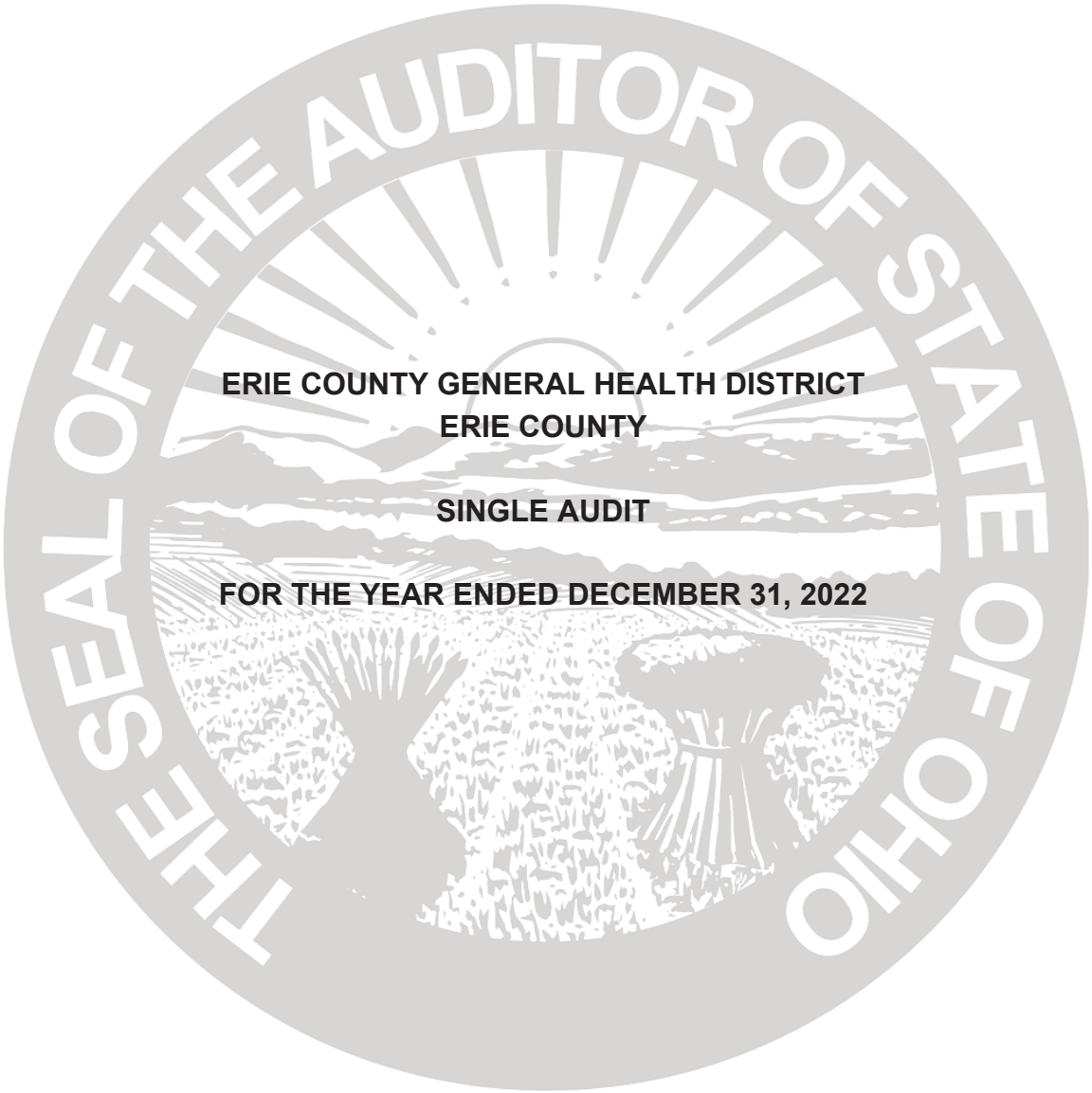

ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER

ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY
DECEMBER 31, 2022

TABLE OF CONTENTS

ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY
DECEMBER 31, 2022

TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

Erie County General Health District
Erie County
420 Superior Street
Sandusky, Ohio 44870-1815

To the Members of the Board:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Erie County General Health District, Erie County, Ohio (the District), as of and for the year ended December 31, 2022, 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 Erie County General Health District, Erie County, Ohio as of December 31, 2022, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Clinical Patient Services, and Environmental Health Programs funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of 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 opinions.

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 assets / liabilities 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards 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 identify accompanying supplementary information 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 September 25, 2023, 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.

Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2023

This page intentionally left blank.

The discussion and analysis of the Erie County General Health District's financial performance provides an overview of the Health District's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole.

HIGHLIGHTS

Highlights for 2022 are as follows:

Net position increased $4,316,943 from the prior year.

Approximately 86 percent of the Health District's revenues are program revenues; 40 percent are charges for the services (including Medicare and/or Medicaid reimbursements) and 46 percent are grants. The remainder of the Health District's revenues is generally made up of property tax levies and tax related reimbursements (homestead and rollback) and State provided resources (operating subsidy).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Erie County General Health District's financial position.

The statement of net position and the statement of activities provide information about the activities of the Health District as a whole, presenting both an aggregate and a longer-term view of the Health District.

Fund financial statements provide a greater level of detail. These statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the Health District's most significant funds individually and the Health District's non-major funds in a single column. The Health District's major funds are the General Fund and the Clinical Patient Services and Environmental Health Programs funds.

REPORTING THE HEALTH DISTRICT AS A WHOLE

The statement of net position and the statement of activities reflect how the Health District did financially during 2022. These statements include all assets and liabilities using the accrual basis of accounting similar to that used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the Health District's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the Health District as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors include such items as changes in the Health District's property tax base and the condition of the Health District's capital assets. These factors must be considered when assessing the overall health of the Health District.

In the statement of net position and the statement of activities, all of the Health District's activities are reflected as governmental activities. The programs and services reported here include general health and health clinic. These services are primarily funded by charges to clients (patients), Medicare and Medicaid reimbursements, and property taxes.

REPORTING THE HEALTH DISTRICT'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the Health District's major funds, the General Fund and the Clinical Patient Services and Environmental Health Programs funds. While the Health District uses a number of funds to account for its financial transactions, these are the most significant.

The Health District's governmental funds are used to account for the same programs reported as governmental activities on the government-wide financial statements. All of the Health District's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The fund financial statements provide a detailed short-term view of the Health District's general government operations and the basic services being provided.

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 on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Health District's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the Health District's net position for 2022 and 2021.

Table 1
Net Position

	Governmental Actvities		
		Restated	
	2022	2021	Change
Assets			
Current and Other Assets	$10,950,213	$11,475,902	($525,689)
Net Pension Asset	139,374	102,581	36,793
Net OPEB Asset	1,561,348	807,661	753,687
Capital Assets, Net	9,788,212	6,571,295	3,216,917
Total Assets	22,439,147	18,957,439	3,481,708
Deferred Outflows of Resources			
Pension	2,591,680	1,799,586	792,094
OPEB	249,884	927,863	(677,979)
Total Deferred Outflows of Resources	2,841,564	2,727,449	114,115

(continued)

Table 1
Net Position
(continued)

	Governmental Activities		
		Restated	
	2022	2021	Change
Liabilities			
Current and Other Liabilities	$938,010	$933,998	($4,012)
Long-Term Liabilities			
Pension	4,241,968	6,608,731	2,366,763
Other Amounts	961,612	785,594	(176,018)
Total Liabilities	6,141,590	8,328,323	2,186,733
Deferred Inflows of Resources			
Pension	5,185,998	2,889,087	(2,296,911)
OPEB	1,613,189	2,467,735	854,546
Other Amounts	2,286,598	2,263,350	(23,248)
Total Deferred Inflows of Resources	9,085,785	7,620,172	(1,465,613)
Net Position			
Net Investment in Capital Assets	9,552,328	6,280,468	3,271,860
Restricted	820,079	288,396	531,683
Unrestricted (Deficit)	(319,071)	(832,471)	513,400
Total Net Position	$10,053,336	$5,736,393	$4,316,943

The net pension/OPEB liability (asset) reported by the Health District at December 31, 2022, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the Health District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset), and the net OPEB asset to the reported net position and subtracting deferred outflows related to pension and OPEB.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 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 or net OPEB liability. GASB Statements No. 68 and No. 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.

