



OHIO AUDITOR OF STATE
KEITH FABER



**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

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LORAIN COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the District Members:

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 the Lorain County General Health District, Lorain County, Ohio, (the District), as of and for the year ended December 31, 2020, 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 2D 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.

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

Efficient • Effective • Transparent

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 the Lorain County General Health District, Lorain County, Ohio, as of December 31, 2020, and the respective changes in cash financial position and where applicable cash flows and the respective budgetary comparison for the General Fund, Women, Infants, and Children Fund, and Covid-19 Fund thereof for the year then ended in accordance with the accounting basis described in Note 2D.

Accounting Basis

We draw attention to Note 2D 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.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. 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 Expenditures of Federal Awards 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 not a required part of the financial statements.

These schedules are management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these 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, these 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 7, 2022, 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.



Keith Faber
Auditor of State
Columbus, Ohio

April 7, 2022

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LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
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, 2020, 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 2020 are as follows:

Net position of governmental activities decreased \$ 474,492 or 9.1 percent during 2020.

The largest source of District revenue was from operating grants, entitlements and contributions. These receipts represented 44.4 percent of total revenue. Charges for services and property and other local taxes provided the next largest sources of revenue, representing 23.5 and 21.4 percent of total revenue, respectively.

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, 2020
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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 2020. 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, Women, Infants and Children (WIC) Fund and Covid-19 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, 2020
 UNAUDITED

The District as a Whole

Table 1 provides a summary of the District's net position for 2020 compared to 2019 on a cash basis:

TABLE 1
 Net Position

	Governmental Activities	
	2020	2019
Assets		
Equity in pooled cash	\$ 4,764,702	\$ 5,239,194
Total assets	<u>4,764,702</u>	<u>5,239,194</u>
Net position		
Restricted	1,268,241	1,062,190
Unrestricted	3,496,461	4,177,004
Total net position	<u>\$ 4,764,702</u>	<u>\$ 5,239,194</u>

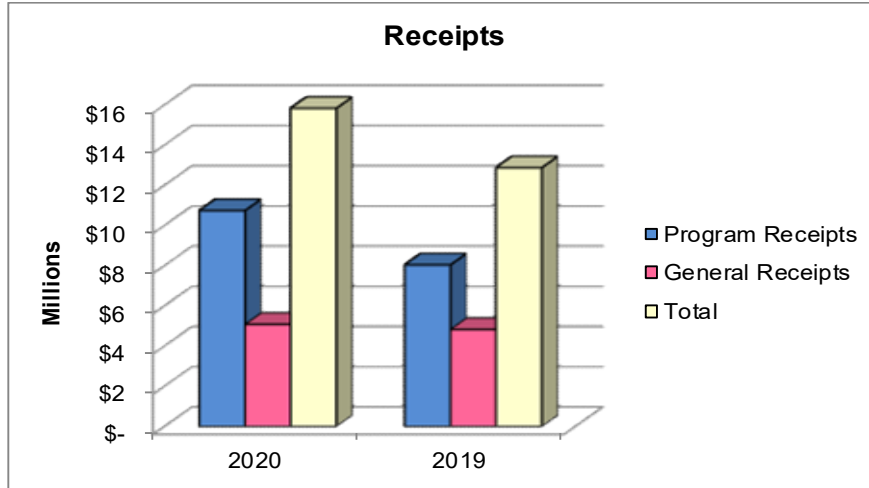
As mentioned previously, the net position of Governmental activities decreased \$ 474,492 during 2020. The decrease was primarily associated with the General Fund, which decreased by \$ 872,630.

Table 2 reflects the changes in net position in 2020 compared to 2019 on a cash basis.

