

***LUCAS COUNTY REGIONAL HEALTH DISTRICT***

**LUCAS COUNTY, OHIO**

**SINGLE AUDIT**

**For the Year Ended December 31, 2021**







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Board of Health  
Lucas County Regional Health District  
635 North Erie Street  
Toledo, Ohio 43604

We have reviewed the *Independent Auditor's Report* of the Lucas County Regional Health District, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2021. 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 Lucas County Regional Health District is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

September 15, 2022

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**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

DECEMBER 31, 2021

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LUCAS COUNTY, OHIO**

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**INDEPENDENT AUDITOR'S REPORT**

Lucas County Regional Health District  
Lucas County  
635 North Erie Street  
Toledo, Ohio 43604

To the Members of the Board:

***Report on the Audit of the Financial Statements***

***Opinion***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lucas County Regional Health District, Lucas County, Ohio (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lucas County Regional Health District, Lucas County, Ohio as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparisons for the General, Women, Infants and Children, Public Health Emergency Preparedness, HIV and STD Prevention Program, Healthy Start, and Environmental Fees funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Emphasis of Matter***

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and other post-employment benefit liabilities/assets and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Federal Awards Receipts and Expenditures (Schedule) 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* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Charles E. Harris & Associates, Inc.**  
July 29, 2022

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

The management's discussion and analysis of the Lucas County Regional Health District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended December 31, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- For 2021, the total net position of the District increased \$8,346,931 which represents a 69.68% increase from December 31, 2020's net position.
- General revenues accounted for \$3,494,180 in revenue or 19.86% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$14,096,199 or 80.14% of total governmental activities revenues of \$17,590,379.
- The District had \$9,243,448 in expenses related to governmental activities; all of these expenses were offset by program specific charges for services, grants or contributions.
- The District's major funds are the General Fund, the Women, Infants, and Children (WIC) Fund, the Public Health Emergency Preparedness Fund, the HIV and STD Prevention Program Fund, the Healthy Start Fund, and the Environmental Fees Fund. The General Fund had \$5,403,692 in revenues and other financing sources and \$4,492,329 in expenditures and other financing uses. During 2021, the General Fund's fund balance increased \$911,363 from a fund balance of \$2,748,323 to \$3,659,686.
- The WIC Fund, a District major fund, had \$2,117,267 in revenues and \$2,152,870 in expenditures. During 2021, the WIC Fund's fund balance decreased \$35,603 from a deficit balance of \$129,567 to a deficit balance of \$165,170. WIC is the District's largest federal grant program, reimbursed for allowable expenditures after they are incurred.
- The Public Health Emergency Preparedness Fund, a District major fund, had \$4,067,261 in revenues and \$4,532,738 in expenditures. During 2021, the Public Health Emergency Preparedness Fund's fund balance decreased \$465,477 from a balance of \$385,789 to a deficit balance of \$79,688.
- The HIV and STD Prevention Program Fund, a District major fund, had \$267,729 in revenues and \$377,646 in expenditures. During 2021, the HIV and STD Prevention Program Fund's fund balance decreased \$109,917 from a deficit balance of \$8,338 to a deficit balance of \$118,255.
- The Healthy Start Fund, a District major fund, had \$774,729 in revenues and \$690,368 in expenditures. During 2021, the Healthy Start Fund's fund balance increased \$84,361 from a deficit balance of \$205,248 to a deficit balance of \$120,887.
- The Environmental Fees Fund, a District major fund, had \$2,482,911 in revenues and other financing sources and \$1,919,523 in expenditures. During 2021, the Environmental Fees Fund's fund balance increased \$563,388 from a balance of \$872,644 to a balance of \$1,436,032.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the District as a whole, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column.

**Reporting the District as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, nonfinancial information such as the reliance on certain resources for the operations and the need for continued growth will also need to be evaluated.

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including WIC, public health emergency preparedness, environmental fees, and general administration. These services are funded primarily by intergovernmental revenues including federal and state grants and other shared revenues.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The District does not have any proprietary funds.

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the District's most significant funds.

*Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains a multitude of individual governmental funds. The District has segregated these funds into major funds and nonmajor funds. The District's major governmental funds are the General Fund, the WIC Fund, the Public Health Emergency Preparedness Fund, the HIV and STD Prevention Program Fund, the Healthy Start Fund, and the Environmental Fees Fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The fiduciary funds are reported using the accrual basis of accounting. Custodial funds are the District's only fiduciary fund type.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Required Supplementary Information (RSI)***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability/asset and net OPEB asset and the District's contributions related to pension and OPEB.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at December 31, 2021 compared to 2020.

	<b>Net Position</b>	
	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 8,245,737	\$ 6,210,451
Capital assets, net	<u>102,195</u>	<u>76,681</u>
Total assets	<u>8,347,932</u>	<u>6,287,132</u>
<b><u>Deferred outflows of resources</u></b>	<u>1,595,672</u>	<u>2,269,855</u>
<b><u>Liabilities</u></b>		
Current liabilities	1,074,240	1,629,788
Long-term liabilities:		
Due within one year	621,241	612,872
Due in more than one year	<u>6,493,089</u>	<u>13,787,845</u>
Total liabilities	<u>8,188,570</u>	<u>16,030,505</u>
<b><u>Deferred inflows of resources</u></b>	<u>5,386,494</u>	<u>4,504,873</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	50,484	66,632
Restricted	655,083	265,802
Unrestricted (deficit)	<u>(4,337,027)</u>	<u>(12,310,825)</u>
Total net position (deficit)	<u>\$ (3,631,460)</u>	<u>\$ (11,978,391)</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, and the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB, the net pension asset, and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB asset to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2021, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$3,631,460.

At year-end, capital assets represented 1.22% of total assets. Capital assets include furniture, fixtures and equipment, and vehicles. Net investment in capital assets at December 31, 2021 was \$50,484 in the governmental activities. These capital assets are used to provide services to citizens and are not available for future spending. A portion of the District's net position, \$655,083, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$4,337,027.

Current and other assets increased 32.77% from the prior year due to an increase in accounts receivable and net OPEB asset associated with the District's governmental activities.

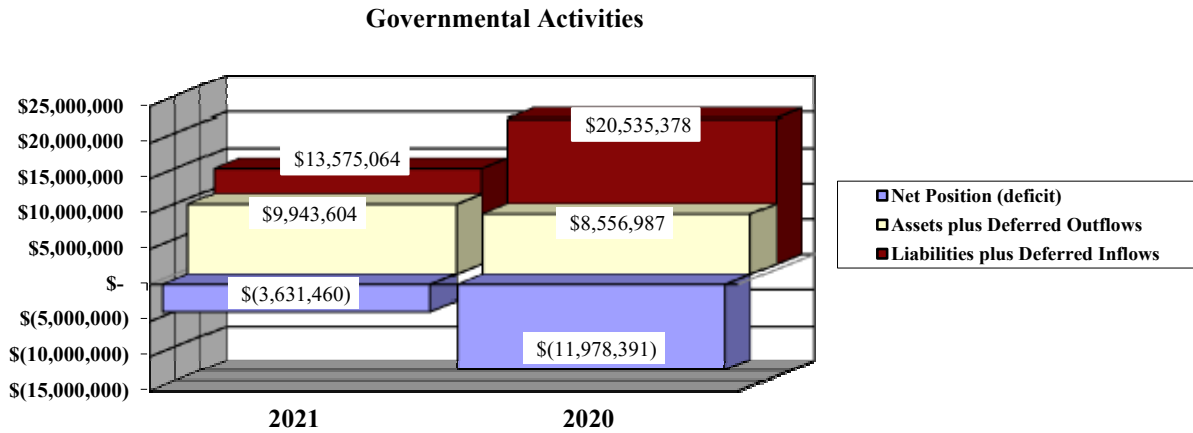
Current liabilities decreased \$555,548 from the prior year primarily due to a decrease in accounts payable offset with an increase in accrued wages and benefits payable.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

The District’s long-term liabilities decreased primarily due to a decrease in the net pension OPEB liability. The District is required to report its proportionate share of the Ohio Public Employers Retirement System (OPERS) net pension and OPEB liability and related deferred inflows and outflows of resources. In governmental activities, the District’s net pension liability decreased \$1,747,102 from the prior year amount and the net OPEB liability decreased \$5,638,441 from the prior year amount.

The graph below illustrates the District’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at December 31, 2021 and December 31, 2020 for governmental activities.



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**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

The table below shows the comparative analysis of changes in net position for 2021 compared to 2020.

<u>Revenues</u>	<b>Change in Net Position</b>	
	Governmental Activities	
	2021	2020
Program revenues:		
Charges for services and sales	\$ 3,227,697	\$ 2,735,712
Operating grants and contributions	10,868,502	8,634,883
General revenues:		
Grants and entitlements	3,326,248	3,326,248
Other	167,932	165,737
Total revenues	17,590,379	14,862,580
 <u>Expenses</u>		
Program expenses:		
Administration	1,021,562	1,865,370
Environmental public health	867,914	2,543,824
Community public health	4,333,633	5,131,225
Medical health services	3,017,869	2,741,452
Interest and fiscal charges	2,470	913
Total expenses	9,243,448	12,282,784
Increase (decrease) in net position before transfers	8,346,931	2,579,796
Transfers	-	449,654
Change in net position	8,346,931	3,029,450
Net position (deficit) at beginning of year	(11,978,391)	\$ (15,007,841)
Net position (deficit) at end of year	\$ (3,631,460)	\$ (11,978,391)

**Governmental Activities**

Governmental activities net position increased \$8,346,931 in 2021.

