903 | \$ 127,325 | \$ 46,071 | \$ 106,937 | \$ 369,572 | \$ 23,811 | \$ 21,451 | \$ 1,180,265 |
| - | - | - | - | - | - | - | - | 275,733 |
| - | - | - | - | - | - | - | - | 691,144 |
| - | - | - | 130 | - | - | - | - | 117,307 |
| - | 521 | - | - | 370 | 563 | 45 | - | 14,957 |
| <u>19,113</u> | <u>91,424</u> | <u>127,325</u> | <u>46,201</u> | <u>107,307</u> | <u>370,135</u> | <u>23,856</u> | <u>21,451</u> | <u>2,279,406</u> |
| 2,858 | 78,854 | 97,250 | 38,600 | 100,907 | 196,836 | 16,864 | 45,038 | 1,440,309 |
| - | 1,977 | 1,708 | 1,401 | 1,407 | 2,985 | - | - | 33,051 |
| - | 528 | 120 | 100 | 1,109 | 6,261 | - | 30 | 14,338 |
| - | - | - | - | - | - | 6,740 | 1,557 | 8,297 |
| 3,100 | - | 29,906 | - | 12,830 | 124,448 | - | 602 | 460,958 |
| - | - | - | - | - | - | - | - | 153,127 |
| <u>3,930</u> | <u>2,947</u> | <u>1,519</u> | <u>3,437</u> | <u>6,578</u> | <u>21,492</u> | <u>45</u> | <u>558</u> | <u>55,589</u> |
| <u>9,888</u> | <u>84,306</u> | <u>130,503</u> | <u>43,538</u> | <u>122,831</u> | <u>352,022</u> | <u>23,649</u> | <u>47,785</u> | <u>2,165,669</u> |
| 9,225 | 7,118 | (3,178) | 2,663 | (15,524) | 18,113 | 207 | (26,334) | 113,737 |
| - | 25,000 | 40,000 | 20,000 | 40,000 | 100,000 | 14,000 | 41,000 | 380,000 |
| (30,000) | (25,000) | (50,000) | (30,000) | (65,000) | (100,000) | (14,000) | - | (374,000) |
| <u>(30,000)</u> | <u>-</u> | <u>(10,000)</u> | <u>(10,000)</u> | <u>(25,000)</u> | <u>-</u> | <u>-</u> | <u>41,000</u> | <u>6,000</u> |
| (20,775) | 7,118 | (13,178) | (7,337) | (40,524) | 18,113 | 207 | 14,666 | 119,737 |
| 20,992 | 17,264 | 44,784 | 36,098 | 64,731 | 70,332 | 308 | - | 677,208 |
| <u>\$ 217</u> | <u>\$ 24,382</u> | <u>\$ 31,606</u> | <u>\$ 28,761</u> | <u>\$ 24,207</u> | <u>\$ 88,445</u> | <u>\$ 515</u> | <u>\$ 14,666</u> | <u>\$ 796,945</u> |

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2017

| <u>Federal Grantor / Pass Through/ Grantor Program Title</u> | <u>CFDA Number</u> | <u>Pass Through Entity Number</u> | |
|--|------------------------|---|---------------------|
| <u>U.S. Department of Agriculture</u> | | | |
| Passed through the Ohio Department of Health | | | |
| Special Supplemental Food Program for Women, Infants and Children (WIC) | 10.557 | 04710011WA1017 04710011WA1118 | \$ 1,062,718 |
| Total U.S. Department of Agriculture | | | <u>1,062,718</u> |
| <u>U.S. Department of Health and Human Services</u> | | | |
| Passed through the Ohio Department of Health | | | |
| Public Health Emergency Preparedness Hospital Preparedness Program | 93.074 | 04710012PH0817/PH0918 04710012IM0815 | 255,420 - |
| Family Planning Services | 93.217 | 04710011RH0117/0218 | 280,733 |
| State Public Health Actions | 93.757 | 04710014PO0317/PO0418 | 352,022 |
| Preventive Health | 93.758 | 04710014CC0817 | 122,831 |
| OH Healthy Homes and Lead Poisoning Prevention | 93.753 | 6NUE1EH001277-03-01 | 9,888 |
| Maternal and Child Health Block Grants: | | | |
| Maternal and Child Health | 93.994 | 04710011MP0117/MP0218 | 84,306 |
| Ohio Infant Mortality Reduction Initiative | 93.994 | 04710011OM0117/218 | 130,503 |
| Dental Sealant | 93.994 | 04710011DS0117 | 47,785 |
| Total Maternal and Child Health Block Grants | 93.994 | | <u>262,594</u> |
| Total U.S. Department of Health and Human Services | | | <u>1,283,488</u> |
| <u>U.S. Department of Transportation</u> | | | |
| Passed through the Office of the Governor's Highway Safety Representative | | | |
| State and Community Highway Safety | 20.600 | SC-2017-47-00-00-00458-01 | 43,538 |
| Total U.S. Department of Transportation | | | <u>43,538</u> |
| <u>U.S. Environmental Protection Agency</u> | | | |
| Passed through the Ohio Environmental Protection Agency | | | |
| Beach Monitoring | 66.472 | CU-00E52608-0 | 23,649 |
| Total U.S. Environmental Protection Agency | | | <u>23,649</u> |
| Total Federal Awards Expenditures | | | <u>\$ 2,413,393</u> |

The accompanying notes are an integral part of this schedule.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lorain County General Health District (the District's) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Government, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CFDA – Catalog of Federal Domestic Assistance

This page intentionally left blank.



Certified Public Accountants, A.C.

www.perrycpas.com

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

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

April 27, 2018

Lorain County General Health District
Lorain County
9880 South Murray Ridge Road
Elyria, Ohio 44035

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Lorain County General Health District**, Lorain County, (the District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 27, 2018, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

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

www.perrycpas.com
...*"bringing more to the table"*

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. 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 the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio



Certified Public Accountants, A.C.

www.perrycpas.com

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

April 27, 2018

Lorain County General Health District
Lorain County
9880 South Murray Ridge Road
Elyria, Ohio 44035

To the Board of Health:

Report on Compliance for the Major Federal Program

We have audited the **Lorain County General Health District's** (the District) compliance with the applicable requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Lorain County General Health District's major federal program for the year ended December 31, 2017. The District's major federal program is identified in the *Summary of Audit Results* in the accompanying schedule of audit findings.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

www.perrycpas.com
...“bringing more to the table”

Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

**Schedule of Audit Findings
2 CFR § 200.515
For the Year Ended December 31, 2017**

1. SUMMARY OF AUDIT RESULTS

| | | |
|---------------------|---|---|
| (d)(1)(i) | Type of Financial Statement Opinion | Unmodified |
| (d)(1)(ii) | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material weaknesses in internal control reported for major federal programs? | No |
| (d)(1)(iv) | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unmodified |
| (d)(1)(vi) | Are there any reportable findings under 2 CFR § 200.516(a)? | No |
| (d)(1)(vii) | Major Programs (list): | Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), CFDA #10.557 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$ 750,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee, under 2 CFR § 200.520? | No |

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.



Dave Yost • Auditor of State

LORAIN COUNTY GENERAL HEALTH DISTRICT

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 5, 2018