Table 2
 Change in Net Position

	Governmental Activities	
	2020	2019
Receipts		
Program receipts		
Charges for services and sales	\$ 3,721,200	\$ 3,892,668
Operating grants, entitlements and contributions	7,029,212	4,155,249
Total program receipts	<u>10,750,412</u>	<u>8,047,917</u>
General receipts		
Property and other local taxes	3,395,942	3,336,508
Grants and entitlements	285,850	204,273
Miscellaneous	1,409,142	1,295,355
Total general receipts	<u>5,090,934</u>	<u>4,836,136</u>
Total receipts	<u>15,841,346</u>	<u>12,884,053</u>
Disbursements		
Public health services	<u>16,315,838</u>	<u>13,192,935</u>
Excess of disbursements over receipts	(474,492)	(308,882)
Net position, beginning of year	<u>5,239,194</u>	<u>5,548,076</u>
Net position, end of year	<u>\$ 4,764,702</u>	<u>\$ 5,239,194</u>

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2020
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Program receipts in 2020 represent 67.9 percent of total receipts as compared to 62.5 percent in 2019. These receipts are primarily comprised of fees received for home health services, immunizations, inspections, food service licenses and restricted intergovernmental receipts.

General receipts represent 32.1 percent of the District's total receipts, and of this amount, 66.7 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.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2020	2019	2020	2019
Public health services	<u>\$ 16,315,838</u>	<u>\$ 13,192,935</u>	<u>\$ 5,565,426</u>	<u>\$ 5,145,018</u>

Property taxes and other general receipts support 31.2 percent of the governmental activities.

The District's Funds

Total Governmental funds had receipts of \$ 14,236,756 and disbursements of \$ 14,883,695. The General Fund balance decreased by \$ 872,630 in 2020, as compared to a decrease of \$ 332,596 in 2019. WIC Fund balance had an increase of \$ 31,787 in 2020 as compared to an increase of \$ 968 in 2019. The COVID – 19 Fund was new for 2020 and had an ending fund balance of \$ 111,774 at December 31, 2020.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
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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 \$ 580,000 higher than originally budgeted. Actual receipts were less than final budget receipts by \$ 164,436. Excluding other uses, General Fund final disbursements budget was \$ 1,502,447 higher than the originally budgeted amount, while actual disbursements were \$ 412,670 less than final appropriations.

Excluding other sources, WIC Fund original and final budgeted receipts were the same. Actual receipts were higher than final budget receipts by \$ 24,307. Excluding other uses, WIC Fund final disbursements budget was \$ 18,622 higher than the originally budgeted amount, while actual disbursements were \$ 21,462 less than final appropriations.

Excluding other sources, COVID-19 Fund final budgeted receipts were \$ 1,300,000 higher than originally budgeted. Actual receipts were less than final budget receipts by \$ 27,282. Excluding other uses, COVID-19 Fund final disbursements budget was \$ 1,560,000 higher than the originally budgeted amount, while actual disbursements were \$ 96,780 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
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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
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Current Issues

The District entered into new headquarters in 2019. The District was able to utilize the new facility when COVID-19 hit. The capital investment paid off early on in the pandemic. All costs for the building were covered except the final \$ 1.9 million which is scheduled to be paid off in 2021.

The next public health levy was on the ballot in the fall of 2021 and passed. It will be in place for 5 years. The current levy is in place until the end of 2022. These levy dollars provide a stable funding base for the District.

So far, the grant dollars available for COVID-19 have covered the costs of the effort in 2020 and should continue into 2021. District reserves should not be needed to finance the effort.

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, 2020

	Governmental Activities
Assets	
Equity in pooled cash	\$ 4,764,702
Total assets	4,764,702
Net position	
Restricted	1,268,241
Unrestricted	3,496,461
Total net position	\$ 4,764,702

The notes to the financial statements are an integral part of this statement.

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 STATEMENT OF ACTIVITIES – CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	
Governmental activities				
Public health services	\$ 16,315,838	\$ 3,721,200	\$ 7,029,212	(5,565,426)
General receipts				
Property taxes levied for:				
General purposes				3,395,942
Grants and entitlements not restricted to specific purposes				285,850
Miscellaneous				1,409,142
Total general receipts				<u>5,090,934</u>
Change in net position				(474,492)
Net position at beginning of year				5,239,194
Net position at end of year				<u>\$ 4,764,702</u>

The notes to the financial statements are an integral part of this statement.