Expenses of the governmental activities decreased \$3,039,336 or 24.74%. This decrease is primarily the result of the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS). On an accrual basis, the District had OPEB expense of (\$4,998,615) in 2021 compared to \$59,193 in 2020. On January 15, 2020, OPERS approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the District at December 31, 2021. These changes along with changes in assumptions related to an increase in discount rate from 3.16% to 6.00% significantly decreased the total OPEB liability for the measurement date December 31, 2020.



**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Administration of the District accounted for \$1,021,562 of the total expenses. Administration costs relate to the general operation of the District. Overhead expenses of operating the District include salaries of the Health Commissioner, Medical Director, supervisory staff, accounting and grant department, providing information technology services, building maintenance, severance, and all related expenses for the Department of Vital Statistics. These expenses were partially funded by \$484,492 in operating grants and contributions and \$234,789 in direct charges for licenses and fees to users of the services.

Environmental services accounted for \$867,914 of the total expenses of the District. Environmental services relate to protecting and improving those environmental factors that can potentially affect health. Expenses include programs related to inspections of food service and food establishments, water quality, sewage treatment, campgrounds, swimming pools, daycares, tattoo parlors, and healthy homes and lead prevention. These expenses were funded by \$1,852,409 in direct charges for licenses and fees to users of the services and \$378,193 in operating grants and contributions.

Community health services accounted for \$4,333,633 of the total expenses of the District. Community health services relate to health promotions and disease prevention and public health emergency preparedness. Expenses include programs related to emergency preparedness, HIV/AIDS programs, STD treatment and prevention, pregnancy prevention, tobacco prevention, senior programs, creating healthy communities, and minority health. These expenses were funded by \$744,619 in direct charges to patients as users of the services and \$6,989,395 in operating grants and contributions.

Medical services accounted for \$3,017,869 of the total expenses of the District. Medical services relate to providing public health and direct patient care services to the community. Expenses were incurred for programs such as Family Practice and Dental programs. Expenses in the same category included refugee screenings, Women, Infants and Children (WIC), Reproductive Health and Wellness Services (RHW), Medicaid Administrative Claiming (MAC) and Electronic Health Records (EHR). These expenses were partially funded by \$3,016,422 in operating grants and contributions and \$395,880 in charges for services.

General revenues totaled \$3,494,180 and amounted to 19.86% of total governmental revenues. These revenues primarily consist of contractual allocations from participating local governments.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by general revenues.

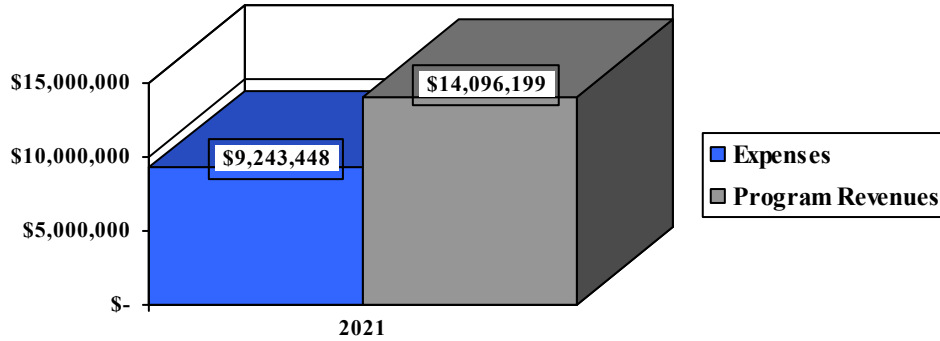
	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
Program Expenses:				
Administration	\$ 1,021,562	\$ 302,281	\$ 1,865,370	\$ 1,682,102
Environmental public health	867,914	(1,362,688)	2,543,824	646,638
Community public health	4,333,633	(3,400,381)	5,131,225	(750,550)
Medical health services	3,017,869	(394,433)	2,741,452	(666,914)
Interest and fiscal charges	<u>2,470</u>	<u>2,470</u>	<u>913</u>	<u>913</u>
<b>Total</b>	<u>\$ 9,243,448</u>	<u>\$ (4,852,751)</u>	<u>\$ 12,282,784</u>	<u>\$ 912,189</u>

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

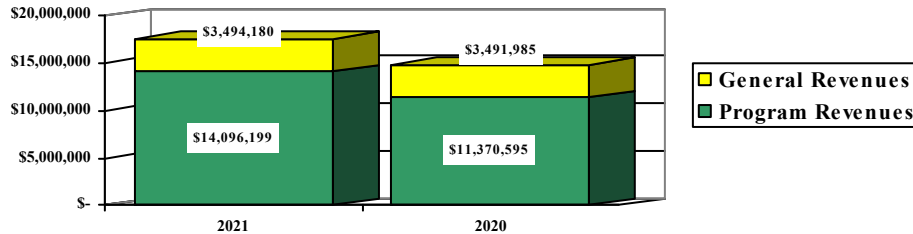
Program revenues supported 152.50% of total expenses. The graph below compares the District's governmental activities program revenues and total expenses for 2021.

**Governmental Activities – Program Revenues vs. Total Expenses**



The graph below compares the District's governmental activities general revenues and program revenues for fiscal years 2021 and 2020.

**Governmental Activities – General and Program Revenues**



**Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at year-end. The District's governmental funds (as presented on the balance sheet) reported a combined fund balance of \$5,500,447 which is \$1,107,184 more than last year's total of \$4,393,263. The schedule below indicates the fund balances as of December 31, 2021 and 2020 for all major and nonmajor governmental funds.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

	Fund Balances (Deficit) <u>12/31/21</u>	Fund Balances (Deficit) <u>12/31/20</u>	Increase (Decrease) <u></u>
Major Funds:			
General	\$ 3,659,686	\$ 2,748,323	\$ 911,363
Women, Infant, and Children (WIC)	(165,170)	(129,567)	(35,603)
Public Health Emergency Preparedness	(79,688)	385,789	(465,477)
HIV and STD Prevention Program	(118,255)	(8,338)	(109,917)
Healthy Start	(120,887)	(205,248)	84,361
Environmental Fees	1,436,032	872,644	563,388
Nonmajor Governmental	<u>888,729</u>	<u>729,660</u>	<u>159,069</u>
Total	<u>\$ 5,500,447</u>	<u>\$ 4,393,263</u>	<u>\$ 1,107,184</u>

**General Fund**

The District's General Fund balance increased \$911,363 from 2020's fund balance. The table that follows assists in illustrating the revenues of the General Fund.

	<u>2021 Amount</u>	<u>2020 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<b>Revenues</b>				
Charges for services	\$ 1,285,977	\$ 929,722	\$ 356,255	38.32 %
Intergovernmental	3,885,959	3,623,215	262,744	7.25 %
Grants non-governmental	1,624	23,233	(21,609)	(93.01) %
Other	<u>167,932</u>	<u>165,737</u>	<u>2,195</u>	1.32 %
Total	<u>\$ 5,341,492</u>	<u>\$ 4,741,907</u>	<u>\$ 599,585</u>	12.64 %

Overall, revenues increased 12.64% from the prior year. Charges for services revenue increased \$356,255 or 38.32% due to an increase in fees received. Intergovernmental revenue increased \$262,744 or 7.25% due to an increase in public health emergency preparedness services. Other revenues increased \$2,195 due to receiving various refunds that were not received in 2020.

The table that follows assists in illustrating the expenditures of the General Fund.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

	<u>2021</u> Amount	<u>2020</u> Amount	Increase/ (Decrease)	Percentage Change
<b><u>Expenditures</u></b>				
Current:				
Administration	\$ 1,856,557	\$ 1,710,827	\$ 145,730	8.52 %
Environmental public health	263,621	415,212	(151,591)	(36.51) %
Community public health	556,155	586,095	(29,940)	(5.11) %
Medical health services	1,365,538	1,136,542	228,996	20.15 %
Debt service:				
Principal retirement	20,538	23,447	(2,909)	(12.41) %
Interest and fiscal charges	<u>2,470</u>	<u>913</u>	<u>1,557</u>	170.54 %
Total	<u>\$ 4,064,879</u>	<u>\$ 3,873,036</u>	<u>\$ 191,843</u>	4.95 %

Overall, expenditures increased 4.95%. Environmental public health decreased \$151,591 or 36.51% from the prior year. Medical services expense increased \$228,996, or 20.15% as a result of the reclassification of the Federally Qualified Health Center departments to the general fund. All other expenditures remained consistent with prior year amounts.

***WIC Fund***

The WIC Fund, a District major fund, had \$2,117,267 in revenues and \$2,152,870 in expenditures. During 2021, the WIC Fund's fund balance decreased \$35,603 from a deficit balance of \$129,567 to a deficit balance of \$165,170.

***Public Health Emergency Preparedness Fund***

The Public Health Emergency Preparedness Fund, a District major fund, had \$4,067,261 in revenues and \$4,532,738 in expenditures. During 2021, the Public Health Emergency Preparedness Fund's fund balance decreased \$465,477 from a balance of \$385,789 to a deficit balance of \$79,688.

***HIV and STD Prevention Program Fund***

The HIV and STD Prevention Program Fund, a District major fund, had \$267,729 in revenues and \$377,646 in expenditures. During 2021, the HIV and STD Prevention Program Fund's fund balance decreased \$109,917 from a deficit balance of \$8,338 to a deficit balance of \$118,255.

***Healthy Start Fund***

The Healthy Start Fund, a District major fund, had \$774,729 in revenues and \$690,368 in expenditures. During 2021, the Healthy Start Fund's fund balance increased \$84,361 from a deficit balance of \$205,248 to a deficit balance of \$120,887.