GASB Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB asset to equal the Health District's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service 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 Health 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 system to provide health care to eligible benefit recipients. The retirement system may allocate a portion of the employer contribution 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. vacation and sick 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 (when applicable). As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the Health District. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension 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 (when applicable) are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statements No. 68 and No. 75, the Health 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 the net pension liability (asset) and the net OPEB asset, respectively, not accounted for as deferred outflows/inflows.

Pension/OPEB changes noted in the above table reflect an increase in the net pension asset and the net OPEB asset, an overall increase in deferred outflows and in deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The decrease in the net pension liability represents the Health District's proportionate share of the unfunded benefits.

In addition to the changes related to pension/OPEB, there were only a couple other changes of significance from the prior year. The decrease in current and other assets is primarily a decrease in cash and cash equivalents. However, this decrease was partially offset by a increase in amounts due from other governments. The increase in net capital assets and the investment in capital assets is largely due to a building addition project to expand the health clinic and the purchase of land.

Table 2 reflects the change in net position for 2022 and 2021.

Table 2
Change in Net Position

	Governmental Activities		
	2022	2021	Change
Revenues			
Program Revenues			
Charges for Services	$7,785,147	$7,697,677	$87,470
Operating Grants and Contributions	8,429,946	7,579,522	850,424
Capital Grants and Contributions	429,468	18,511	410,957
Total Program Revenues	16,644,561	15,295,710	1,348,851
General Revenues			
Property Taxes Levied for General Purposes	2,148,089	2,109,162	38,927
Grants and Entitlements not Restricted to Specific Programs	375,075	267,194	107,881
Other	255,565	164,436	91,129
Total General Revenues	2,778,729	2,540,792	237,937
Total Revenues	19,423,290	17,836,502	1,586,788
Program Expenses			
General Health	7,859,087	5,896,128	(1,962,959)
Health Clinic	7,233,596	5,383,552	(1,850,044)
Interest and Fiscal Charges	13,664	0	(13,664)
Total Expenses	15,106,347	11,279,680	(3,826,667)
Increase in Net Position	4,316,943	6,556,822	(2,239,879)
Net Position (Deficit) Beginning of Year	5,736,393	(820,429)	6,556,822
Net Position End of Year	$10,053,336	$5,736,393	$4,316,943

Approximately 86 percent (same as 2021) of the Health District's revenues are program revenues, primarily charges for the services, Medicare and/or Medicaid reimbursements, and restricted grants. There was a significant increase in capital grants and contributions this was due to the American Rescue Plan that was allocated specifically for capital items. During 2022, operating grants and contributions continued to increase as the Health District continues to support its expanding programs with grants, including the additional COVID-19 funding.

Approximately 52 percent of the Health District's expenses are related to providing general health services which includes the women, infants, and children program; provision of nursing services; administration of vital statistics; issuance of various licenses and permits; the 211 referral service; and numerous community and family health programs. Approximately 48 percent of the Health District's expenses are for the operations of the health clinic. These costs which will vary annually are dependent on patients served. Total expenses increased due to the Health District treating more patients in 2022.

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
General Health	$7,859,087	$339,790	$5,896,128	$1,015,568
Health Clinic	7,233,596	1,212,088	5,383,552	3,000,462
Interest and Fiscal Charges	13,664	(13,664)	0	0
	$15,106,347	$1,538,214	$11,279,680	$4,016,030

As noted in the above table, 96 percent of the costs of providing general health services were paid for with program revenues; by charges for the services provided to clients (patients) and through reimbursements from Medicare/Medicaid as well as through various grants. A little over 83 percent of the cost of services provided through the health clinic was paid for through program revenues. Resources received through property tax levies (general revenue) generally makes up balance of the costs for services provided.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The Health District's major governmental funds are the General Fund and the Clinical Patient Services and Environmental Health Programs funds.

Fund balance decreased 13 percent in the General Fund. The increase in revenues was insignificant. However, there was over $850,000 increase in expenditures, primarily occupancy and maintenance related to the purchase of land at 301 Superior Street.

There was an increase in fund balance in the Clinical Patient Services Fund. There was an increase in both revenues and expenditures resulting from the expansion of clinic sites and, therefore, services provided.

Revenues and expenditures remained fairly similar to the prior year in the Environmental Health Programs Fund; however, expenditures still exceed revenues in 2022 resulting in an increase in the deficit fund balance.

BUDGETARY HIGHLIGHTS

The Health District prepares an annual budget of revenues and expenditures/expenses for all funds of the Health District for use by Health District officials and such other budgetary documents as are required by State statute, including the annual appropriations measure which is effective the first day of January.

The Health District's most significant budgeted fund is the General Fund. For revenues, there was no change from the original budget to the final budget; actual revenues were lower than the final budget primarily due to receiving less grant money than anticipated. For expenditures, there was no change from the original budget to the final budget; actual expenditures amounts were slightly less than the final budget and were insignificant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Health District's investment in capital assets as of December 31, 2022, was $9,788,212 (net of accumulated depreciation). Additions included completed construction in progress (building addition and parking lot improvement), new buildings at the Kelly's Island site, land purchased at 301 Superior Street, and new equipment and furniture for the building addition. Disposals were minimal. For further information regarding the Health District's capital assets, refer to Note 8 to the basic financial statements.

Debt - At December 31, 2022, the Health District's outstanding long-term obligations consisted of financed purchases and leases, in the amount of $68,907 and $166,977, respectively. The Health District's long-term obligations also included the net pension liability and compensated absences (future severance payments). For further information regarding the Health District's long-term obligations, refer to Note 13 to the basic financial statements.

CURRENT ISSUES

2022 continued to be a year in which our local public health department coupled with our Federally Qualified Health Center (FQHC) worked at a pace far and above the expected norm.

The mission statements were fulfilled on a daily encounter. COVID-19 activities and agency programmatic expansion continued on a very busy pace. During 2022, we completed several major projects; including a new 14,000 square foot building here on our campus, with external property upgrades designed to increase patient flow, provide safety to our visitors while enhancing our image.

The FQHC sites were significantly altered. Kelleys Island Health Center has moved and completely rebuilt/remodeled to include all needed equipment and appurtenances for primary care, behavioral health and dental care. The school based health center at EHOVE vocational school was enhanced to now offer dental care. The additional two dental chairs and associated equipment will provide oral health care to a region suffering from a dearth of services.

Again, through 2022, our agency expanded, and met our public health challenges/goals. The organizational chart has undergone vast changes in both positions and classification changes. The labor challenges of the pre and post pandemic created a need for Board discussion concerning classification upgrades. This process was successfully implemented and the end result was our quality staff remained in our work force, while we gained several key members due to the classification upgrades.

Our agency's ability to strategically plan, and to provide data based on that planning, has led to our 2022 success. Our community based opportunities continue to expand, as in closing 2022, we began to investigate the potential for a memory loss Adult Day Care, which is now coming to fruition.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Health District's finances for all those interested in the Health District's financial well being. Questions any of the information provided in this report or requests for additional information should be directed to Joseph Palmucci, CFO, 420 Superior Street, Sandusky, Ohio 44870-1815.