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH

STATEMENT OF CASH BASIS ASSETS AND
 FUND BALANCES – GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	General Fund	WIC Fund	COVID-19 Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash	\$ 3,138,789	\$ 284,059	\$ 111,774	\$ 850,353	\$ 4,384,975
Total assets	<u>3,138,789</u>	<u>284,059</u>	<u>111,774</u>	<u>850,353</u>	<u>4,384,975</u>
Fund balances					
Restricted	22,055	284,059	111,774	850,353	1,268,241
Committed	25,269	-	-	-	25,269
Assigned	2,081,702	-	-	-	2,081,702
Unassigned	1,009,763	-	-	-	1,009,763
Total fund balances	<u>\$ 3,138,789</u>	<u>\$ 284,059</u>	<u>\$ 111,774</u>	<u>\$ 850,353</u>	<u>\$ 4,384,975</u>

The notes to the financial statements are an integral part of this statement.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES – CASH BASIS

DECEMBER 31, 2020

Total governmental fund balances	\$ 4,384,975
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental activities net position includes the internal service fund's cash and cash equivalents. The proprietary funds' statements include these assets.	
	<u>379,727</u>
Net position of governmental activities	<u>\$ 4,764,702</u>

The notes to the financial statements are an integral part of this statement.

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, 2020

	General Fund	WIC Fund	COVID-19 Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Taxes	\$ 3,395,942	\$ -	\$ -	\$ -	\$ 3,395,942
Intergovernmental					
Federal	-	1,130,330	1,642,718	1,437,524	4,210,572
State	2,261,147	-	-	376,707	2,637,854
Local grants	466,636	-	-	-	466,636
Special assessments	3,586	-	-	-	3,586
Charges for services					
Home health services	423,980	-	-	-	423,980
Immunizations	296,540	-	-	-	296,540
Inspection fees	180,459	-	-	-	180,459
Contractual services	652,742	-	-	-	652,742
Licenses	125,484	-	-	704,366	829,850
Miscellaneous					
Other receipts	29,546	1,065	-	115,528	146,139
Other fees	590,155	-	-	-	590,155
Refunds	394,417	312	-	7,572	402,301
Total receipts	<u>8,820,634</u>	<u>1,131,707</u>	<u>1,642,718</u>	<u>2,641,697</u>	<u>14,236,756</u>
Disbursements					
Salaries and benefits	5,706,294	1,067,967	1,684,509	1,709,106	10,167,876
Travel	29,196	360	5,538	12,612	47,706
Office supplies	147,943	2,916	44,591	7,246	202,696
Medical supplies	244,216	595	-	4,680	249,491
Equipment	81,677	3,384	16,263	2,587	103,911
Contracts - repair/service	554,227	538	-	608,791	1,163,556
Distribution to state	320,378	-	-	165,756	486,134
Other expenditures	2,364,333	24,160	30,043	43,789	2,462,325
Total disbursements	<u>9,448,264</u>	<u>1,099,920</u>	<u>1,780,944</u>	<u>2,554,567</u>	<u>14,883,695</u>
Excess receipts over/(under) disbursements	<u>(627,630)</u>	<u>31,787</u>	<u>(138,226)</u>	<u>87,130</u>	<u>(646,939)</u>
Other financing sources (uses)					
Advances in	311,000	-	250,000	306,000	867,000
Advances out	(556,000)	-	-	(311,000)	(867,000)
Total other financing sources (uses)	<u>(245,000)</u>	<u>-</u>	<u>250,000</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balances	(872,630)	31,787	111,774	82,130	(646,939)
Cash balance, beginning	<u>4,011,419</u>	<u>252,272</u>	<u>-</u>	<u>768,223</u>	<u>5,031,914</u>
Cash balance, ending	<u>\$ 3,138,789</u>	<u>\$ 284,059</u>	<u>\$ 111,774</u>	<u>\$ 850,353</u>	<u>\$ 4,384,975</u>

The notes to the financial statements are an integral part of this statement.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH

RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES – CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2020

Net change in fund balances - total governmental funds	\$ (646,939)
Amounts reported for governmental activities in the statement of activities are different because:	
Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements).	<u>172,447</u>
Change in net position of governmental activities	<u>\$ (474,492)</u>

The notes to the financial statements are an integral part of this statement.