***Environmental Fees Fund***

The Environmental Fees Fund, a District major fund, had \$2,482,911 in revenues and other financing sources and \$1,919,523 in expenditures. During 2021, the Environmental Fees Fund's fund balance increased \$563,388 from a balance of \$872,644 to a balance of \$1,436,032.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

***Budgeting Highlights***

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

During the course of 2021, the District amended its General Fund budget. For the General Fund, original budgeted revenues of \$4,825,526 were \$249,601 less than final budgeted revenues of \$5,075,127. Actual revenues for 2021 were \$5,009,006. This represents a \$66,121 decrease from final budgeted revenues.

General Fund original appropriations and other financing uses totaled \$5,288,688 and final appropriations and other financing uses totaled \$5,944,623. The actual budget basis expenditures and other financing uses for 2021 totaled \$4,415,270, which was \$1,529,353 less than the final budget appropriations and other financing uses.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2021, the District had \$102,195 (net of accumulated depreciation) invested in furniture, fixtures and equipment, and vehicles. The following table shows 2021 balances compared to 2020.

**Capital Assets at December 31  
(Net of Depreciation)**

	Governmental Activities	
	2021	2020
Furniture, fixtures and equipment	\$ 98,417	\$ 65,349
Vehicles	3,778	11,332
Total	\$ 102,195	\$ 76,681

The increase in capital assets is the result of the District entering into a copier lease in the amount of \$62,200, disposing of the prior copier lease in the amount of \$11,038 (net of accumulated depreciation), and depreciation expense of \$25,648 government-wide.

See Note 6 to the basic financial statements for additional information on the District's capital assets.

***Debt Administration***

The District had \$51,711 for a copier capital lease obligation at December 31, 2021 in governmental activities.

See Note 7 to the basic financial statements for additional information on the District's long-term obligations.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

**Current Financial Related Activities**

The Regional Health District opened a Reproductive Health and Wellness Clinic at the downtown location in April 2020. The Reproductive Health and Wellness Clinic staffs a nurse practitioner, a registered nurse, and a clerk. The clinic offers services such as birth control, physical exams, pregnancy counseling, testing & counseling for the human immunodeficiency virus, testing & counseling for sexually transmitted infection, testicular exams for men, erectile dysfunction counseling, and basic cancer screenings, along with referral services to specialty areas including mental health services. Additionally, the clinic offers evening hours one day per week, and one Saturday morning per month in effort to reach those patients who require alternate appointment times.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, donors, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Eric Zgodzinski, Health Commissioner, 635 N. Erie St., Toledo, Ohio 43604, or by calling the District at (419) 213-4100.

BASIC  
FINANCIAL STATEMENTS

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents with fiscal agent.....	\$ 5,411,570
Receivables:	
Accounts.....	743,902
Due from other governments.....	945,044
Materials and supplies inventory.....	112,459
Prepayments.....	46,061
Net pension asset .....	251,390
Net OPEB asset .....	735,311
Capital assets:	
Depreciable capital assets, net.....	102,195
Total assets .....	8,347,932
<b>Deferred outflows of resources:</b>	
Pension .....	1,184,067
OPEB .....	411,605
Total deferred outflows of resources.....	1,595,672
<b>Liabilities:</b>	
Accounts payable .....	574,799
Accrued wages and benefits payable.....	392,223
Due to other governments.....	107,218
Long-term liabilities:	
Due within one year.....	621,241
Due in more than one year	
Net pension liability .....	5,933,643
Other amounts due in more than one year.....	559,446
Total liabilities.....	8,188,570
<b>Deferred inflows of resources:</b>	
Pension .....	2,923,777
OPEB .....	2,462,717
Total deferred inflows of resources.....	5,386,494
<b>Net position:</b>	
Net investment in capital assets.....	50,484
Restricted for:	
Other purposes.....	655,083
Unrestricted (deficit).....	(4,337,027)
Total net position (deficit).....	\$ (3,631,460)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS





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**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	<b>General</b>	<b>Women, Infants, and Children (WIC)</b>	<b>Public Health Emergency Preparedness</b>	<b>HIV and STD Prevention Program</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents with fiscal agent.....	\$ 2,907,524	\$ -	\$ -	\$ -
Receivables:				
Accounts.....	216,397	-	-	-
Interfund loans.....	518,087	-	-	-
Due from other governments.....	152,175	253,700	243,192	113,378
Materials and supplies inventory.....	112,459	-	-	-
Prepayments.....	19,650	-	5,118	-
Total assets.....	<u>\$ 3,926,292</u>	<u>\$ 253,700</u>	<u>\$ 248,310</u>	<u>\$ 113,378</u>
<b>Liabilities:</b>				
Accounts payable.....	\$ 60,499	\$ 110,345	\$ 44,777	\$ 73,825
Accrued wages and benefits payable.....	163,816	45,363	17,300	13,145
Compensated absences payable.....	1,539	-	-	-
Due to other governments.....	40,752	10,884	8,527	3,318
Interfund loans payable.....	-	252,278	151,149	28,700
Total liabilities.....	<u>266,606</u>	<u>418,870</u>	<u>221,753</u>	<u>118,988</u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available.....	-	-	106,245	112,645
Total deferred inflows of resources.....	<u>-</u>	<u>-</u>	<u>106,245</u>	<u>112,645</u>
<b>Fund balances:</b>				
Nonspendable.....	132,109	-	5,118	-
Restricted .....	94,853	-	-	-
Committed.....	6,659	-	-	-
Assigned.....	26,528	-	-	-
Unassigned (deficit).....	<u>3,399,537</u>	<u>(165,170)</u>	<u>(84,806)</u>	<u>(118,255)</u>
Total fund balances (deficit).....	<u>3,659,686</u>	<u>(165,170)</u>	<u>(79,688)</u>	<u>(118,255)</u>
Total liabilities, deferred inflows of resources and fund balances.....	<u>\$ 3,926,292</u>	<u>\$ 253,700</u>	<u>\$ 248,310</u>	<u>\$ 113,378</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Healthy Start</b>	<b>Environmental Fees</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 1,536,287	\$ 967,759	\$ 5,411,570
388,652	36,705	102,148	743,902
-	-	-	518,087
-	-	182,599	945,044
-	-	-	112,459
7,561	4,544	9,188	46,061
<u>\$ 396,213</u>	<u>\$ 1,577,536</u>	<u>\$ 1,261,694</u>	<u>\$ 7,777,123</u>
\$ 100,387	\$ 24,367	\$ 160,599	\$ 574,799
16,432	86,225	49,942	392,223
-	4,873	-	6,412
2,877	26,039	14,821	107,218
8,752	-	77,208	518,087
<u>128,448</u>	<u>141,504</u>	<u>302,570</u>	<u>1,598,739</u>
388,652	-	70,395	677,937
<u>388,652</u>	<u>-</u>	<u>70,395</u>	<u>677,937</u>
7,561	4,544	9,188	158,520
-	1,431,488	879,541	2,405,882
-	-	-	6,659
-	-	-	26,528
<u>(128,448)</u>	<u>-</u>	<u>-</u>	<u>2,902,858</u>
<u>(120,887)</u>	<u>1,436,032</u>	<u>888,729</u>	<u>5,500,447</u>
<u>\$ 396,213</u>	<u>\$ 1,577,536</u>	<u>\$ 1,261,694</u>	<u>\$ 7,777,123</u>

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2021

<b>Total governmental fund balances .....</b>		<b>\$ 5,500,447</b>
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.....		102,195
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds. Intergovernmental receivable.....		677,937
The net pension asset/liability is not due and receivable/payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred outflows of resources.....	\$ 1,184,067	
Deferred inflows of resources.....	(2,923,777)	
Net pension asset.....	251,390	
Net pension liability.....	(5,933,643)	
Total	(7,421,963)	(7,421,963)
The net OPEB asset is not available and receivable in the current period; therefore, the asset and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources.....	411,605	
Deferred inflows of resources.....	(2,462,717)	
Net OPEB asset.....	735,311	
Total	(1,315,801)	(1,315,801)
Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences .....	(1,122,564)	
Capital lease payable.....	(51,711)	
Total	(1,174,275)	(1,174,275)
<b>Net position (deficit) of governmental activities .....</b>		<b>\$ (3,631,460)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General</u>	<u>Women, Infants, and Children (WIC)</u>	<u>Public Health Emergency Preparedness</u>	<u>HIV and STD Prevention Program</u>
<b>Revenues:</b>				
Charges for services.....	\$ 1,285,977	\$ -	\$ -	\$ -
Licenses and permits.....	-	-	-	-
Intergovernmental.....	3,885,959	2,117,267	4,065,486	267,729
Contributions and donations.....	-	-	1,500	-
Grants non-governmental .....	1,624	-	-	-
Other.....	167,932	-	275	-
Total revenues.....	<u>5,341,492</u>	<u>2,117,267</u>	<u>4,067,261</u>	<u>267,729</u>
<b>Expenditures:</b>				
Current:				
Administration.....	1,856,557	-	-	-
Environmental public health.....	263,621	-	-	-
Community public health.....	556,155	-	4,532,738	377,646
Medical health services.....	1,365,538	2,152,870	-	-
Debt service:				
Principal retirement.....	20,538	-	-	-
Interest and fiscal charges.....	2,470	-	-	-
Total expenditures.....	<u>4,064,879</u>	<u>2,152,870</u>	<u>4,532,738</u>	<u>377,646</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>1,276,613</u>	<u>(35,603)</u>	<u>(465,477)</u>	<u>(109,917)</u>
<b>Other financing sources (uses):</b>				
Capital lease transaction.....	62,200	-	-	-
Transfers in.....	-	-	-	-
Transfers (out).....	(427,450)	-	-	-
Total other financing sources (uses).....	<u>(365,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.....	911,363	(35,603)	(465,477)	(109,917)
<b>Fund balances (deficit) at beginning of year .....</b>	2,748,323	(129,567)	385,789	(8,338)
<b>Fund balances (deficit) at end of year.....</b>	<u>\$ 3,659,686</u>	<u>\$ (165,170)</u>	<u>\$ (79,688)</u>	<u>\$ (118,255)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Healthy Start</b>	<b>Environmental Fees</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 273,900	\$ 89,581	\$ 1,649,458
-	1,581,371	-	1,581,371
774,729	135,468	2,058,003	13,304,641
-	-	920	2,420
-	-	35,510	37,134
-	64,722	118,405	351,334
<u>774,729</u>	<u>2,055,461</u>	<u>2,302,419</u>	<u>16,926,358</u>
-	-	-	1,856,557
-	1,919,523	158,475	2,341,619
690,368	-	1,099,722	7,256,629
-	-	885,153	4,403,561
-	-	-	20,538
-	-	-	2,470
<u>690,368</u>	<u>1,919,523</u>	<u>2,143,350</u>	<u>15,881,374</u>
<u>84,361</u>	<u>135,938</u>	<u>159,069</u>	<u>1,044,984</u>
-	-	-	62,200
-	427,450	-	427,450
-	-	-	(427,450)
<u>-</u>	<u>427,450</u>	<u>-</u>	<u>62,200</u>
84,361	563,388	159,069	1,107,184
(205,248)	872,644	729,660	4,393,263
<u>\$ (120,887)</u>	<u>\$ 1,436,032</u>	<u>\$ 888,729</u>	<u>\$ 5,500,447</u>