Erie County General Health District
Statement of Net Position
December 31, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$5,999,771
Accounts Receivable	237,535
Due from Other Governments	1,869,096
Prepaid Items	108,847
Materials and Supplies Inventory	394,197
Property Taxes Receivable	2,340,767
Net Pension Asset	139,374
Net OPEB Asset	1,561,348
Nondepreciable Capital Assets	1,441,599
Depreciable Capital Assets, Net	8,346,613
Total Assets	22,439,147
Deferred Outflows of Resources	
Pension	2,591,680
OPEB	249,884
Total Deferred Outflows of Resources	2,841,564
Liabilities	
Accrued Wages Payable	508,637
Accounts Payable	270,415
Due to Other Governments	150,495
Accrued Interest Payable	213
Unearned Revenue	8,250
Long-Term Liabilities	
Due Within One Year	285,526
Due in More Than One Year	
Net Pension Liability	4,241,968
Other Amounts Due in More Than One Year	676,086
Total Liabilities	6,141,590
Deferred Inflows of Resources	
Property Taxes	2,286,598
Pension	5,185,998
OPEB	1,613,189
Total Deferred Inflows of Resources	9,085,785
Net Position	
Net Investment in Capital Assets	9,552,328
Restricted for:	
Other Purposes	484,465
Pension/OPEB plans	335,614
Unrestricted (Deficit)	(319,071)
Total Net Position	$10,053,336

See Accompanying Notes to the Basic Financial Statements

Erie County General Health District
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Health	$7,859,087	$2,540,976	$5,657,901	$0
Health Clinic	7,233,596	5,244,171	2,772,045	429,468
Interest and Fiscal Charges	13,664	0	0	0
Total Governmental Activities	$15,106,347	$7,785,147	$8,429,946	$429,468
General Revenues				
Property Taxes Levied for General Purposes				
Grants and Entitlements not Restricted to Specific Programs				
Other				
Total General Revenues				
Change in Net Position				
Net Position Beginning of Year				
Net Position End of Year				

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Change in Net Position
Governmental Activities
$339,790
1,212,088
(13,664)
1,538,214
2,148,089
375,075
255,565
2,778,729
4,316,943
5,736,393
$10,053,336

Erie County General Health District
Balance Sheet
Governmental Funds
December 31, 2022

	General	Clinical Patient Services	Environmental Health Programs	Other Governmental
Assets				
Equity in Pooled Cash and Cash Equivalents	$5,995,151	$0	$0	$4,620
Accounts Receivable	500	230,244	4,577	2,214
Due from Other Governments	269,309	491,687	4,797	1,103,303
Prepaid Items	108,061	786	0	0
Materials and Supplies Inventory	0	394,197	0	0
Property Taxes Receivable	2,340,767	0	0	0
Total Assets	$8,713,788	$1,116,914	$9,374	$1,110,137
Liabilities				
Accrued Wages Payable	$18,374	$263,406	$51,067	$175,790
Accounts Payable	15,382	119,924	21,356	113,753
Due to Other Governments	25,011	49,755	16,096	59,633
Unearned Revenue	0	0	0	8,250
Total Liabilities	58,767	433,085	88,519	357,426
Deferred Inflows of Resources				
Property Taxes Receivable	2,286,598	0	0	0
Unavailable Revenue	269,325	0	0	417,999
Total Deferred Inflows of Resources	2,555,923	0	0	417,999
Fund Balance				
Nonspendable	108,061	394,983	0	0
Restricted	0	0	0	362,006
Committed	0	288,846	0	67,217
Assigned	4,140,071	0	0	0
Unassigned (Deficit)	1,850,966	0	(79,145)	(94,511)
Total Fund Balance (Deficit)	6,099,098	683,829	(79,145)	334,712
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$8,713,788	$1,116,914	$9,374	$1,110,137

See Accompanying Notes to the Basic Financial Statements

Total Governmental Funds
$5,999,771
237,535
1,869,096
108,847
394,197
2,340,767
$10,950,213
$508,637
270,415
150,495
8,250
937,797
2,286,598
687,324
2,973,922
503,044
362,006
356,063
4,140,071
1,677,310
7,038,494
$10,950,213

This page is intentionally left blank.

Erie County General Health District
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2022

Total Governmental Fund Balance		$7,038,494
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		9,788,212
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Due from Other Governments	633,155	
Delinquent Property Taxes Receivable	54,169	
		687,324
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued Interest Payable	(213)	
Compensated Absences Payable	(725,728)	
Financed Purchases Payable	(68,907)	
Leases Payable	(166,977)	
		(961,825)
The net pension asset, net pension liability, and net OPEB liability are not due and payable in the current period; therefore, the asset, liability, and related deferred outflows/inflows are not reported in the governmental funds.		
Net Pension Asset	139,374	
Deferred Outflows - Pension	2,591,680	
Deferred Inflows - Pension	(5,185,998)	
Net Pension Liability	(4,241,968)	
Deferred Outflows - OPEB	249,884	
Deferred Inflows - OPEB	(1,613,189)	
Net OPEB Asset	1,561,348	
		(6,498,869)
Net Position of Governmental Activities		$10,053,336

See Accompanying Notes to the Basic Financial Statements

Erie County General Health District
Statement of Revenues, Expenditures,
and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General	Clinical Patient Services	Environmental Health Programs	Other Governmental
Revenues				
Property Taxes	$2,152,473	$0	$0	$0
Charges for Services	500	5,244,171	235,991	1,387,000
Fees, Licenses, and Permits	0	0	696,086	193,773
Intergovernmental	820,452	3,220,024	464,345	4,422,376
Other	41,842	157,391	56,082	250
Total Revenues	3,015,267	8,621,586	1,452,504	6,003,399
Expenditures				
Current:				
General Health				
Salaries	301,365	0	721,383	2,807,237
Fringe Benefits	86,568	0	233,635	951,306
Travel and Transportation	5,802	0	34,469	59,596
Contractual Services	1,796,293	0	250,272	1,787,925
Materials and Supplies	142,781	0	67,529	192,030
Occupancy and Maintenance	1,547,437	0	250	0
Intergovernmental	0	0	145,065	103,643
Capital Outlay	329,878	0	799	23,850
Other	2,954	0	1,117	6,586
Health Clinic				
Salaries	0	4,504,034	0	0
Fringe Benefits	0	1,465,380	0	0
Travel and Transportation	0	25,477	0	0
Contractual Services	0	1,831,505	0	0
Materials and Supplies	0	505,132	0	0
Capital Outlay	0	124,525	0	0
Other	0	13,523	0	0
Debt Service				
Principal Retirement	24,154	22,841	2,184	4,800
Interest and Fiscal Charges	7,198	4,790	458	1,005
Total Expenditures	4,244,430	8,497,207	1,457,161	5,937,978
Excess of Revenues Over (Under) Expenditures	(1,229,163)	124,379	(4,657)	65,421
Other Financing Sources (Uses)				
Inception of Leases	18,449	44,898	4,293	9,433
Inception of Financed Purchases	83,677	0	0	0
Transfers In	195,318	0	0	363,341
Transfers Out	0	(120,023)	(15,482)	(423,154)
Total Other Financing Sources (Uses)	297,444	(75,125)	(11,189)	(50,380)
Change in Fund Balance	(931,719)	49,254	(15,846)	15,041
Fund Balance (Deficit) Beginning of Year	7,030,817	634,575	(63,299)	319,671
Fund Balance (Deficit) End of Year	$6,099,098	$683,829	($79,145)	$334,712

See Accompanying Notes to the Basic Financial Statements

Total Governmental Funds
$2,152,473
6,867,662
889,859
8,927,197
255,565
19,092,756
3,829,985
1,271,509
99,867
3,834,490
402,340
1,547,687
248,708
354,527
10,657
4,504,034
1,465,380
25,477
1,831,505
505,132
124,525
13,523
0
53,979
13,451
20,136,776
(1,044,020)
77,073
83,677
558,659
(558,659)
160,750
(883,270)
7,921,764
$7,038,494

Erie County General Health District
Reconciliation of Statement of Revenues, Expenditures,
and Change in Fund Balance
of Governmental Funds to Statement of Activities
For the Year Ended December 31, 2022

Change in Fund Balance - Total Governmental Funds		($883,270)
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on 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 outlay exceeded depreciation/amortization in the current year.		
Capital Outlay - Non-Depreciable Capital Assets	3,121,295	
Capital Outlay - Depreciable Capital Assets	511,670	
Depreciation/Amortization	(416,048)	
		3,216,917
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Delinquent Property Taxes	(4,384)	
Charges for Services	27,626	
Intergovernmental	307,292	
		330,534
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.		
Financed Purchases	14,770	
Leases Payable	39,209	
		53,979
The inception of a financed purchase and the inception of a lease are reported as other financing sources in the governmental funds but increases long-term liabilities on the statement of net position.		
Inception of Financed Purchases	(83,677)	
Inception of Leases Payable	(77,073)	
		(160,750)
Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position.		(213)
Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(69,247)
Except for amounts reported as deferred outflows/inflows, changes in the net pension liability (asset) and net OPEB asset are reported as pension/OPEB expense on the statement of activities.		
Pension	(201,599)	
OPEB	917,396	
		715,797
Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,100,338	
OPEB	12,858	
		1,113,196
Change in Net Position of Governmental Activities		$4,316,943