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, 2020

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Receipts				
Taxes	\$ 3,113,727	\$ 3,382,720	\$ 3,395,942	\$ 13,222
Intergovernmental				
State	1,431,787	2,252,787	2,261,147	8,360
Local grants	595,500	545,500	466,636	(78,864)
Special assessments	3,600	3,600	3,586	(14)
Charges for services				
Home health services	450,000	450,000	423,980	(26,020)
Immunizations	550,000	300,000	296,540	(3,460)
Inspection fees	203,700	173,700	180,459	6,759
Contractual services	786,500	636,500	652,742	16,242
Licenses	137,950	137,950	125,484	(12,466)
Miscellaneous				
Other receipts	51,700	51,700	29,546	(22,154)
Other fees	630,000	600,000	590,155	(9,845)
Refunds	450,606	450,613	394,417	(56,196)
Total receipts	<u>8,405,070</u>	<u>8,985,070</u>	<u>8,820,634</u>	<u>(164,436)</u>
Disbursements				
Salaries and benefits	6,436,360	6,027,360	5,686,654	340,706
Travel	64,500	57,285	29,196	28,089
Office supplies	194,449	203,010	153,673	49,337
Medical supplies	412,673	348,745	303,552	45,193
Equipment	57,064	102,564	101,708	856
Contracts - repair/service	631,547	549,360	588,579	(39,219)
Distribution to state	407,260	342,100	413,045	(70,945)
Other expenditures	396,209	2,472,085	2,413,432	58,653
Total disbursements	<u>8,600,062</u>	<u>10,102,509</u>	<u>9,689,839</u>	<u>412,670</u>
Excess receipts over/(under) disbursements	<u>(194,992)</u>	<u>(1,117,439)</u>	<u>(869,205)</u>	<u>248,234</u>
Other financing sources (uses)				
Advances in	670,000	771,000	311,000	(460,000)
Advances out	(670,000)	(984,000)	(556,000)	428,000
Total other financing sources (uses)	<u>-</u>	<u>(213,000)</u>	<u>(245,000)</u>	<u>(32,000)</u>
Net change in fund balances	(194,992)	(1,330,439)	(1,114,205)	216,234
Prior year encumbrances	337,301	337,301	337,301	-
Cash balance, beginning	3,632,423	3,632,423	3,632,423	-
Cash balance, ending	<u>\$ 3,774,732</u>	<u>\$ 2,639,285</u>	<u>\$ 2,855,519</u>	<u>\$ 216,234</u>

The notes to the financial statements are an integral part of this statement.

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, 2020

	WIC FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Receipts				
Intergovernmental				
Federal	\$ 1,107,400	\$ 1,107,400	\$ 1,130,330	\$ 22,930
Miscellaneous				
Other receipts	-	-	1,065	1,065
Refunds	-	-	312	312
Total receipts	<u>1,107,400</u>	<u>1,107,400</u>	<u>1,131,707</u>	<u>24,307</u>
Disbursements				
Salaries and benefits	1,091,610	1,104,075	1,087,607	16,468
Travel	3,150	1,113	360	753
Office supplies	3,500	3,417	2,916	501
Medical supplies	2,500	895	595	300
Equipment	760	3,384	3,384	-
Contracts - repair/service	1,750	577	538	39
Other expenditures	19,130	27,561	24,160	3,401
Total disbursements	<u>1,122,400</u>	<u>1,141,022</u>	<u>1,119,560</u>	<u>21,462</u>
Excess receipts over/(under) disbursements	<u>(15,000)</u>	<u>(33,622)</u>	<u>12,147</u>	<u>45,769</u>
Other financing sources (uses)				
Transfers out	(15,000)	(15,000)	-	15,000
Advances in	265,000	265,000	-	265,000
Advances out	(250,000)	(250,000)	-	250,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,000</u>
Net change in fund balances	(15,000)	(33,622)	12,147	575,769
Prior year encumbrances	3,485	3,485	3,485	-
Cash balance, beginning	<u>290,482</u>	<u>290,482</u>	<u>290,482</u>	<u>-</u>
Cash balance, ending	<u>\$ 278,967</u>	<u>\$ 260,345</u>	<u>\$ 306,114</u>	<u>\$ 575,769</u>

The notes to the financial statements are an integral part of this statement.