**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

<b>Net change in fund balances - total governmental funds.....</b>	<b>\$</b>	<b>1,107,184</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital asset additions.....	\$ 62,200	
Current year depreciation.....	<u>(25,648)</u>	
Total		36,552
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(11,038)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental revenues.....	672,201	
Other.....	<u>(8,180)</u>	
Total		664,021
The inception of capital leases are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
		(62,200)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.....		
		20,538
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension.....	977,876	
OPEB.....	<u>12,214</u>	
Total		990,090
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB asset are reported as pension/OPEB expense in the statement of activities.		
Pension.....	654,251	
OPEB.....	<u>4,998,615</u>	
Total		5,652,866
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.....		
		<u>(51,082)</u>
<b>Change in net position of governmental activities.....</b>	<b>\$</b>	<b><u>8,346,931</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services.....	\$ 1,064,697	\$ 1,119,769	\$ 1,105,180	\$ (14,589)
Intergovernmental.....	3,597,483	3,783,564	3,734,270	(49,294)
Grants non-governmental.....	1,565	1,645	1,624	(21)
Other.....	161,781	170,149	167,932	(2,217)
Total revenues.....	<u>4,825,526</u>	<u>5,075,127</u>	<u>5,009,006</u>	<u>(66,121)</u>
<b>Expenditures:</b>				
Current:				
Administration .....	2,056,714	2,475,226	1,798,975	676,251
Environmental public health.....	219,418	287,963	261,739	26,224
Community public health.....	673,979	740,509	547,666	192,843
Medical health services .....	1,911,127	2,013,475	1,379,440	634,035
Total expenditures.....	<u>4,861,238</u>	<u>5,517,173</u>	<u>3,987,820</u>	<u>1,529,353</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(35,712)</u>	<u>(442,046)</u>	<u>1,021,186</u>	<u>1,463,232</u>
<b>Other financing uses:</b>				
Transfers out.....	<u>(427,450)</u>	<u>(427,450)</u>	<u>(427,450)</u>	<u>-</u>
Total other financing uses.....	<u>(427,450)</u>	<u>(427,450)</u>	<u>(427,450)</u>	<u>-</u>
Net change in fund balance.....	(463,162)	(869,496)	593,736	1,463,232
<b>Fund balance at beginning of year .....</b>	2,732,471	2,732,471	2,732,471	-
<b>Prior year encumbrances appropriated.....</b>	45,851	45,851	45,851	-
<b>Fund balance at end of year.....</b>	<u>\$ 2,315,160</u>	<u>\$ 1,908,826</u>	<u>\$ 3,372,058</u>	<u>\$ 1,463,232</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WOMEN, INFANTS, AND CHILDREN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental.....	\$ 2,248,717	\$ 2,263,837	\$ 2,093,971	\$ (169,866)
<b>Expenditures:</b>				
Current:				
Medical health services.....	3,079,794	5,343,631	3,171,286	2,172,345
Net change in fund balance.....	(831,077)	(3,079,794)	(1,077,315)	2,002,479
<b>Fund balance (deficit) at beginning of year.....</b>	(1,303,431)	(1,303,431)	(1,303,431)	-
<b>Prior year encumbrances appropriated.....</b>	1,072,040	1,072,040	1,072,040	-
<b>Fund balance (deficit) at end of year.....</b>	<u>\$ (1,062,468)</u>	<u>\$ (3,311,185)</u>	<u>\$ (1,308,706)</u>	<u>\$ 2,002,479</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PUBLIC HEALTH EMERGENCY PREPAREDNESS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental.....	\$ 3,543,009	\$ 5,679,973	\$ 4,327,495	\$ (1,352,478)
Contributions and donations.....	1,228	1,969	1,500	(469)
Other.....	225	361	275	(86)
<b>Total revenues.....</b>	<u>3,544,462</u>	<u>5,682,303</u>	<u>4,329,270</u>	<u>(1,353,033)</u>
<b>Expenditures:</b>				
Current:				
Community public health.....	3,118,814	7,271,151	4,842,607	2,428,544
<b>Net change in fund balance.....</b>	425,648	(1,588,848)	(513,337)	1,075,511
<b>Fund balance at beginning of year.....</b>	13,572	13,572	13,572	-
<b>Prior year encumbrances appropriated.....</b>	149,542	149,542	149,542	-
<b>Fund balance (deficit) at end of year.....</b>	<u>\$ 588,762</u>	<u>\$ (1,425,734)</u>	<u>\$ (350,223)</u>	<u>\$ 1,075,511</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
HIV AND STD PREVENTION PROGRAM FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental.....	\$ 388,286	\$ 410,286	\$ 414,164	\$ 3,878
<b>Expenditures:</b>				
Current:				
Community public health.....	81,522	491,808	384,618	107,190
Net change in fund balances.....	306,764	(81,522)	29,546	111,068
<b>Fund balance (deficit) at beginning of year.....</b>	(147,816)	(147,816)	(147,816)	-
<b>Prior year encumbrances appropriated.....</b>	30,636	30,636	30,636	-
<b>Fund balance (deficit) at end of year.....</b>	<u>\$ 189,584</u>	<u>\$ (198,702)</u>	<u>\$ (87,634)</u>	<u>\$ 111,068</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
HEALTHY START FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental.....	\$ 1,122,899	\$ 1,144,121	\$ 774,729	\$ (369,392)
<b>Expenditures:</b>				
Current:				
Community public health.....	1,233,544	2,377,665	1,099,910	1,277,755
Net change in fund balances.....	(110,645)	(1,233,544)	(325,181)	908,363
<b>Fund balance (deficit) at beginning of year.....</b>	(334,398)	(334,398)	(334,398)	-
<b>Prior year encumbrances appropriated.....</b>	324,409	324,409	324,409	-
<b>Fund balance (deficit) at end of year.....</b>	<u>\$ (120,634)</u>	<u>\$ (1,243,533)</u>	<u>\$ (335,170)</u>	<u>\$ 908,363</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ENVIRONMENTAL FEES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services.....	\$ 331,790	\$ 331,790	\$ 265,032	\$ (66,758)
Licenses and permits.....	1,974,260	1,974,259	1,577,026	(397,233)
Intergovernmental.....	169,591	169,591	135,468	(34,123)
Other.....	81,025	81,025	64,722	(16,303)
Total revenues.....	<u>2,556,666</u>	<u>2,556,665</u>	<u>2,042,248</u>	<u>(514,417)</u>
<b>Expenditures:</b>				
Current:				
Environmental services.....	<u>3,092,503</u>	<u>3,117,818</u>	<u>1,843,427</u>	<u>1,274,391</u>
Excess (deficiency) of revenues over (under) expenditures.....	(535,837)	(561,153)	198,821	759,974
<b>Other financing source:</b>				
Transfers in.....	<u>535,119</u>	<u>535,119</u>	<u>427,450</u>	<u>(107,669)</u>
Net change in fund balance.....	(718)	(26,034)	626,271	652,305
<b>Fund balance at beginning of year.....</b>	908,418	908,418	908,418	-
<b>Prior year encumbrances appropriated.....</b>	715	715	715	-
<b>Fund balance at end of year.....</b>	<u>\$ 908,415</u>	<u>\$ 883,099</u>	<u>\$ 1,535,404</u>	<u>\$ 652,305</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF FIUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2021

	<b>Custodial</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	
with fiscal agent.....	\$ 287,801
Receivables:	
Accounts.....	90,476
Total assets.....	378,277
<b>Liabilities:</b>	
Due to other governments.....	257,683
Total liabilities.....	257,683
<b>Net position:</b>	
Restricted for other governments.....	\$ 120,594

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Custodial</b>
<b>Additions:</b>	
Licenses, permits and fees collected for other governments.....	\$ 1,572,415
<b>Deductions:</b>	
Licenses, permits and fees distributed to other governments.....	1,532,692
Net change in fiduciary net position.....	39,723
<b>Net position beginning of year .....</b>	<u>80,871</u>
<b>Net position end of year.....</b>	<u>\$ 120,594</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

The Lucas County Regional Health District (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a thirteen-member Advisory Council made up of the following:

- Four members to be appointed by the Lucas County General Health District Advisory Council.
- Four members to be appointed by the Mayor of the District of Toledo.
- One member to be appointed by the Mayor of the District of Maumee.
- One member to be appointed by the Mayor of the District of Oregon.
- One member to be appointed by the Mayor of the District of Sylvania.
- One member to be appointed by the Mayor of the District of Waterville.
- One member to be appointed by the Health District Licensing Council.