See Accompanying Notes to the Basic Financial Statements

Erie County General Health District
Statement of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property Taxes	$2,094,707	$2,094,707	$2,152,473	$57,766
Intergovernmental	931,601	931,601	733,460	(198,141)
Other	10,000	10,000	41,842	31,842
Total Revenues	3,036,308	3,036,308	2,927,775	(108,533)
Expenditures				
Current:				
General Health				
Salaries	391,327	391,327	296,556	94,771
Fringe Benefits	115,975	115,975	85,826	30,149
Travel and Transportation	5,976	5,976	5,435	541
Contractual Services	1,906,332	1,906,332	1,936,670	(30,338)
Materials and Supplies	140,541	140,541	141,832	(1,291)
Occupancy and Maintenance	1,514,022	1,514,022	1,511,402	2,620
Capital Outlay	303,000	303,000	325,419	(22,419)
Other	2,500	2,500	1,404	1,096
Total Expenditures	4,379,673	4,379,673	4,304,544	75,129
Excess of Revenues Under Expenditures	(1,343,365)	(1,343,365)	(1,376,769)	(33,404)
Other Financing Sources				
Transfers In	0	195,318	195,318	0
Change in Fund Balance	(1,343,365)	(1,148,047)	(1,181,451)	(33,404)
Fund Balance Beginning of Year	7,176,602	7,176,602	7,176,602	0
Fund Balance End of Year	$5,833,237	$6,028,555	$5,995,151	($33,404)

See Accompanying Notes to the Basic Financial Statements

Erie County General Health District
Statement of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Clinical Patient Services Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Charges for Services	$5,415,900	$5,271,729	$5,271,729	$0
Intergovernmental	3,240,462	3,776,190	3,189,753	(586,437)
Other	92,525	162,276	162,276	0
Total Revenues	8,748,887	9,210,195	8,623,758	(586,437)
Expenditures				
Current:				
Health Clinic				
Salaries	4,966,315	4,496,266	4,496,266	0
Fringe Benefits	1,645,862	1,463,757	1,463,757	0
Travel and Transportation	36,169	24,270	24,270	0
Contractual Services	2,029,487	2,376,133	1,789,696	586,437
Materials and Supplies	640,953	598,877	598,877	0
Capital Outlay	187,912	116,924	116,924	0
Other	15,365	13,945	13,945	0
Total Expenditures	9,522,063	9,090,172	8,503,735	586,437
Excess of Revenues Over (Under) Expenditures	(773,176)	120,023	120,023	0
Other Financing Uses				
Transfers Out	0	(120,023)	(120,023)	0
Change in Fund Balance	(773,176)	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Fund Balance (Deficit) End of Year	($773,176)	$0	$0	$0

See Accompanying Notes to the Basic Financial Statements

Erie County General Health District
Statement of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Environmental Health Programs Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Charges for Services	$202,575	$402,019	$233,441	(168,578)
Fees, Licenses, and Permits	819,799	697,331	697,331	0
Intergovernmental	66,000	470,164	470,164	0
Other	220,000	56,082	56,082	0
Total Revenues	1,308,374	1,625,596	1,457,018	(168,578)
Expenditures				
Current:				
General Health				
Salaries	672,373	709,195	709,195	0
Fringe Benefits	228,488	231,753	231,753	0
Travel and Transportation	30,969	33,728	33,728	0
Contractual Services	292,480	418,537	249,959	168,578
Materials and Supplies	54,975	68,053	68,053	0
Occupancy and Maintenance	0	250	250	0
Intergovernmental	161,858	145,472	145,472	0
Capital Outlay	6,500	799	799	0
Other	2,230	2,327	2,327	0
Total Expenditures	1,449,873	1,610,114	1,441,536	168,578
Excess of Revenues Over (Under) Expenditures	(141,499)	15,482	15,482	0
Other Financing Uses				
Transfers Out	0	(15,482)	(15,482)	0
Change in Fund Balance	(141,499)	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Fund Balance (Deficit) End of Year	($141,499)	$0	$0	$0

See Accompanying Notes to the Basic Financial Statements

This page is intentionally left blank.

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

A. The Health District

The constitution and laws of the State of Ohio establish the rights and privileges of the Erie County General Health District, Erie County (the Health District), as a body corporate and politic. The Health District is a combined Board of Health as defined by Section 3709.07 of the Ohio Revised Code. The Health District is the union of the city health departments of Sandusky, Huron, and Vermilion and the Erie County Board of Health. The Health District operates under the direction of an eleven-member appointed Board of Health with five members appointed by the City of Sandusky, one member each appointed by the cities of Huron and Vermilion, three members appointed by the District Advisory Council, and one member appointed by the District Licensing Council. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, and issuing health-related licenses and permits.

B. Reporting Entity

A reporting entity is composed of the stand-alone government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Erie County General Health District consists of all funds, departments, boards, and agencies that are not legally separate from the Health District.

Component units are legally separate organizations for which the Health District is financially accountable. The Health District is financially accountable for an organization if the Health District appoints a voting majority of the organization's governing board and (1) the Health District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Health District is legally entitled to or can otherwise access the organization's resources; the Health District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the Health District in that the Health District approves the budget, the issuance of debt, or the levying of taxes and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Health District. There were no component units of the Health District in 2022.

The Health District participates in a public entity shared risk pool, the Public Entities Pool of Ohio, which is presented in Note 16 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Erie County General Health 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. Following are the more significant of the Health District's accounting policies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

The Health 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 Health District as a whole.

The statement of net position presents the financial condition of the governmental activities of the Health District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Health District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Health 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 Health District.

Fund Financial Statements

During the year, the Health District segregates transactions related to certain Health 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 Health District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Health 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. All of the Health District's funds are governmental funds.

Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the Health District's major governmental funds:

> General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Clinical Patient Services Fund - This fund accounts for grants and patient fees committed for personnel costs, supplies, and contracts to run the clinic.

Environmental Health Programs Fund - This fund accounts for fees, licenses, and permits restricted to providing healthy environmental conditions.

The other governmental funds of the Health District account for grants and other resources whose use is restricted, committed, or assigned for a particular purpose.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Health 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 and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects 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. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

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. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows 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, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Health District, available means expected to be received within thirty-one days after year end.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nonexchange transactions, in which the Health District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the 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 Health District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Health District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: charges for services and grants.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the Health District, deferred outflows of resources consists of pension and OPEB which is explained in Notes 10 and 11 to the basic financial statements.

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Health District, deferred inflows of resources includes property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the Health District, unavailable revenue includes intergovernmental revenue including grants, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 19. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and explained in Notes 10 and 11 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses/Expenditures

On the accrual basis, 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 governmental funds.

E. Budgetary Process

All funds are required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations measure, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations measure is the Board of Health's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board of Health. The level of control has been established by the Board of Health at the fund level for all funds. Budgetary allocations at the function and object level for all funds are made by the Chief Financial Officer.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Chief Financial Officer. 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 Board of Health.

The appropriations measure is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations measure 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 Board of Health during the year.

F. Cash and Investments

As required by the Ohio Revised Code, the Erie County Treasurer is custodian for the Health District's deposits and investments. The County's deposit and investment pool holds the Health District's cash and investments, valued at the Treasurer's reported carrying amount.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption.

I. Capital Assets

All of the Health District's capital assets are general capital assets generally resulting from expenditures in governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The Health District maintains a capitalization threshold of two thousand five hundred dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated, except land and construction in progress. 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	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	20-40 years
Furniture, Fixtures, and Equipment	5-20 years
Vehicles	5-10 years
Intangible Right-to-Use Equipment	2-5 years

The Health District is reporting intangible right to use assets related to leased equipment. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

J. Compensated Absences

Vacation 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 the Health District will compensate the employees for the benefits through paid time off or some other means. The Health District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Health District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the Health District's termination policy. The Health District records a liability for accumulated unused sick leave for all employees with ten or more years of service with the Health District.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide 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 are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are 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. Financed purchases and leases are recognized as a liability on the governmental fund financial statements when due.

L. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position for pension and OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

M. Leases

The Health District serves as lessee in various noncancellable leases which are accounted for as follows:

> Lessee - At the commencement of a lease, the Health District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line- basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Balance

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

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action of the Board of Health. The committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action 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 classification are intended to be used by the Board of Health for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Health. The Board of Health has authorized the Chief Financial Officer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Health District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

O. Interfund Transactions

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

P. Pension/Postemployment

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from the fiduciary net position have been determined on the same basis as reported by the pension/OPEB system. 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 system reports investments at fair value.