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) – COVID-19 FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	COVID-19 FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Receipts				
Intergovernmental				
Federal	\$ 370,000	\$ 1,670,000	\$ 1,642,718	\$ (27,282)
Total receipts	<u>370,000</u>	<u>1,670,000</u>	<u>1,642,718</u>	<u>(27,282)</u>
Disbursements				
Salaries and benefits	334,500	1,776,098	1,684,509	91,589
Travel	2,000	5,540	5,538	2
Office supplies	10,000	58,139	54,372	3,767
Equipment	-	21,682	21,258	424
Other expenditures	23,500	68,541	67,543	998
Total disbursements	<u>370,000</u>	<u>1,930,000</u>	<u>1,833,220</u>	<u>96,780</u>
Excess receipts over/(under) disbursements	<u>-</u>	<u>(260,000)</u>	<u>(190,502)</u>	<u>69,498</u>
Other financing sources (uses)				
Advances in	40,000	250,000	250,000	-
Advances out	(40,000)	(50,000)	-	50,000
Total other financing sources (uses)	<u>-</u>	<u>200,000</u>	<u>250,000</u>	<u>50,000</u>
Net change in fund balances	-	(60,000)	59,498	119,498
Prior year encumbrances	-	-	-	-
Cash balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance, ending	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ 59,498</u>	<u>\$ 119,498</u>

The notes to the financial statements are an integral part of this statement.

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 STATEMENT OF FUND NET POSITION –
 CASH BASIS - INTERNAL SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Internal Service Fund
Assets	
Equity in pooled cash	\$ 379,727
Total assets	379,727
Net position	
Unrestricted	379,727
Total fund balances	\$ 379,727

The notes to the financial statements are an integral part of this statement.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND NET POSITION - CASH BASIS – INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

Operating receipts	
Charges for services	\$ 1,777,037
Total operating receipts	<u>1,777,037</u>
Operating disbursements	
Claims	1,206,552
Purchased services	310,663
Other	<u>87,375</u>
Total operating disbursements	<u>1,604,590</u>
Operating income	<u>172,447</u>
Change in net position	172,447
Net position beginning of year	<u>207,280</u>
Net position end of year	<u><u>\$ 379,727</u></u>

The notes to the financial statements are an integral part of this statement.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH

STATEMENT OF CASH FLOWS -
CASH BASIS – INTERNAL SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

Cash flows from operating activities	
Cash received from transactions with other funds	\$ 1,777,037
Cash payments for claims	(1,206,552)
Cash payments for purchased services	(310,663)
Cash payments - other	(87,375)
Net cash provided by operating activities	<u>172,447</u>
Net increase in cash and cash equivalents	172,447
Cash and cash equivalents beginning of year	<u>207,280</u>
Cash and cash equivalents end of year	<u>\$ 379,727</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	<u>\$ 172,447</u>
Net cash provided by operating activities	<u>\$ 172,447</u>

The notes to the financial statements are an integral part of this statement.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 - Cash Basis and a Statement of Activities – Cash Basis, 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, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. The statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

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, 2020

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.

Covid-19 Fund – this fund accounts for costs that are necessary disbursements incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

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, 2020

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 – Cash Basis reports \$ 1,268,241 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, 2020

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, 2020

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	Covid-19 Fund
Budget basis	\$ (1,114,205)	\$ 12,147	\$ 59,498
Adjustment for encumbrances	261,215	-	52,276
Funds budgeted elsewhere	(19,640)	-	-
Funds presented elsewhere	-	19,640	-
Cash basis, as reported	\$ (872,630)	\$ 31,787	\$ 111,774