The District is established under Ohio Revised Code § 3709.07, and each member serves a four-year term. The Lucas County Auditor is the fiscal agent responsible for fiscal control of the District's funds and financial report preparation. The District provides services for licensing of recreational vehicle parks; tattoo parlors; swimming pools; food services and vending machines; water wells; solid waste and sewage permits. Furthermore, the District provides public health and medical services; Women, Infants, and Children's Grant Program; Maternal Family Health Service Grant Program; Sixty Plus Program for the seniors; Healthy Start Initiative Program; school health nursing services; nutrition services; pediatric and adult immunizations; pediatric dental services; pediatric optometry services; pharmacy and lab services for the District's patients; ambulatory care services; and many other programs and public health initiatives important to our community.

The District's management believes the financial statements present all activities for which the District is financially accountable.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Basis of Presentation and Measurement Focus**

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 and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

The statement of net position presents the financial condition of the governmental activities and business-type activities for the District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities and for the business-type activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the District.

**Fund Financial Statements** - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order 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 and enterprise 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. Fiduciary funds are reported by type.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the District: governmental, proprietary, and fiduciary.

**Governmental Funds** - Governmental funds are those through which all governmental functions of the District are financed. 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 purposes for which they may or may not be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance.

The following are the District's major governmental funds:

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Women, Infants, and Children (WIC) Fund - This fund accounts for grant monies that are restricted in use for the Special Supplement Nutrition Program, and referrals to health care for low income persons during critical periods of growth and development.

Public Health Emergency Preparedness Fund - This fund is used to promote, protect and improve the health of individuals and communities. Public health workers are often called upon to participate in a coordinated response in effort to prevent epidemics and the spread of disease, protect against environmental hazards, prevent injuries, promote healthy behaviors and prevent unfavorable outcomes to vulnerable population.

HIV and STD Prevention Program Fund - This fund accounts for prevention of HIV and Syphilis as well as co-infections of sexually transmitted infections for Region 1, which is an eight county district, including: Lucas, Wood, Ottawa, Sandusky, Fulton, Henry, Williams and Defiance. Maximizing prevention efforts through education, safer sex kit distribution, testing, awareness, community level interventions and support along with partner services, treatments and linkage to care.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

*Healthy Start Fund* - This fund accounts for the ongoing efforts of the District and its healthcare and social service partners to improve women's health, improve family health and wellness, and promote systems change to eliminate disparities in prenatal health in Lucas County.

*Environmental Fees Fund* - This fund accounts for licenses, permits and other fees that are committed for use for environmental health programs that address all the physical, chemical, and biological factors external to a person, and all the related factors impacting behaviors. It encompasses the assessment and control of those environmental factors that can potentially affect health. It is targeted toward preventing disease and creating health-supportive environments. The majority of revenue is generated by the food safety program, which provides assistance in all aspects of food safety to the food service industry and the general public in Lucas County. Licensing is provided to all food service operations (e.g., restaurants, vending machine locations, mobile and temporary food service operations). Other programs address private water systems (i.e. wells), and private sewage systems (tanks, septic).

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

*Proprietary Funds* - Proprietary funds focus on the determination of operating income, changes in net position, financial position and cash flows. The District does not have any proprietary funds.

*Fiduciary Funds* - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds and custodial funds. The District only maintains custodial funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial funds are primarily established to account for resources restricted by legally binding trust agreements and funds for which the District is acting in a custodial capacity. The fiduciary fund receives money for the state portion of fees collected and timely remits them to the state.

**C. Measurement Focus**

*Government-Wide Financial Statements* - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

*Fund Financial Statements* - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities, and current deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. The governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its enterprise activity.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; enterprise and agency funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, and in the presentation of expenses versus expenditures.

***Revenues-Exchange and Nonexchange Transactions*** - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include intergovernmental contractual allocations from participating local governments, grants, entitlements, and donations. Revenue from intergovernmental contractual allocations, grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: grants and entitlements, licenses and permits; fines and forfeitures; and, charges for services.

***Deferred Outflows of Resources and Deferred Inflows of Resources*** - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 12 and 13 for deferred outflows of resources related to the District's net pension asset/liability and net OPEB asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 12 and 13 for deferred inflows of resources related to the District's net pension asset/liability and net OPEB asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**E. Budgetary Process**

The Ohio Revised Code requires that all funds, except custodial funds, be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

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.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

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 amended certificate of estimated resources in effect at the time final appropriations were passed by the District.

Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

**F. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which the service is consumed. Governmental fund balance has been presented as nonspendable equal to the balance of the prepaid item at year-end.

**G. Inventories of Materials and Supplies**

Inventory is valued at cost using the first-in, first-out method. Inventory is recorded as an expenditure/expense when consumed. Governmental fund balance has been presented as nonspendable equal to the balance of the inventory at year-end.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

**H. Accounts Receivable**

Accounts receivables are stated at unpaid balances, less an allowance for doubtful accounts. The District provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts and other circumstances, which may affect the ability of patients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the District's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**I. Cash and Investments**

The Lucas County Treasurer is the custodian for the District's cash. Lucas County's cash and investment pool holds the District's cash, which is reported at the County Treasurer's carrying amount. See Note 4 for more detail on the District's cash held by Lucas County as fiscal agent.

For purposes of the statement of cash flows, monies held by Lucas County as fiscal agent for the District are considered to be "cash equivalents".

**J. Contractual Allocation Funding**

Annually, the District identifies the intergovernmental revenue amount. That amount is defined as the total District budget minus grant revenues (projected and actual), fee revenues, all other funding sources, and in-kind services provided by the Board of Commissioners and the District of Toledo. The resulting intergovernmental revenue portion of the District's budget is apportioned among the Cities, Townships and Villages based on an agreed percentage. The District of Toledo provides 69.25% of the total intergovernmental revenue; the Villages and Townships of Lucas County, through the District Advisory Council of the Lucas County General Health District provide 16.70% of the total intergovernmental revenue; the District of Oregon provides 4.30%, the District of Maumee provides 3.80%, the District of Sylvania provides 3.35%, the District of Waterville provides 0.85% of the total intergovernmental revenue; and the Board of Commissioners provides 1.75% of the total intergovernmental revenue. The parties agreed and authorized the Lucas County Auditor to deduct each parties' share of the intergovernmental revenue directly from the real estate settlement. The amount of intergovernmental revenue received by the District is included on the financial statement.

**K. Capital Assets**

Capital assets are reported in the applicable governmental activities columns in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are defined by the District as assets with initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Vehicles	7 - 10 years	N/A
Furniture, fixtures and equipment	5 - 10 years	5 - 10 years

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

**L. Net Position**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The District's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Net position restricted for other purposes are restricted by grantors and regulations of other governments.

**M. Interfund Transactions and Balances**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. On the fund financial statements, outstanding interfund loans are reported as "interfund receivables/payables".

**N. Compensated Absences**

Vacation, personal and compensatory benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate employees for the benefits through time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

Ohio law requires that vacation time not be accumulated for more than three years plus current year accrual. Employees of the District immediately, at the time of employment, become vested in accumulated unpaid vacation time. Unused vacation is payable upon termination of employment. Unused sick time may be accumulated until retirement. Employee's eligible to retire or upon retirement under a District recognized retirement plan, with a minimum of ten years of service, are paid one-half of accumulated sick, not to exceed 640 hours of accumulated sick time. All sick, vacation, and personal and compensation payments are made at employees' current wage rates.

**O. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise fund is reported on the enterprise funds' financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**P. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of the District's enterprise fund is charges to customers for services. Operating expenses for the enterprise fund include personnel costs, contract services, materials and supplies, administrative expenses, depreciation on capital assets, fringe benefits, and other miscellaneous expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The enterprise fund reports nonoperating revenues for grants.

**Q. 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 classification includes amounts that cannot be spent because they are not in spendable form or are legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

*Restricted* - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the Board of Directors (the highest level of decision-making authority). Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance) 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 nor 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 policies of the Board of Directors, which includes giving the Chief Financial Officer the authority to constrain monies for intended purposes.

*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 only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

**R. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred in 2021.

**T. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2021, the District has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

For 2021, the District has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

The following pronouncements are postponed by one year and the District has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following pronouncements are postponed by eighteen months and the District has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

**B. Deficit Fund Balances**

Fund balances at December 31, 2021 included the following individual fund deficits:

<u>Major Governmental Funds</u>	<u>Deficit</u>
Women, Infants, and Children (WIC)	\$ 165,170
Public Health Emergency Preparedness	79,688
HIV and STD Prevention Program	118,255
Healthy Start	120,887

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

As required by the Ohio Revised Code, the Lucas County Auditor is the fiscal agent of the District. The District's cash pool, used by all funds, is deposited with the Lucas County Treasurer. The cash pool is commingled with Lucas County's cash and investment pool and is not identifiable as to demand deposits or investments. All collections are remitted to the Lucas County Treasurer for deposit and all disbursements are made by warrants prepared by the Lucas County Auditor drawn on deposits held in the name of Lucas County. GASB 3 and GASB 40 requirements for the County of Lucas are presented in the December 31, 2021 Annual Comprehensive Financial Report. The fund balances are expressed in cash equivalents. Cash equivalents are available for immediate expenditure or liquid investments which are immediately marketable, have negligible credit risk, and mature within three months. The carrying amount of cash on deposit with the Lucas County Treasurer at December 31, 2021 was \$5,699,371.