Q. Estimates

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2022, the Health District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, "Leases" and related guidance from (GASB) Implementation Guide No. 2019-3, "Leases". The Health District also implemented GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No.92, "Omnibus 2020", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", and Implementation Guide No. 2020-1.

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Health District's 2022 financial statements. The Health District recognized $129,113 in leases payable at January 1, 2022, which was offset by the intangible asset, right to use lease - equipment.

GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES (continued)

GASB Statement No. 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the Health District's financial statements.

GASB Statement No. 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.

The changes for GASB Statement No. 87, GASB Statement No. 91, and GASB Statement No. 97 were incorporated in the Health District's financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 4 - ACCOUNTABILITY

At December 31, 2022, the following funds had deficit fund balances:

Fund Type/Fund	Deficit
Major Special Revenue Fund	
Environmental Health Programs	$79,145
Nonmajor Special Revenue Funds	
Women, Infants, and Children	1,205
Vital Statistics	25,401
Injury Prevention	499
Community Health	3,353
Drug Free Communities	11,916
Tobacco Prevention	3,540
Prenatal Care	10,488
Drug Overdose Prevention	5,704
COSSAP Grant	3,775
COVID-19 Detection and Mitigation	28,630

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (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 Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and - Actual for the General Fund and the Clinical Patient Services and Environmental Health Programs special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

Adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis are as follows:

	Changes in Fund Balance		
	General	Clinical Patient Services	Environmental Health Programs
GAAP Basis	($931,719)	$49,254	($15,846)
Increases (Decreases) Due To			
Revenue Accruals:			
Accrued 2021, Received in Cash in 2022	(32,839)	724,103	13,888
Accrued 2022, Not Yet Received in Cash	(54,653)	(721,931)	(9,374)
Expenditure Accruals:			
Accrued 2021, Paid in Cash in 2022	(198,514)	(386,478)	(77,187)
Accrued 2022, Not Yet Paid in Cash	180,893	477,983	92,812
Prepaid Items	(22,493)	1,185	0
Materials and Supplies Inventory	0	(99,218)	0
Inception of Lease	(18,449)	(44,898)	(4,293)
Inception of Financed Purchases	(83,677)	0	0
Financed Purchases Principal Retirement	(20,000)	0	0
Budget Basis	($1,181,451)	$0	$0

NOTE 6 - RECEIVABLES

Receivables at December 31, 2022, consisted of accounts (billings for health services); intergovernmental receivables arising from grants, entitlements, and shared revenues; and property taxes. All receivables are considered collectible in full and within one year, except for property taxes. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	$116,060
Public Health Workforce Grant	54,153
COVID-19 Enhanced Operations	99,096
Total General Fund	269,309
Clinical Patient Services	
Charges for Services	120,504
COVID-19 Vaccination	28,653
HRSA Grant	276,806
Integrated Naloxone Access & Infrastructure	17,250
Miscellaneous Revenue	20
Reproductive Health and Wellness Grant	48,454
Total Clinical Patient Services	491,687
Environmental Health Programs	
Erie County	4,797
Total Major Funds	765,793
Nonmajor Funds	
Women, Infants, and Children	
WIC Administration	140,041
Department of Justice Grant	
Opiod Abuse Site-Based Program Grant	41,214
First Responders	
First Responders Grant	125,147
Child and Family Health	
Maternal and Child Health Program	21,000
Immunization Action Plan	
Get Vaccinated Ohio Grant	5,215
Institutional Nursing Contracts	
School Contracts	93,389
Jail Contracts	166,982
Total Institutional Nursing Contracts	260,371

(continued)

NOTE 6 - RECEIVABLES (continued)

	Amount
Governmental Activities	
Nonmajor Funds (continued)	
HUD Lead	
HUD Lead Grant	$175,843
Ohio Lead Safe Homes	
Ohio Lead Safe Homes Grant	31,218
Public Health Emergency Planning and Response	
Public Health Emergency Planning and Response Grant	21,908
Health Homes Project	
Health Homes Project Grant	27,316
Ohio Health Improvement Zones Pilot Project	
Ohio Health Improvement Zones Pilot Project Grant	128,791
Injury Prevention	
Injury Prevention Grant	3,600
Community Health	
Creating Healthy Communities Grant	17,212
Safe Communities Grant	1,348
Total Community Health	18,560
Drug Free Communities	
Drug Free Communities Grant	4,744
Tobacco Use Prevention and Cessation	
Tobacco Use Prevention and Cessation Grant	2,750
Moms Quit for Two	
Moms Quit for Two Grant	6,350
Community Health Worker Workforce Development	
Community Health Worker Workforce Development Grant	43,042
Cribs for Kids and Safe Sleep	
Cribs for Kids and Safe Sleep Grant	6,100
Social Determinates of Health Project	
Social Determinates of Health Project Grant	6,495
COVID-19 Detection and Mitigation in Confinement Facilities	
COVID-19 Detection and Mitigation in Confinement Facilities Grant	33,598
Total Nonmajor Funds	1,103,303
Total Governmental Activities	$1,869,096

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Real property tax revenues received in 2022 represent the collection of 2021 taxes. Real property taxes received in 2022 were levied after October 1, 2021, on the assessed values as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2022 represent the collection of 2021 taxes. Public utility real and tangible personal property taxes received in 2022 became a lien on December 31, 2020, were levied after October 1, 2021, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the Erie County General Health District. The County Auditor periodically remits to the Health District its portion of the taxes collected.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2022, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2022 operations is offset to deferred inflows of resources-property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on a modified accrual basis, the revenue has been reported as deferred inflows of resources-unavailable revenue.

The full tax rate for all Health District operations for the year ended December 31, 2022, was $1.00 per $1,000 of assessed value. The assessed values of real property and public utility property upon which 2022 property tax receipts were based are as follows:

Category	Amount
Real Property	
Agricultural	$112,055,600
Residential	1,855,793,200
Commercial	449,720,070
Industrial	47,437,510
Public Utility Property	
Real	10,685,160
Personal	299,250,440
Total Assessed Value	$2,774,941,980

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	Restated Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022
Governmental Activities:				
Non-Depreciable Capital Assets				
Land	$59,050	$1,382,549	$0	$1,441,599
Construction in Progress	2,167,968	1,738,746	(3,906,714)	0
Total Non-Depreciable Capital Assets	2,227,018	3,121,295	(3,906,714)	1,441,599
Depreciable Capital Assets				
Land Improvements	76,808	404,788	0	481,596
Buildings and Improvements	4,017,929	3,572,399	0	7,590,328
Furniture, Fixtures, and Equipment	1,086,933	364,124	(2,871)	1,448,186
Vehicles	94,949	0	0	94,949
Intangible Right-to-Use Asset-Equipment	129,113	77,073	0	206,186
Total Depreciable Capital Assets	5,405,732	4,418,384	(2,871)	9,821,245
Less Accumulated Depreciation/Amortization for				
Land Improvements	(17,283)	(24,080)	0	(41,363)
Buildings and Improvements	(450,633)	(193,981)	0	(644,614)
Furniture, Fixtures, and Equipment	(546,620)	(130,919)	2,871	(674,668)
Vehicles	(46,919)	(13,587)	0	(60,506)
Intangible Right-to-Use Asset-Equipment	0	(53,481)	0	(53,481)
Total Accumulated Depreciation/Amortization	(1,061,455)	(416,048)	2,871	(1,474,632)
Total Depreciable Capital Assets, Net	4,344,277	4,002,336	0	8,346,613
Governmental Activities Capital Assets, Net	$6,571,295	$7,123,631	($3,906,714)	$9,788,212

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
General Health	$230,269
Health Clinic	185,779
Total Depreciation Expense - Governmental Activities	$416,048

Of the current year depreciation total of $416,048, $53,481 is presented as general health expense on the Statement of Activities related to the Health District's intangible asset of copier machines, which is included as an Intangible Right-to-Use Lease. With the implementation of Governmental Accounting Standards Board Statement No.87, "Leases," a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right-to-use asset.