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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	Covid-19 Fund	Nonmajor Governmental Funds	Total
Restricted for:					
WIC Retirement	\$ 22,055	\$ -	\$ -	\$ -	\$ 22,055
WIC	-	284,059	-	-	284,059
Covid-19	-	-	111,774	-	111,774
Food Service	-	-	-	193,149	193,149
Solid Waste Management	-	-	-	20,933	20,933
Car Seat Program	-	-	-	16,183	16,183
Construction Demolition and Debris	-	-	-	196,553	196,553
Smoke Free Ohio	-	-	-	51,131	51,131
Family Planning Services	-	-	-	84,006	84,006
Public Health Emergency Preparedness	-	-	-	45,111	45,111
Miscellaneous Federal Grants	-	-	-	760	760
Maternal and Child Health Grants	-	-	-	51,087	51,087
Ohio Infant Mortality Reduction Initiative	-	-	-	32,225	32,225
State and Community Highway Safety	-	-	-	28,918	28,918
Creating Healthy Communities	-	-	-	42,664	42,664
Beach Monitoring	-	-	-	1,126	1,126
Opiate Prevention	-	-	-	69,078	69,078
Active Transportation	-	-	-	17,429	17,429
Total restricted	<u>22,055</u>	<u>284,059</u>	<u>111,774</u>	<u>850,353</u>	<u>1,268,241</u>
Committed for:					
Sewer replacement	25,269	-	-	-	25,269
Total committed	<u>25,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,269</u>
Assigned for:					
Encumbrances	261,215	-	-	-	261,215
Subsequent year's appropriations	1,820,487	-	-	-	1,820,487
Total assigned	<u>2,081,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,081,702</u>
Unassigned	1,009,763	-	-	-	1,009,763
Total fund balances	<u>\$ 3,138,789</u>	<u>\$ 284,059</u>	<u>\$ 111,774</u>	<u>\$ 850,353</u>	<u>\$ 4,384,975</u>

LORAIN COUNTY GENERAL HEALTH DISTRICT
 dba LORAIN COUNTY PUBLIC HEALTH
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020 was \$ 4,764,702.

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, 2020, was \$.50 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2020 property tax receipts were based are as follows:

Real property	\$ 6,986,913,570
Public utility property	498,011,360
	\$ 7,484,924,930

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

A. PROPERTY AND LIABILITY

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.

B. EMPLOYEE MEDICAL BENEFITS

The District provides dental and vision insurance through commercial insurance coverage.

The District provides employee health and prescription benefits through a self-insurance program administered by Medical Mutual. The District limits its liability for medical claims by maintaining a specific/family stop-loss and aggregate stop loss thresholds of \$ 50,000 and \$ 1,000,000, respectively.

The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Plan Description – Health 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. 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 in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information, including requirements for reduced and unreduced benefits):

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
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
<u>Public Safety</u>	<u>Public Safety</u>	<u>Public Safety</u>
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
<u>Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement</u>
Age and service requirements: 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 48 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>
Formula: 2.2% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.2% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.2% 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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for 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. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that 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, 2020

NOTE 8 – DEFINED BENEFIT PENSION PLAN (continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local	Public Safety	Law Enforcement
2020 Statutory maximum contribution rates			
Employer	14.0%	18.1%	18.1%
Employee ***	10.0%	*	**
2020 Actual contribution rates			
Employer			
Pension	14.0%	18.1%	18.1%
Post-employment health care benefits ****	0.0%	0.0%	0.0%
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.

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**** This employer health rate care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District’s contractually required contribution was \$ 849,980 for year 2020

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 9 - POSTEMPLOYMENT BENEFITS

Plan Description – The 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment 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. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of 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 with a minimum age of 60, or generally 30 years of qualifying service at any age. 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 75. See OPERS ACFR referenced below for additional information.

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. When funding is approved by the OPERS Board of Trustees, 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 2020, 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. For 2020 OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For the year ended December 31, 2020, OPERS did not allocate any employer contributions to post-employment health care.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 – CHANGE IN ACCOUNTING PRINCIPLE

For 2020, The District implemented Governmental Accounting Standards Board (GASB Statement 95 – “Postponement of the Effective Dates of Certain Authoritative Guidance.” The following GASB implementations have been postponed:

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2021.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, issued in June 2018, establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period by simplifying accounting for interest cost incurred before the end of a construction period. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2020.