**NOTE 5 - RECEIVABLES**

Receivables at December 31, 2021 consisted of charges for services (primarily billings from clinic services) and intergovernmental receivables arising from grants. Receivables have been recorded to the extent that they are measurable at December 31, 2021. All receivables are expected to be collected in the subsequent year. Amounts due from other governments consisted of the following at year end:

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 5 – RECEIVABLES - (Continued)**

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
<b><u>Governmental</u></b>		
General	City of Toledo	\$ 152,175
Women, Infants, and Children (WIC)	Grants - federal	253,700
Public Health Emergency Preparedness	Grants - federal	243,192
HIV and STD Prevention Program	Grants - federal	113,378
Nonmajor Governmental	Grants - federal	122,132
Nonmajor Governmental	Grants - state	<u>60,467</u>
		<u>182,599</u>
Total due from other governments		<u><u>\$ 945,044</u></u>

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the governmental activities for the year ended December 31, 2021, was as follows:

	Balance <u>12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/21</u>
<b><u>Governmental activities:</u></b>				
<i>Capital assets, being depreciated:</i>				
Furniture, fixtures and equipment	\$ 376,273	\$ 62,200	\$ (110,389)	\$ 328,084
Vehicles	<u>160,893</u>	-	-	<u>160,893</u>
Total capital assets, being depreciated	<u>537,166</u>	<u>62,200</u>	<u>(110,389)</u>	<u>488,977</u>
<i>Less: accumulated depreciation:</i>				
Furniture, fixtures and equipment	(310,924)	(18,094)	99,351	(229,667)
Vehicles	<u>(149,561)</u>	<u>(7,554)</u>	-	<u>(157,115)</u>
Total accumulated depreciation	<u>(460,485)</u>	<u>(25,648)</u>	<u>99,351</u>	<u>(386,782)</u>
Governmental activities capital assets, net	<u>\$ 76,681</u>	<u>\$ 36,552</u>	<u>\$ (11,038)</u>	<u>\$ 102,195</u>

Depreciation expense was charged to governmental activities as follows:

Administration	<u>\$ 25,648</u>
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**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 7 - LONG-TERM OBLIGATIONS**

During 2021, the following activity occurred in the District's governmental long-term obligations.

<u>Governmental Activities:</u>	<u>Balance 12/31/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/21</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 1,071,482	\$ 607,627	\$ (550,133)	\$ 1,128,976	\$ 609,534
Capital lease obligation	10,049	62,200	(20,538)	51,711	11,707
Net pension liability	7,680,745	-	(1,747,102)	5,933,643	-
Net OPEB liability	<u>5,638,441</u>	<u>-</u>	<u>(5,638,441)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,400,717</u>	<u>\$ 669,827</u>	<u>\$ (7,956,214)</u>	<u>\$ 7,114,330</u>	<u>\$ 621,241</u>

See Note 8 for further information on the District's capital lease obligation.

Compensated absences will be paid from the General Fund.

See Notes 12 and 13 for further information on the District's net pension liability and net OPEB liability, respectively. The District pays obligations related to employee compensation from the fund benefitting from their services.

**NOTE 8 - CAPITAL LEASE OBLIGATION**

During 2021, the District entered into capital lease agreements for the acquisition of copiers. This lease meets the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the statement of revenues, expenditures and changes in fund balances - governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by the leases have been capitalized in the amount of \$62,200, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2021 was \$6,220, leaving a current book value of \$55,980.

A corresponding liability was recorded on the statement of net position. In 2021, principal payments of \$20,538 are reflected as debt service principal retirement in the General Fund. The principal payments are reported as a reduction to the long-term liabilities reported on the statement of net position. The following is a schedule of the future minimum lease payments required under the capital lease obligation and the present value of the minimum lease payments as of December 31, 2021:

<u>Year Ending December 31,</u>	<u>Copiers</u>
2022	\$ 14,027
2023	14,027
2024	14,027
2025	14,027
2026	<u>1,169</u>
Total minimum lease payments	57,277
Less: amount representing interest	<u>(5,566)</u>
Present value of future minimum lease payments	<u>\$ 51,711</u>

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 9 - INTERFUND TRANSACTIONS**

**A. Interfund Loans Receivable/Payable**

The District had the following interfund loans receivable/payable at year-end:

		<u>Interfund Loan Receivable</u>
<u>Interfund Loan Payable:</u>		<u>General Fund</u>
<u>Major Governmental Funds:</u>		
Women, Infants, and Children (WIC) Fund	\$	252,278
Public Health Emergency Preparedness Fund		151,149
HIV and STD Prevention Program Fund		28,700
Healthy Start Fund		8,752
Nonmajor Governmental Funds		<u>77,208</u>
Total	<u>\$</u>	<u>518,087</u>

Interfund loans receivable/payable are reported to cover negative cash balances at year end. The interfund balances will be repaid once the anticipated revenue is received.

**B. Transfers**

Interfund transfers for the year ended December 31, 2021, consisted of the following, as reported on the fund financial statements.

		<u>Transfers from:</u>
<u>Transfers to:</u>		<u>General Fund</u>
Environmental Fees Fund	\$	427,450

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 10 - RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - RISK MANAGEMENT – (Continued)**

The District also provides health insurance and dental and vision coverage to eligible employees through Lucas County by use of a private carrier. Settlements did not exceed insurance coverage in any of the past three years. There has been no significant change in coverage from last year.

**NOTE 11 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District’s commitments for encumbrances (not already included in payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 26,529
Women, Infants, and Children (WIC)	952,333
Public Health Emergency Preparedness	158,394
HIV and STD Prevention Program	17,154
Healthy Start	226,717
Environmental Fees	242
Nonmajor Governmental	<u>40,679</u>
Total	<u>\$ 1,422,048</u>

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Asset and Net OPEB Liability/Asset***

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability/asset and the net OPEB liability/asset represent the District’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual basis of accounting.

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

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 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 Annual Report referenced above for additional information, including requirements for reduced and unreduced benefits):



**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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). 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 on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. 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 3.00%.

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. 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 the 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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
<b>2021 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2021 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$977,876 for 2021. Of this amount, \$102,131 is reported as due to other governments.

***Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability and net pension asset for OPERS was measured as of December 31, 2020, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The District's proportion of the net pension liability or asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Proportion of the net pension liability/asset prior measurement date	0.03885900%	0.08217800%	0.05617200%	
Proportion of the net pension liability/asset current measurement date	<u>0.04007100%</u>	<u>0.08472400%</u>	<u>0.03742800%</u>	
Change in proportionate share	<u>0.00121200%</u>	<u>0.00254600%</u>	<u>-0.01874400%</u>	
Proportionate share of the net pension liability	\$ 5,933,643	\$ -	\$ -	\$ 5,933,643
Proportionate share of the net pension asset	-	(244,567)	(6,823)	(251,390)
Pension expense	(655,123)	5,766	(4,894)	(654,251)

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
<b>Deferred outflows of resources</b>				
Differences between expected and actual experience	\$ -	\$ -	\$ 4,692	\$ 4,692
Changes of assumptions	-	15,270	193	15,463
Changes in employer's proportionate percentage/ difference between employer contributions	186,036	-	-	186,036
Contributions subsequent to the measurement date	887,354	59,986	30,536	977,876
Total deferred outflows of resources	<u>\$ 1,073,390</u>	<u>\$ 75,256</u>	<u>\$ 35,421</u>	<u>\$ 1,184,067</u>

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
<b>Deferred inflows of resources</b>				
Differences between expected and actual experience	\$ 248,210	\$ 46,142	\$ -	\$ 294,352
Net difference between projected and actual earnings on pension plan investments	2,312,764	36,374	744	2,349,882
Changes in employer's proportionate percentage/ difference between employer contributions	279,543	-	-	279,543
Total deferred inflows of resources	<u>\$ 2,840,517</u>	<u>\$ 82,516</u>	<u>\$ 744</u>	<u>\$ 2,923,777</u>

\$977,876 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Year Ending December 31:				
2022	\$ (1,132,461)	\$ (17,511)	\$ 522	\$ (1,149,450)
2023	(263,831)	(11,122)	634	(274,319)
2024	(942,759)	(19,507)	463	(961,803)
2025	(315,428)	(9,079)	569	(323,938)
2026	(2)	(3,894)	588	(3,308)
Thereafter	-	(6,133)	1,365	(4,768)
Total	<u>\$ (2,654,481)</u>	<u>\$ (67,246)</u>	<u>\$ 4,141</u>	<u>\$ (2,717,586)</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.70% for 2020.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.32 %
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00 %</u>	<u>5.43 %</u>

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate**

- The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 11,318,455	\$ 5,933,643	\$ 1,456,180
Combined Plan	(170,295)	(244,567)	(299,923)
Member-Directed Plan	(5,988)	(6,823)	(7,486)

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

*Net OPEB Liability/Asset*

See Note 12 for a description of the net OPEB liability/asset.

*Plan Description - Ohio Public Employees Retirement System (OPERS)*

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 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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report referenced below for additional information.

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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 2021, 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 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$12,214 for 2021. Of this amount, \$1,276 is reported as due to other governments.

***Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The District's proportion of the net OPEB liability was based on the District's share of contributions to the retirement plan relative to the contributions of all participating entities.



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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the net OPEB liability	
prior measurement date	0.04082100%
Proportion of the net OPEB liability/asset	
current measurement date	<u>0.04127300%</u>
Change in proportionate share	<u>0.00045200%</u>
Proportionate share of the net OPEB asset	\$ (735,311)
OPEB expense	(4,998,615)

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
<b>Deferred outflows of resources</b>	
Changes of assumptions	\$ 361,489
Changes in employer's proportionate percentage/ difference between employer contributions	37,902
Contributions subsequent to the measurement date	12,214
Total deferred outflows of resources	<u>\$ 411,605</u>

	<u>OPERS</u>
<b>Deferred inflows of resources</b>	
Differences between expected and actual experience	\$ 663,614
Net difference between projected and actual earnings on OPEB plan investments	391,637
Changes of assumptions	1,191,425
Changes in employer's proportionate percentage/ difference between employer contributions	216,041
Total deferred inflows of resources	<u>\$ 2,462,717</u>

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

\$12,214 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2022	\$ (1,176,922)
2023	(670,069)
2024	(170,188)
2025	(46,147)
Total	\$ (2,063,326)

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 10.50% for 2020.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

**Discount Rate** - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20- year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

**Change in Benefit Terms** - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the District at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate** - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 182,839	\$ 735,311	\$ 1,189,488

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate** - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
District's proportionate share of the net OPEB asset	\$ 753,232	\$ 735,311	\$ 715,261

**NOTE 14 – OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

All employees shall be entitled to sick leave in accordance with Sections 124.38 and 124.39 of the Ohio Revised Code as follows. Each employee shall be entitled to 4.615 hours of sick pay for each 80 hours of service completed. Upon retirement, an eligible employee shall be paid one-half of accrued, but unused sick leave credit up to a maximum of 80 days (640 hours).

District's employees are entitled to vacation leave, depending upon length of service. Accumulated, unused vacation leave is paid to employees upon termination of employment.

**NOTE 15 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2021.

**B. Litigation**

The District is not currently involved in litigation for which the District's legal counsel anticipates a loss.

**NOTE 16 - FUND BALANCE**

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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented on the following page:

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 16 - FUND BALANCE – (Continued)**

Fund balance	General Fund	Women, Infants, and Children (WIC) Fund	Public Health Emergency Preparedness Fund	HIV and STD Prevention Program Fund	Healthy Start Fund	Environmental Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>								
Materials and supplies inventory	\$ 112,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,459
Prepayments	<u>19,650</u>	<u>-</u>	<u>5,118</u>	<u>-</u>	<u>7,561</u>	<u>4,544</u>	<u>9,188</u>	<u>46,061</u>
Total nonspendable	<u>132,109</u>	<u>-</u>	<u>5,118</u>	<u>-</u>	<u>7,561</u>	<u>4,544</u>	<u>9,188</u>	<u>158,520</u>
<b>Restricted:</b>								
Clinical programs	32,582	-	-	-	-	-	240,869	273,451
Environmental programs	-	-	-	-	-	1,431,488	2,087	1,433,575
Community programs	21,233	-	-	-	-	-	636,585	657,818
Administration	<u>41,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,038</u>
Total restricted	<u>94,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,431,488</u>	<u>879,541</u>	<u>2,405,882</u>
<b>Committed:</b>								
Clinical programs	<u>6,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,659</u>
<b>Assigned:</b>								
Clinical programs	16,977	-	-	-	-	-	-	16,977
Community programs	912	-	-	-	-	-	-	912
Administration	<u>8,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,639</u>
Total assigned	<u>26,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,528</u>
Unassigned (deficit)	<u>3,399,537</u>	<u>(165,170)</u>	<u>(84,806)</u>	<u>(118,255)</u>	<u>(128,448)</u>	<u>-</u>	<u>-</u>	<u>2,902,858</u>
Total fund balances (deficit)	<u>\$ 3,659,686</u>	<u>\$ (165,170)</u>	<u>\$ (79,688)</u>	<u>\$ (118,255)</u>	<u>\$ (120,887)</u>	<u>\$ 1,436,032</u>	<u>\$ 888,729</u>	<u>\$ 5,500,447</u>

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING**

While the District is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general and each major special revenue fund is presented in the basic financial statements to provide a meaningful comparison of actual results compared to budgeted. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures and other financing uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP); and,
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and for the major special revenue funds.

	General Fund	Women, Infants, and Children (WIC) Fund	Public Health Emergency Preparedness Fund	HIV and STD Prevention Program Fund	Healthy Start Fund	Environmental Fees Fund
Budget basis	\$ 593,736	\$ (1,077,315)	\$ (513,337)	\$ 29,546	\$ (325,181)	\$ 626,271
Net adjustment for revenue accruals	332,486	23,296	(262,009)	(146,435)	-	13,213
Net adjustment for expenditure accruals	(123,237)	(38,012)	110,795	(51,962)	83,124	(76,979)
Net adjustment for other financing (uses) accruals	62,200	-	-	-	-	-
Encumbrances	46,178	1,056,428	199,074	58,934	326,418	883
GAAP basis	<u>\$ 911,363</u>	<u>\$ (35,603)</u>	<u>\$ (465,477)</u>	<u>\$ (109,917)</u>	<u>\$ 84,361</u>	<u>\$ 563,388</u>

**NOTE 18 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District received COVID-19 funding. 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.

REQUIRED SUPPLEMENTARY INFORMATION



**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY/NET PENSION ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
District's proportion of the net pension liability	0.040071%	0.038859%	0.044928%	0.052572%
District's proportionate share of the net pension liability	\$ 5,933,643	\$ 7,680,745	\$ 12,304,868	\$ 8,247,528
District's covered payroll	\$ 5,896,550	\$ 5,536,879	\$ 6,019,529	\$ 6,950,369
District's proportionate share of the net pension liability as a percentage of its covered payroll	100.63%	138.72%	204.42%	118.66%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%
<i>Combined Plan:</i>				
District's proportion of the net pension asset	0.084724%	0.082178%	0.098320%	0.113134%
District's proportionate share of the net pension asset	\$ 244,567	\$ 171,361	\$ 109,944	\$ 154,012
District's covered payroll	\$ 373,379	\$ 365,821	\$ 420,507	\$ 463,338
District's proportionate share of the net pension asset as a percentage of its covered payroll	65.50%	46.84%	26.15%	33.24%
Plan fiduciary net position as a percentage of the total pension asset	157.67%	145.28%	126.64%	137.28%
<i>Member Directed Plan:</i>				
District's proportion of the net pension asset	0.037428%	0.056172%	0.071881%	0.072736%
District's proportionate share of the net pension asset	\$ 6,823	\$ 2,123	\$ 1,638	\$ 2,539
District's covered payroll	\$ 224,790	\$ 333,900	\$ 410,900	\$ 398,660
District's proportionate share of the net pension asset as a percentage of its covered payroll	3.04%	0.64%	0.40%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	188.21%	118.84%	113.42%	124.46%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	0.052278%	0.052733%	0.043174%	0.043174%
\$	11,871,445	\$ 9,134,020	\$ 5,207,267	\$ 5,089,652
\$	6,557,275	\$ 7,325,283	\$ 5,715,592	\$ 5,121,985
	181.04%	124.69%	91.11%	99.37%
	77.25%	81.08%	86.45%	86.36%
	0.152181%	0.125450%	0.081099%	0.081099%
\$	84,699	\$ 61,047	\$ 31,225	\$ 8,510
\$	592,375	\$ 286,675	\$ 296,450	\$ 243,415
	14.30%	21.29%	10.53%	3.50%
	116.55%	116.90%	114.83%	104.56%
	0.655500%	0.064203%	n/a	n/a
\$	2,730	\$ 245	n/a	n/a
\$	269,392	\$ 357,567	n/a	n/a
	1.01%	0.07%	n/a	n/a
	103.40%	103.91%	n/a	n/a

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

	LAST TEN YEARS			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 887,354	\$ 825,517	\$ 775,163	\$ 842,734
Contributions in relation to the contractually required contribution	<u>(887,354)</u>	<u>(825,517)</u>	<u>(775,163)</u>	<u>(842,734)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,338,243	\$ 5,896,550	\$ 5,536,879	\$ 6,019,529
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 59,986	\$ 52,273	\$ 51,215	\$ 58,871
Contributions in relation to the contractually required contribution	<u>(59,986)</u>	<u>(52,273)</u>	<u>(51,215)</u>	<u>(58,871)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 428,471	\$ 373,379	\$ 365,821	\$ 420,507
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 30,536	\$ 22,479	\$ 33,390	\$ 41,090
Contributions in relation to the contractually required contribution	<u>(30,536)</u>	<u>(22,479)</u>	<u>(33,390)</u>	<u>(41,090)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 305,360	\$ 224,790	\$ 333,900	\$ 410,900
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