NOTE 9 - RISK MANAGEMENT

The Health District participates in the Public Entities Pool of Ohio, a public entity shared risk pool. The Health District pays an annual premium to the pool for various types of insurance coverage. Members agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage. Upon withdrawal from the Pool, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal. During 2022, the Health District had the following insurance coverage:

Type of Coverage	Coverage	Deductible
Building and Contents Liability	$9,172,501	$1,000
General Liability	3,000,000	1,000
Medical Malpractice Liability	3,000,000	1,000
Automobile Liability	3,000,000	0
Wrongful Acts	3,000,000	1,000

There has been no significant reduction in insurance coverage from 2021 and no insurance settlement has exceeded insurance coverage during the last three years.

NOTE 10 - DEFINED BENEFIT PENSION PLAN

The Statewide retirement system provides both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset)/Net OPEB Asset

The net pension liability (asset) and the net OPEB asset reported on the statement of net position represent a liability to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. Pensions/OPEB 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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represents the Health District's proportionate share of the 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) calculations are 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 these estimates annually.

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

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

GASB Statements No. 68 and No. 75 assume the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the 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 contribution to provide for theseOPEB benefits. In addition, health care plan enrollees pay a portion of the health care cost in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within thirty years. If the pension amortization period exceeds thirty years, the 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 (asset). Resulting adjustments to the net pension/OPEB liability (asset) 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 the plan's unfunded benefits is presented as a net pension/OPEB asset or long-term net pension/OPEB liability 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 intergovernmental payable. The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Health District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which 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 Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

	State and Local	Public Safety	Law Enforcement
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2022 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2022, the Health District's contractually required contribution was $1,067,512 for the traditional plan, $32,826 for the combined plan, and $32,146 for the member-directed plan. Of these amounts, $66,368 is reported as an intergovernmental payable for the traditional plan, $2,044 for the combined plan, and $1,999 for the member-directed plan.

Pension Liability (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Health District's proportion of the net pension liability (asset) was based on the Health District 's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the Health District's defined benefit pension plans:

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.04875600%	0.03537400%	
Prior Measurement Date	0.04463000%	0.03553700%	
Change in Proportionate Share	0.00412600%	0.00016300%	
Proportionate Share of the:			
Net Pension Liability	$4,241,968	$0	$4,241,968
Net Pension Asset	0	139,374	139,374
Pension Expense	206,116	(4,517)	201,599

2022 pension expense for the member-directed defined contribution plan was $32,146. The aggregate pension expense for all pension plans was $233,745 for 2022.

At December 31, 2022, the Health District reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$216,249	$865	$217,114
Changes of assumptions	530,454	7,004	537,458
Changes in proportion and differences between Health District contributions and proportionate share of contributions	731,975	4,795	736,770
Health District contributions subsequent to the measurement date	1,067,512	32,826	1,100,338
Total Deferred Outflows of Resources	$2,546,190	$45,490	$2,591,680
Deferred Inflows of Resources			
Differences between expected and actual experience	$93,037	$15,588	$108,625
Net difference between projected and actual earnings on pension plan investments	5,045,668	29,880	5,075,548
Changes in proportion and differences between Health District contributions and proportionate share of contributions	0	1,825	1,825
Total Deferred Inflows of Resources	$5,138,705	$47,293	$5,185,998

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

$1,100,338 reported as deferred outflows of resources related to pension resulting from Health District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase in the net pension asset in 2023. 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 Plan	OPERS Combined Plan	Total
Year Ending December 31:			
2023	($81,820)	($8,518)	($90,338)
2024	(1,589,117)	(12,021)	(1,601,138)
2025	(1,186,441)	(7,664)	(1,194,105)
2026	(802,649)	(5,498)	(808,147)
2027	0	(388)	(388)
Thereafter	0	(540)	(540)
Total	($3,660,027)	($34,629)	($3,694,656)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 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, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented on the following page:

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, 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 the above-described tables.

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, 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 15.3 percent for 2021.

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 geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00%	4.21%

Discount Rate - The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. 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.

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity of the Health District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the Health District's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the Health District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Health District's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	$11,184,139	$4,241,968	($1,534,839)
OPERS Combined Plan	(104,000)	(139,374)	(166,965)

NOTE 11 - DEFINED BENEFIT OPEB PLAN

See Note 10 for a description of the net OPEB 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 (HRA) 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.

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

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

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. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became 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 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.

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.

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, 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 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was $12,858 for 2022. Of this amount, $800 is reported as an intergovernmental payable.

OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset for OPERS was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Health District's proportion of the net OPEB asset was based on the Health District 's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.04984900%
Prior Measurement Date	0.04533400%
Change in Proportionate Share	0.00451500%
Proportionate Share of the Net OPEB Asset	$1,561,348
OPEB Expense	($917,396)

At December 31, 2022, the Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

	OPERS
Deferred Outflows of Resources	
Changes in proportion and differences between Health District contributions and proportionate share of contributions	$237,026
Health District contributions subsequent to the measurement date	12,858
Total Deferred Outflows of Resources	$249,884
Deferred Inflows of Resources	
Differences between expected and actual experience	$236,833
Changes of Assumptions	632,016
Net difference between projected and actual earnings on OPEB plan investments	744,340
Total Deferred Inflows of Resources	$1,613,189

$12,858 reported as deferred outflows of resources related to OPEB resulting from Health District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset or an increase of the net OPEB asset in 2023. 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:	
2023	($786,782)
2024	(319,847)
2025	(162,634)
2026	(106,900)
2027	0
Total	($1,376,163)

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.

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

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. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2034	8.5 percent, initial 3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, 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 the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

During 2021, 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 contributions 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 14.3 percent for 2021.

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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

Discount Rate - A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. 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) 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 an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Health District's proportionate share of the net OPEB asset	$918,219	$1,561,348	$2,095,153

Sensitivity of the Health 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 1.0 percent lower or 1.0 percent higher than the current rate.

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 2022 is 5.50 percent. 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 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 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Health District's proportionate share of the net OPEB asset	$1,578,219	$1,561,348	$1,541,331

NOTE 12 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from personnel policies and State laws.

Health District employees earn and accumulate vacation at varying rates depending on length of service. Current policy credits vacation leave on the employee's anniversary date. Employees are paid for 100 percent of earned unused vacation leave, not to exceed three years of accumulated leave, upon termination.

Sick leave is earned at four and six-tenths hours per pay period as defined by Health District personnel policies. Any employee with the Health District, who elects to retire, is entitled to receive one-fourth of the value of their accumulated unused sick leave up to a maximum of two hundred forty hours.

NOTE 13 - LONG-TERM OBLIGATIONS

The Health District's long-term obligations activity for the year ended December 31, 2022, was as follows:

	Restated Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Governmental Activities					
Net Pension Liability	$6,608,731	$0	$2,366,763	$4,241,968	$0
Compensated Absences Payable	656,481	179,705	110,458	725,728	217,874
Financed Purchases Payable	0	83,677	14,770	68,907	15,693
Leases Payable	129,113	77,073	39,209	166,977	51,959
Total Long-Term Obligations	$7,394,325	$340,455	$2,531,200	$5,203,580	$285,526

There is no repayment schedule, for the net pension/OPEB liability; however, employer pension contributions are made from the General Fund; and the Clinical Patient Services; Environmental Health Programs; Women, Infants, and Children; Department of Justice Grant; Rural Community Opioid; First Responders; Child and Family Health; Immunization Action Plan; Institutional Nursing Contracts; HUD Lead; Public Health Emergency Planning and Response; Healthy Homes Project; Ohio Health Improvement Zones; Vital Statistics; Injury Prevention; Community Health; Drug Free Communities; Tobacco Use and Cessation; Prenatal Care; Moms Quit for Two; Drug Overdose Prevention; Community Health Workers Workforce Development, Cribs for Kids and Safe Sleep; Social Determinates of Health Project; Comprehensive Opioid, Stimulant, and Substance Abuse Program; and the COVID-19 Detection and Mitigation in Confinement Facilities special revenue funds. For additional information related to the net pension/OPEB liability, see Notes 10 and 11 to the basic financial statements.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid.

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

During 2022, the Health District entered in a financed purchase agreement for land in the amount of $83,677, to be paid from the General Fund.