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 the District. The impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the District received CARES Act funding of \$ 1,642,718. These amounts are reflected as receipts and expenditures in the COVID-19 Special Revenue Fund on the accompanying financial statements.

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, 2020

	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	\$ -	\$ -	\$ -	\$ -	\$ 15,142	\$ 473,091	\$ 255,826
State	-	229,999	-	-	106,708	-	-
Charges for services							
Licenses	704,366	-	-	-	-	-	-
Miscellaneous							
Other receipts	1,275	-	14,101	100,152	-	-	-
Refunds	-	-	-	-	7,572	-	-
Total receipts	705,641	229,999	14,101	100,152	129,422	473,091	255,826
Disbursements							
Salaries and benefits	703,147	160,474	-	38,600	80,842	1,101	235,055
Travel	10,404	-	-	-	-	-	1,699
Office supplies	5,040	318	-	-	47	-	314
Medical supplies	-	-	-	-	-	-	-
Equipment	-	2,587	-	-	-	-	-
Contracts - repair/service	-	-	-	-	-	471,890	55
Distribution to state	36,342	57,500	-	71,914	-	-	-
Other expenditures	6,468	2,476	-	-	7,393	-	7,227
Total disbursements	761,401	223,355	-	110,514	88,282	472,991	244,350
Excess receipts over/ (under) disbursements	(55,760)	6,644	14,101	(10,362)	41,140	100	11,476
Other financing sources (uses)							
Advances in	-	6,000	-	-	-	85,000	80,000
Advances out	-	(6,000)	-	-	-	(60,000)	(110,000)
Total other financing sources (uses)	-	-	-	-	-	25,000	(30,000)
Excess of receipts and other financing sources over/(under) disbursements and other financing uses	(55,760)	6,644	14,101	(10,362)	41,140	25,100	(18,524)
Cash balance, beginning	248,909	14,289	2,082	206,915	9,991	58,906	63,635
Cash balance, ending	\$ 193,149	\$ 20,933	\$ 16,183	\$ 196,553	\$ 51,131	\$ 84,006	\$ 45,111

Miscellaneous Federal Grants	Maternal and Child Health Grants	Ohio Infant Mortality Reduction Initiative	State and Community Highway Safety	Creating Healthy Communities	Preventative Health	Beach Monitoring	Opiate Prevention	Active Transportation	Total
\$ -	\$ 64,400	\$ 144,814	\$ 67,512	\$ 112,383	\$ -	\$ 22,900	\$ 245,000	\$ 36,456	\$ 1,437,524
-	-	-	-	-	-	-	40,000	-	376,707
-	-	-	-	-	-	-	-	-	704,366
-	-	-	-	-	-	-	-	-	115,528
-	-	-	-	-	-	-	-	-	7,572
-	64,400	144,814	67,512	112,383	-	22,900	285,000	36,456	2,641,697
-	69,867	10,344	57,316	90,410	229	17,858	226,842	17,021	1,709,106
-	-	-	5	440	-	-	-	64	12,612
-	193	-	162	1,083	28	61	-	-	7,246
-	-	-	-	-	-	4,680	-	-	4,680
-	-	-	-	-	-	-	-	-	2,587
-	319	122,781	-	1,714	2,032	-	-	10,000	608,791
-	-	-	-	-	-	-	-	-	165,756
-	1,142	-	2,821	3,892	-	-	12,370	-	43,789
-	71,521	133,125	60,304	97,539	2,289	22,599	239,212	27,085	2,554,567
-	(7,121)	11,689	7,208	14,844	(2,289)	301	45,788	9,371	87,130
-	-	-	-	40,000	-	20,000	55,000	20,000	306,000
-	-	-	-	(40,000)	-	(20,000)	(55,000)	(20,000)	(311,000)
-	-	-	-	-	-	-	-	-	(5,000)
-	(7,121)	11,689	7,208	14,844	(2,289)	301	45,788	9,371	82,130
760	58,208	20,536	21,710	27,820	2,289	825	23,290	8,058	768,223
\$ 760	\$ 51,087	\$ 32,225	\$ 28,918	\$ 42,664	\$ -	\$ 1,126	\$ 69,078	\$ 17,429	\$ 850,353