Note: Information prior to 2015 for the District's member directed plan was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 903,548	\$ 786,873	\$ 879,034	\$ 685,871	\$ 665,858	\$ 521,711
<u>(903,548)</u>	<u>(786,873)</u>	<u>(879,034)</u>	<u>(685,871)</u>	<u>(665,858)</u>	<u>(521,711)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,950,369	\$ 6,557,275	\$ 7,325,283	\$ 5,715,592	\$ 5,121,985	\$ 5,217,110
13.00%	12.00%	12.00%	12.00%	13.00%	10.00%
\$ 60,234	\$ 71,085	\$ 34,401	\$ 35,574	\$ 31,644	\$ 18,283
<u>(60,234)</u>	<u>(71,085)</u>	<u>(34,401)</u>	<u>(35,574)</u>	<u>(31,644)</u>	<u>(18,283)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 463,338	\$ 592,375	\$ 286,675	\$ 296,450	\$ 243,415	\$ 229,975
13.00%	12.00%	12.00%	12.00%	13.00%	7.95%
\$ 39,866	\$ 32,327	\$ 42,908			
<u>(39,866)</u>	<u>(32,327)</u>	<u>(42,908)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 398,660	\$ 269,392	\$ 357,567			
10.00%	12.00%	12.00%			

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**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/NET OPEB ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.041273%	0.040821%	0.047569%	0.055130%	0.055453%
District's proportionate share of the net OPEB liability/(asset)	\$ (735,311)	\$ 5,638,441	\$ 6,201,875	\$ 5,986,712	\$ 5,600,972
District's covered payroll	\$ 6,494,719	\$ 6,236,600	\$ 6,850,936	\$ 7,812,367	\$ 7,419,042
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	11.32%	90.41%	90.53%	76.63%	75.49%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	115.57%	47.80%	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST EIGHT YEARS

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 12,214	\$ 8,991	\$ 13,356	\$ 16,436
Contributions in relation to the contractually required contribution	(12,214)	(8,991)	(13,356)	(16,436)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,072,074	\$ 6,494,719	\$ 6,236,600	\$ 6,850,936
Contributions as a percentage of covered payroll	0.17%	0.14%	0.21%	0.24%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 90,083	\$ 158,306	\$ 152,239	\$ 114,731
<u>(90,083)</u>	<u>(158,306)</u>	<u>(152,239)</u>	<u>(114,731)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,812,367	\$ 7,419,042	\$ 7,969,525	\$ 6,012,042
1.15%	2.13%	1.91%	1.91%



**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021

PENSION

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2014-2021.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2017-2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements, however, they are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY  
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	Federal ALS Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Receipts	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE (AG)</b>					
<b>Passed Through Ohio Department of Health</b>					
WIC Special Supplemental Nutrition Program for Women, Infants and Children (H24XX)	10.557	048-1-001-1-WA	\$ 1,120,752	\$ 2,093,971	\$ 2,115,473
Total U.S. Department of Agriculture			<u>1,120,752</u>	<u>2,093,971</u>	<u>2,115,473</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</b>					
<b>Passed Through City of Toledo</b>					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants (H28XX)	14.218	n/a	-	36,503	87,907
COVID-19 - CDBG/Entitlement Grants (H2621)			-	33,065	31,451
Total CDBG - Entitlement Grants Cluster			-	<u>69,568</u>	<u>119,358</u>
Total U.S. Department of Housing and Urban Development			-	<u>69,568</u>	<u>119,358</u>
<b>U.S. DEPARTMENT OF TREASURY (TREAS)</b>					
<b>Passed Through Ohio Department of Health</b>					
COVID-19 - Coronavirus Relief Fund					
	21.019	048-1-001-2-CT	127,420	990,229	689,812
	21.019	048-1-001-2-VN	6,826	20,000	19,731
	21.019	048-1-001-2-CO	32,013	1,131,582	1,262,552
	21.019	048-1-001-1-RC	-	67,694	438,225
Total COVID-19 - Coronavirus Relief Fund			<u>166,259</u>	<u>2,209,505</u>	<u>2,410,320</u>
Total U.S. Department of Treasury			<u>166,259</u>	<u>2,209,505</u>	<u>2,410,320</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</b>					
<b>Passed Through Ohio Environmental Protection Agency</b>					
Capitalization Grants for Clean Water State Revolving Funds (H04XX)	66.458	HS291682-0008	-	30,687	30,464
Total U.S. Environmental Protection Agency			-	<u>30,687</u>	<u>30,464</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
<b>Passed Through Ohio Department of Emergency Management Agency</b>					
COVID-19 - Disaster Grants-Public Assistant (Presidentially Declared Disasters)	97.036	4507	388,192	291,089	602,373
Total U.S. Department of Homeland Security			<u>388,192</u>	<u>291,089</u>	<u>602,373</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)</b>					
<b>Direct Program</b>					
Healthy Start Initiative (H91XX)	93.926	H49MC27825	508,498	774,729	773,492
<b>Passed Through Ohio Department of Job and Family Services</b>					
OCTF Early Childhood Safety Initiative (H16XX)	93.558	G-2223-22-0480	-	-	102
<b>Passed Through by New Concepts</b>					
Opioid STR- MSOR (H51XX)	93.788	n/a	-	185,665	79,298
<b>Passed Through by Mental Health &amp; Recovery Services Board of Lucas County</b>					
Opioid STR- SOR 2.0 (H39XX)	93.788	n/a	-	60,878	73,072
<b>Passed Through Ohio Department of Health</b>					
Public Health Emergency Preparedness (H34XX)	93.069	048-1-001-2-PH	-	234,122	244,326
Injury Prevention and Control Research and State and Community Based Programs (H41XX)	93.136	048-1-001-4-DR	-	91,583	83,314
Family Planning Services (H12XX)	93.217	048-1-001-1-RH	2,984	251,563	178,041
Immunization Cooperative Agreements (H05XX), (H81XX)	93.268	048-1-001-2-GV 048-1-001-2-VE	-	92,106	56,653
			<u>13,671</u>	<u>385,062</u>	<u>25,053</u>
			13,671	477,168	81,706
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs - Financed in part by 2018 Prevention and Public Health Funds (PPHF) (H80XX)	93.305	048-1-001-4-TU	-	5,105	1,130
COVID-19 -Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (H3221, H83XX)	93.323	048-1-001-2-CT 048-1-001-2-EO	-	275,895	284,937
			<u>20,001</u>	<u>862,700</u>	<u>987,270</u>
			20,001	1,138,595	1,272,207

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY  
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	Federal ALS Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Receipts	Total Federal Expenditures
<i>(PAGE 2)</i>					
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: PHCR (H3521), (H3223)	93.354	048-1-001-2-CO 048-1-001-2-WF	- - <u>-</u>	29,348 78 <u>29,426</u>	57,195 78 <u>57,273</u>
National and State Tobacco Control Program (H80XX)	93.387	048-1-001-4-TU	-	30,195	7,505
National Association of Chronic Disease Directors (NACDD) (H73XX)	93.421	048-1-001-2-BR	58,357	40,274	69,118
State Physical Activity and Nutrition (SPAN) (H16XX)	93.439	45681	2,500	2,500	2,500
Preventative Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF) (H73XX)	93.758	048-1-001-4-CC	39,374	87,790	137,202
Opioid STR (H42XX)	93.788	048-1-001-4-IN	-	89,500	81,865
HIV Prevention Activities Health Department Based (H37XX)	93.940	048-1-001-2-HP	1,793	295,969	184,447
Sexually Transmitted Diseases (STD) Prevention and Control Grants (H19XX)	93.977	048-1-001-2-ST	-	77,426	70,600
Preventative Health and Health Services Block Grant (H72XX)	93.991	048-1-001-4-CC	-	87,790	137,202
Maternal and Child Health Services Block Grant to the States (H15XX, H17XX, H12XX)	93.994	048-1-001-1-OE 048-1-001-1-CK 048-1-001-1-RH	- - 331 <u>331</u>	144,843 9,000 27,141 <u>180,984</u>	81,329 1,162 20,496 <u>102,987</u>
Total U.S. Department of Health and Human Services			<u>647,509</u>	<u>4,141,262</u>	<u>3,637,387</u>
<b>TOTAL Expenditures of Federal Awards</b>			<u><b>\$ 2,322,712</b></u>	<u><b>\$ 8,836,082</b></u>	<u><b>\$ 8,915,375</b></u>

*The accompanying notes are an integral part of this schedule.*

**Lucas County Regional Health District  
Lucas County**

**Notes to the Schedule of Federal Awards Receipts and Expenditures  
2 CFR 200.510(b)(6)  
For the Year Ended December 31, 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) includes the federal award activity of the Lucas County Regional Health District, Lucas County, (the District's) under programs of the federal government for the year ended December 31, 2021. 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 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 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 - SUBRECIPIENTS**

The District passes certain federal awards received from the U.S. Department of Health and Human Services and the Ohio Department of Health, to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE E - MATCHING REQUIREMENTS**

Certain Federal programs require the District to contribute non-Federal funds (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.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Lucas County Regional Health District  
Lucas County  
635 North Erie Street  
Toledo, Ohio 43604

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lucas County Regional Health District, Lucas County, Ohio (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 29, 2022, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

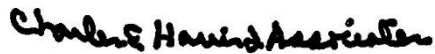
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
July 29, 2022

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

Lucas County Regional Health District  
Lucas County  
635 North Erie Street  
Toledo, Ohio 43604

To the Members of the Board:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Lucas County Regional Health District's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2021. The District's major federal programs identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

The District's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**Charles E. Harris & Associates, Inc.**  
July 29, 2022

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
December 31, 2021**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Coronavirus Relief Fund – ALS # 21.019 COVID-19 Epidemiology and Lab Capacity for Infectious Diseases – ALS# 93.323
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	Yes

**LUCAS COUNTY REGIONAL HEALTH DISTRICT  
LUCAS COUNTY**

**SCHEDULE OF FINDINGS – (continued)  
2 CFR § 200.515  
December 31, 2021**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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# OHIO AUDITOR OF STATE KEITH FABER



**LUCAS COUNTY REGIONAL HEALTH DISTRICT**

**LUCAS 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 9/27/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)