The Health District has outstanding agreements to lease copiers. Due to the implementation of GASB Statement No. 87, these leases have met the criteria of leases thus requiring them to be recorded by the Health District. The future lease payments were discounted based on the interest rate implicit in the lease or using the Health District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

Year	Principal	Interest
2023	$51,959	$8,964
2024	46,657	5,867
2025	31,545	3,240
2026	23,689	1,555
2027	13,127	367
	$166,977	$19,993

Principal and interest requirements to financed purchases outstanding at December 31, 2022, were as follows:

	Financed Purchases From Direct Borrowings	
Year	Principal	Interest
2023	$15,693	$4,307
2024	16,674	3,326
2025	17,716	2,284
2026	18,824	1,176
	$68,907	$11,093

NOTE 14 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in governmental funds.

NOTE 14 - FUND BALANCE (continued)

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Clinical Patient Services	Environmental Health Programs	Other Governmental
Nonspendable for:				
Prepaid Items	$108,061	$786	$0	$0
Materials and Supplies Inventory	0	394,197	0	0
Total Nonspendable	108,061	394,983	0	0
Restricted for:				
Child and Family Health	0	0	0	13,187
Community Health	0	0	0	43,196
Cribs for Kids and Safe Sleep	0	0	0	5,683
Erie County 211	0	0	0	4,620
Health Improvement Zones Pilot Project	0	0	0	124,150
Healthy Homes Production	0	0	0	17,508
HUD Lead	0	0	0	45,162
Immunization Action Plan	0	0	0	4,086
Lead Safe Homes	0	0	0	5,527
Opioid Abuse Site-Based Program	0	0	0	76,658
Public Health Emergency Planning and Response	0	0	0	16,712
Tobacco Prevention	0	0	0	5,517
Total Restricted	0	0	0	362,006
Committed for:				
Clinical Patient Services	0	288,846	0	0
Institutional Nursing Contracts	0	0	0	67,217
Total Committed	0	288,846	0	67,217
Assigned for:				
Projected Budget Shortage	4,140,071	0	0	0
Unassigned (Deficit)	1,850,966	0	(79,145)	(94,511)
Total Fund Balance (Deficit)	$6,099,098	$683,829	($79,145)	$334,712

NOTE 15 - INTERFUND TRANSFERS

During 2022, the Clinical Patient Services, Environmental Health Programs special revenue funds, and other governmental funds made transfers to the General Fund, in the amount of $120,023, $15,482, and $59,813, respectively, to return excess program funds to the General Fund. Other governmental funds made transfers, in the amount of $363,341, to other governmental funds to subsidize various programs or activities in those funds.

NOTE 16 - PUBLIC ENTITY SHARED RISK POOL

The Public Entities Pool of Ohio (Pool) is a public entity shared risk pool which provides various risk management services to its members. The Pool is governed by a seven member board of directors; six are member representatives or elected officials and one is a representative of the pool administrator, American Risk Pooling Consultants, Inc. Each member has one vote on all issues addressed by the Board of Directors.

Participation in the Pool is by written application subject to the terms of the pool agreement. Members must continue membership for a full year and may withdraw from the Pool by giving a sixty day written notice prior to their annual anniversary. Financial information can be obtained from the Public Entities Pool of Ohio, 6500 Taylor Road, Blacklick, Ohio 43004.

NOTE 17 - CONTINGENT LIABILITIES

A. Litigation

There are currently no matters in litigation with the Health District as the defendant.

B. Federal and State Grants

For the period January 1, 2022, to December 31, 2022, the Health District received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Health District believes such disallowances, if any, would be immaterial.

Erie County General Health District
Required Supplementary Information
Schedule of the Health District's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Nine Years (1)

	2022	2021	2020	2019
Health District's Proportion of the Net Pension Liability	0.04875600%	0.04463000%	0.03985400%	0.03739800%
Health District's Proportionate Share of the Net Pension Liability	$4,241,968	$6,608,731	$7,877,412	$10,242,554
Health District's Covered Payroll	$7,085,786	$6,287,229	$5,606,114	$5,051,307
Health District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	59.87%	105.11%	140.51%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the Health District's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2018	2017	2016	2015	2014
0.03158700%	0.02841900%	0.02612300%	0.02388200%	0.02388200%
$4,955,388	$6,453,472	$4,524,833	$2,880,436	$2,815,377
$4,174,279	$3,673,807	$3,251,314	$2,927,925	$2,581,624
118.71%	175.66%	139.17%	98.38%	109.05%
84.66%	77.25%	81.08%	86.45%	86.36%

Erie County General Health District
Required Supplementary Information
Schedule of the Health District's Proportionate Share of the Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
Last Five Years (1)

	2022	2021	2020	2019
Health District's Proportion of the Net Pension Asset	0.03537400%	0.03553700%	0.03569200%	0.03328800%
Health District's Proportionate Share of the Net Pension Asset	$139,374	$102,581	$74,427	$37,223
Health District's Covered Payroll	$161,271	$155,300	$160,193	$142,371
Health District's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	86.42%	66.05%	46.46%	26.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	169.88%	157.67%	145.28%	126.64%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2018 is not available. An additional column will be added each year.

Amounts presented as of the Health District's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2018
0.03935800%
$53,578
$161,192
33.24%
137.28%

Erie County General Health District
Required Supplementary Information
Schedule of the Health District's Proportionate Share of the Net OPEB Liability (Asset)
Ohio Public Employees Retirement System
Last Six Years (1)

	2022	2021	2020	2019
Health District's Proportion of the Net OPEB Liability	0.04984900%	0.04533400%	0.04041400%	0.03751300%
Health District's Proportionate Share of the Net OPEB Liability (Asset)	($1,561,348)	($807,661)	$5,582,223	$4,890,810
Health District's Covered Payroll	$7,773,432	$6,856,104	$6,105,707	$5,441,103
Health District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-20.09%	-11.78%	91.43%	89.89%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the Health District's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2018	2017
0.03264000%	0.02996000%
$3,544,464	$3,026,062
$4,623,596	$4,140,715
76.66%	73.08%
54.14%	54.04%

Erie County General Health District
Required Supplementary Information
Schedule of the Health District's Contributions
Ohio Public Employees Retirement System
Last Ten Years (1)

	2022	2021	2020	2019
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	$1,067,512	$992,010	$880,212	$784,856
Contributions in Relation to the Contractually Required Contribution	(1,067,512)	(992,010)	(880,212)	(784,856)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Health District Covered Payroll	$7,625,086	$7,085,786	$6,287,229	$5,606,114
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net Pension Liability - Combined Plan				
Contractually Required Contribution	$32,826	$22,578	$21,742	$22,427
Contributions in Relation to the Contractually Required Contribution	(32,826)	(22,578)	(21,742)	(22,427)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Health District Covered Payroll	$234,471	$161,271	$155,300	$160,193
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net Pension Liability - OPEB Plan (1)				
Contractually Required Contribution	$12,858	$21,055	$16,543	$13,576
Contributions in Relation to the Contractually Required Contribution	(12,858)	(21,055)	(16,543)	(13,576)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Health District Covered Payroll (2)	$8,188,150	$7,773,432	$6,856,104	$6,105,707
OPEB Contributions as a Percentage of Covered Payroll	0.16%	0.27%	0.24%	0.22%

(1) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(2) The OPEB plan includes the members from the traditional plan, the combined plan, and the member-directed plan. The member-directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See Accompanying Notes to the Required Supplementary Information

2018	2017	2016	2015	2014	2013
$707,183	$542,656	$440,857	$390,158	$351,351	$335,611
(707,183)	(542,656)	(440,857)	(390,158)	(351,351)	(335,611)
$0	$0	$0	$0	$0	$0
$5,051,307	$4,174,279	$3,673,807	$3,251,314	$2,927,925	$2,581,624
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
$19,932	$20,955	$20,923	$16,446	$19,467	$18,558
(19,932)	(20,955)	(20,923)	(16,446)	(19,467)	(18,558)
$0	$0	$0	$0	$0	$0
$142,371	$161,192	$174,358	$137,050	$162,225	$142,754
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
$9,897	$54,880	$88,665			
(9,897)	(54,880)	(88,665)			
$0	$0	$0			
$5,441,103	$4,623,596	$4,140,715			
0.18%	1.19%	2.14%			

Changes in Assumptions - OPERS Pension - Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple 5.50 to 5.00 percent

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Amounts reported beginning in 2017 use 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.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions - OPERS Pension - Combined Plan

	2022	2019	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Changes in Assumptions - OPERS OPEB

Wage Inflation:	
2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Benefit Terms - OPERS OPEB

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 2021.

ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Health			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	02210011WA1522	$454,525
		02210011WA1623	140,041
Total AL #10.557			594,566
Total U.S. Department of Agriculture			**594,566**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Program			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	N/A	1,232,236
Healthy Homes Production Program	14.913	N/A	101,889
Total U.S. Department of Housing and Urban Development			**1,334,125**
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Ohio Department of Public Safety			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	SC-2022-00045	17,629
		SC-2023-00043	1,348
Total Highway Safety Cluster			18,977
Total U.S. Department of Transportation			**18,977**
U.S. DEPARTMENT of JUSTICE			
Direct Program			
Comprehensive Opioid Abuse Site-Based Program	16.838	N/A	216,170
Total U.S. Department of Justice			**216,170**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Program			
Drug-Free Communities Support Program Grants	93.276	N/A	61,562
Assistance Programs for Chronic Disease Prevention and Control	93.945	N/A	8,302
Health Center Program Cluster:			
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	N/A	1,485,225
COVID-19 American Rescue Plan Act Consolidated Health Centers (Community Health Migrant Health Centers, Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	N/A	772,417
COVID-19 Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	N/A	8,212
Total Health Center Program Cluster			2,265,854
COVID-19 Affordable Care Act (ACA) Grants for Capital Development in Health Centers	93.526	N/A	288,992
Food and Drug Administration_Research	93.103	N/A	9,602
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	N/A	224,523
Substance Abuse and Mental Health Services_Projects of Regional and National Significance Program	93.243	N/A	651,636
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	93.421	N/A	16,000
Passed Through Ohio Department of Health			
Preventive Health and Health Services Block Grant Program	93.991	02210014IF0422	84,130
		02210014IF0523	3,600
		00210014CC0522	90,676
Total AL #93.991			178,406
Maternal and Child Health Services Block Grant to the States	93.994	02210011MP0622	83,030
		02210011RH1122	13,453
Total AL #93.994			96,483
Public Health Emergency Preparedness	93.069	02210012PH1322	49,464
		02210012PH1423	35,011
Total AL # 93.069			84,475
Family Planning_Services	93.217	02210011RH1122	35,567
		02210011RH1223	90,348
Total AL #93.217			125,915
Immunization Cooperative Agreements	93.268	02210012GV0422	13,365
		02210012GV0523	10,924
COVID-19 Immunization Cooperative Agreements		02210012CN0122	44,449
Total AL #93.268			68,738
National and State Tobacco Control Program (B)	93.387	02210014TU0622	6,100
		02210014TU0723	19,500
Total AL #93.387			25,600
Injury Prevention and Control Research and State and Community Based Programs	93.136	00210014DR0322	148,500
		00210014DR0423	37,250
Total AL #93.136			185,750
Opioid STR	93.788	02210014IN0423	93,500
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	02210012WF0122	81,423
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	02210012EO121	277,895
		02210012EO222	67,306
Total AL #93.323			345,201
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	02210011OI123	291,856
		02210011WD0123	43,042
Total AL #93.391			334,898
Total U.S. Department of Health and Human Services			**5,146,860**
Total Expenditures of Federal Awards			**$7,310,698**

The accompanying notes are an integral part of this schedule.

ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Erie County General Health District, Erie County, Ohio (the District) under programs of the federal government for the year ended December 31, 2022. 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 - 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.

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Erie County General Health District
Erie County
420 Superior Street
Sandusky, Ohio 44870-1815

To the Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Erie County General Health District, Erie County, Ohio (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 25, 2023.

Report on 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Erie County General Health District
Erie County
420 Superior Street
Sandusky, Ohio 44870-1815

To the Members of the Board:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Erie County General Health District, Erie County, Ohio'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 Erie County General Health District's major federal programs for the year ended December 31, 2022. Erie County General Health District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

Qualified Opinion on Lead-Based Paint Hazard Control in Privately-Owned Housing Program

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Erie County General Health District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Lead-Based Paint Hazard Control in Privately-Owned Housing Program for the year ended December 31, 2022.

Unmodified Opinion on the Other Major Federal Program

In our opinion, Erie County General Health District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

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 qualified and unmodified opinions 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.

Matter Giving Rise to Qualified Opinion on Lead-Based Paint Hazard Control in Privately-Owned Housing Program

As described in finding 2022-002 in the accompanying schedule of findings, the District did not comply with requirements regarding activities allowed or unallowed and allowable costs/cost principles applicable to its AL #14.900 Lead-Based Paint Hazard Control in Privately-Owned Housing major federal program.

Compliance with such requirements is necessary, in our opinion, for the District to comply with requirements applicable to that program.

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.

Other Matter

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2022-002, to be a material weakness.

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.
Erie County Health District

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit described in the accompanying corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2023

ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified for all major programs except for Lead-Based Paint Hazard Control in Privately-Owned Housing, which we qualified.
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	Health Center Program Cluster Lead-Based Paint Hazard Control in Privately-Owned Housing - AL #14.900
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2022-001

Material Weakness - Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Environmental Health Programs Fund intergovernmental receipts in the amount of $237,454 were improperly classified as other receipts.

This error was not identified and corrected prior to the District preparing its basic financial statements due to deficiencies in the District's internal controls over financial statement monitoring. The failure to adequately monitor the basic financial statements could allow for misstatements to occur and go undetected. The accompanying basic financial statements and notes to the basic financial statements have been adjusted to reflect these changes.

The District should adopt policies and procedures, including a final review of the basic financial statements and notes to the basic financial statements to help identify and correct errors and omissions.

Officials' Response:

See Corrective Action Plan

3. FINDINGS FOR FEDERAL AWARDS

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Finding Number:	**2022-002**
Assistance Listing Number and Title:	**AL # 14.900 Lead-Based Paint Hazard Control in Privately-Owned Housing**
Federal Award Identification Number / Year:	**2022**
Federal Agency:	**U.S. Department of Housing and Urban Development**
Compliance Requirement:	**Activities Allowed or Unallowed and Allowable Costs/Cost Principles**
Pass-Through Entity:	**N/A (Direct Program)**
Repeat Finding from Prior Audit?	**No**

Noncompliance and Material Weakness

2 C.F.R. § 2400.101 provides that unless excepted under 24 CFR chapters I through IX, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth in 2 CFR part 200, shall apply to Federal Awards made by the Department of Housing and Urban Development to non-Federal entities. **2 C.F.R. § 200.430(a)(1)** states, in part, costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities. In addition, **2 C.F.R. § 200.430(i)(1)** states, in part, charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; be incorporated into the official records of the non-Federal entity; and reasonably reflect the total activity for which the employee is compensated by the non-Federal entity. **2 C.F.R. § 200.430(i)(1)(viii)** further states that budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that the subsequent provisions are met.

Due to a lack of internal controls over federal compensation costs, Erie County General Health District ultimately paid employee wages based on pre-determined budget percentages rather than actual time worked for the Assistance Listing Number #14.900 Lead-Based Paint Hazard Control in Privately-Owned Housing federal grant program. This error resulted in $810 in salary payments being incorrectly charged to the program.

Failure to have the proper controls in place to ensure the accuracy of reported payroll costs could result in the Department of Housing and Urban Development taking action against the District for failure to comply with programmatic requirements.

The District should implement and have controls in place to ensure salaries and wages are properly charged to federal programs.

Officials' Response:

See Corrective Action Plan

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number:	2022-001
Planned Corrective Action:	The District shall add a procedure to allocate and review all intergovernmental transactions prior to the final compilation of the basic financial statements.
Anticipated Completion Date:	December 31, 2023
Responsible Contact Person:	Joseph Palmucci, CFO

Finding Number:	2022-002
Planned Corrective Action:	The District will ensure that all employees not on a formal allocation plan or entirely allocated to a single source complete daily activity reports.
Anticipated Completion Date:	December 31, 2023
Responsible Contact Person:	Joseph Palmucci, CFO

OHIO AUDITOR OF STATE
KEITH FABER

ERIE COUNTY GENERAL HEALTH DISTRICT

ERIE 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 9/28/2023

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