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
LORAIN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor / Pass Through/ Grantor Program Title	Federal AL Number	Pass Through Entity Number	Total Federal Expenditures
<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	04710011WA1320 04710011WA1421	\$ 1,099,920
Total U.S. Department of Agriculture			<u>1,099,920</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through the Ohio Department of Health			
Public Health Emergency Response COVID-19 Coronavirus Response	93.354	04710012CO0120	376,396
COVID-Coronavirus Relief Fund			
COVID-19 Contact Tracing Grant	21.019	04710012CT0120	849,674
COVID-19 Coronavirus Response Supplemental	21.019	04710012CO0121	489,293
Total COVID-19 Coronavirus Relief Fund			<u>1,338,967</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			
COVID-19 Contact Tracing Grant	93.323	04710012CT0121	65,580
Public Health Emergency Preparedness	93.069	04710012PH1120/PH1221	244,350
Maternal and Child Health Services Block Grant to the States and Family Planning Services			
Reproductive Health and Wellness	93.994	04710011RH0420	69,165
Reproductive Health and Wellness	93.217	04710011RH0420/ RH0521	381,069
Total Maternal and Child Health Services Block Grant to the States and Family Planning Services			<u>450,234</u>
State Public Health Actions	93.757	04710014PO0418	2,289
Preventive Health and Health Services Block Grant	93.991	04710014CC1120	97,539
Maternal and Child Health Services Block Grant to the States			
Maternal and Child Health	93.994	04710011MP0420/MP0521/OH0121	65,200
Moms & Babies First: Black Infant Mortality	93.994	04710011MB0220/MB0321	133,125
Total Maternal and Child Health Services Block Grant to the States			<u>198,325</u>
Medical Assistance Program			
Integrated Naloxone	93.778	04710014IN0221	37,212
Injury Prevention and Control Research and State and Community Based Programs			
Drug Overdose Prevention	93.136	04710014DR0120	162,000
Total U.S. Department of Health and Human Services			<u>2,972,892</u>
<u>U.S. Department of Transportation</u>			
Passed through the Office of the Governor's			
Highway Safety Representative			
Highway Planning and Construction	20.205	N/A	27,085
State and Community Highway Safety	20.600	SC-2020-Lorain County General Hea-00009 & SC-2021-Lorain County General Hea-00021	60,304
Total U.S. Department of Transportation			<u>87,389</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through the Ohio Environmental Protection Agency			
Beach Monitoring and Notification Program Implementation Grants			
Beach Monitoring	66.472	CU-00E52610-0	22,599
Total U.S. Environmental Protection Agency			<u>22,599</u>
Total Expenditures of Federal Awards			<u>\$ 4,182,800</u>

The accompanying notes are an integral part of this schedule.

LORAIN COUNTY GENERAL HEALTH DISTRICT
dba LORAIN COUNTY PUBLIC HEALTH
LORAIN COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)

FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Lorain County General Health District, dba Lorain County Public Health (the District) under programs of the federal government for the year ended December 31, 2020. 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 District, it is not intended to and does not present the financial position, changes in net position, or cash flows 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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 4325
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(800) 282-0370

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

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

To the District Members:

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, 2020, 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 7, 2022, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District'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 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.

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 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 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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

April 7, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the District Members:

Report on Compliance for Each Major Federal Program

We have audited Lorain County General Health District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Lorain County General Health District's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Programs

In our opinion, Lorain County General Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2020.

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 District'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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

April 7, 2022

**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Supplemental Food Program for Women, Infants and Children (WIC) – AL #10.557 Covid-Corona Virus Relief Fund: Covid-19 Contact Tracing Grant, CFDA #21.019 Covid-19 Coronavirus Response Supplemental, CFDA #21.019
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	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.

OHIO AUDITOR OF STATE KEITH FABER



LORAIN COUNTY GENERAL HEALTH DISTRICT

LORAIN 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 4/19/2022

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