



Dave Yost • Auditor of State

**GEAUGA PUBLIC HEALTH
GEAUGA COUNTY
DECEMBER 31, 2016 AND 2015**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Geauga Public Health
(Formerly Geauga County Combined Health District)
Geauga County
470 Center Street, Building 8
Chardon, Ohio 44024

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Geauga Public Health, Geauga County, as of and for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 2 of the financial statements for the years ended December 31, 2016 and 2015, Geauga Public Health prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Geauga Public Health as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Geauga Public Health, Geauga County, as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2 to the financial statements for the years ended December 31, 2016 and 2015.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2017, on our consideration of Geauga Public Health's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Geauga Public Health's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 13, 2017

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Geauga Public Health
Geauga County

*Combined Statement of Receipts, Disbursements
And Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Taxes	\$535,733	\$0	\$535,733
Intergovernmental	140,839	365,925	506,764
Fines and Fees	233,492	480,104	713,596
Licenses and Permits	118,265	625,178	743,443
Miscellaneous	38,938	13,883	52,821
<i>Total Cash Receipts</i>	<u>1,067,267</u>	<u>1,485,090</u>	<u>2,552,357</u>
Cash Disbursements			
Salaries	835,640	529,863	1,365,503
Supplies	15,578	12,852	28,430
Equipment	2,236	42,672	44,908
Contracts - Repair	9,008	10,286	19,294
State Remittance	95,925	37,692	133,617
Travel and Expenses	11,136	6,032	17,168
Public Employees Retirement	115,626	68,653	184,279
Hospitalization	179,646	147,680	327,326
Advertising and Printing	231	0	231
Worker's Compensation	1,881	923	2,804
Project Fund Disbursements	0	348,993	348,993
County and State Tax Expense	9,639	0	9,639
Fees and Permits	0	19,980	19,980
Other Expenses	107,202	44,398	151,600
<i>Total Cash Disbursements</i>	<u>1,383,748</u>	<u>1,270,024</u>	<u>2,653,772</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(316,481)</u>	<u>215,066</u>	<u>(101,415)</u>
Other Financing Receipts			
Reimbursements	281,457	0	281,457
<i>Total Other Financing Receipts</i>	<u>281,457</u>	<u>0</u>	<u>281,457</u>
<i>Net Change in Fund Cash Balances</i>	<u>(35,024)</u>	<u>215,066</u>	<u>180,042</u>
<i>Fund Cash Balances, January 1</i>	<u>994,286</u>	<u>1,411,874</u>	<u>2,406,160</u>
Fund Cash Balances, December 31			
Restricted	0	1,626,940	1,626,940
Committed	46,523	0	46,523
Unassigned (Deficit)	912,739	0	912,739
<i>Fund Cash Balances, December 31</i>	<u>\$959,262</u>	<u>\$1,626,940</u>	<u>\$2,586,202</u>

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

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Geauga Public Health, Geauga County, as a body corporate and politic. A five-member Board and a Health Commissioner govern Geauga Public Health. Geauga Public Health's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

Geauga Public Health's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

Fund Accounting

Geauga Public Health uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of Geauga Public Health are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to Geauga Public Health for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Geauga Public Health had the following significant Special Revenue Fund:

Women, Infants and Children Fund This is a Federal grant fund for providing the Special Supplemental Nutrition Program for women, infants and children that are qualifying residents.

Public Health Emergency Preparedness Fund This is a combined Federal and State grant fund for planning and preparing Geauga Public Health to respond to public health emergencies.

Child and Family Health Services Fund This is a combined Federal and State grant fund for providing Title V Maternal and Child Health Block Grant services to qualifying residents.

Immunization Action Plan Fund This is a combined Federal and State grant fund designed to increase the number of local private providers vaccinating children and adolescent residents.

Environmental Health Assistance Fund This is a State grant fund for assisting income-eligible residents in replacing failing sewage treatment systems.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Food Service Fund This is a local fund for administering the Ohio Admin. Code Chapter 3701-21 Food Service Operations and Ohio Rev. Code Chapter 3717 Ohio Uniform Safety Code.

Private Water Systems Fund This is a local fund for administering the Ohio Admin. Code Chapter 3701-28 private water systems programs.

Sewage Treatment System Fund This is a local fund for administering the Ohio Admin. Code Chapter 3701-29 Household Sewage Disposal Systems program and local code 3701-29-25 For Sale of Property Evaluation program (point of sale sewage inspections).

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires Geauga Public Health to budget each fund annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Geauga Public Health Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires Geauga Public Health to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2016 budgetary activity appears in Note 3.

Capital Assets

Geauga Public Health records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which Geauga Public Health must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable Geauga Public Health classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

Committed The Board can *commit* amounts via formal action (resolution). Geauga Public Health must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,309,354	\$1,348,724	\$39,370
Special Revenue	1,507,561	1,485,090	(22,471)
Total	\$2,816,915	\$2,833,814	\$16,899

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,313,274	\$1,430,271	\$883,003
Special Revenue	1,715,514	1,283,271	432,243
Total	\$4,028,788	\$2,713,542	\$1,315,246

Note 4 - Deposits and Investments

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

Note 5 – Intergovernmental Funding

The County apportions the excess of Geauga Public Health's appropriations over other estimated receipts among the townships and municipalities composing Geauga Public Health, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to Geauga Public Health. The financial statements present these amounts as intergovernmental receipts.

The County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide Geauga Public Health with sufficient funds for health programs. The levy generated \$535,733 in 2016. The financial statements present these amounts as intergovernmental receipts.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 6 – Risk Management

Commercial Insurance

Geauga Public Health has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Geauga Public Health's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and Geauga Public Health contributed an amount equaling 14% of participants' gross salaries. Geauga Public Health has paid all contributions required through December 31, 2016.

Note 8 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Geauga Public Health
Geauga County

*Combined Statement of Receipts, Disbursements
And Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2015*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Taxes	\$534,667	\$0	\$534,667
Intergovernmental	103,089	363,548	466,637
Fines and Fees	222,991	481,411	704,402
Licenses and Permits	114,760	462,871	577,631
Miscellaneous	30,290	3,844	34,134
<i>Total Cash Receipts</i>	<u>1,005,797</u>	<u>1,311,674</u>	<u>2,317,471</u>
Cash Disbursements			
Salaries	853,873	419,016	1,272,889
Supplies	16,463	12,281	28,744
Equipment	17,083	85,814	102,897
Contracts - Repair	4,905	4,898	9,803
State Remittance	90,362	25,399	115,761
Travel and Expenses	10,619	6,951	17,570
Public Employees Retirement	117,810	56,747	174,557
Hospitalization	193,156	108,219	301,375
Advertising and Printing	2,484	0	2,484
Worker's Compensation	1,628	791	2,419
Project Fund Disbursements	0	437,684	437,684
County and State Tax Expense	9,759	0	9,759
Fees and Permits	0	17,732	17,732
Other Expenses	57,262	38,528	95,790
<i>Total Cash Disbursements</i>	<u>1,375,404</u>	<u>1,214,060</u>	<u>2,589,464</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(369,607)</u>	<u>97,614</u>	<u>(271,993)</u>
Other Financing Receipts			
Reimbursements	385,575	0	385,575
<i>Total Other Financing Receipts</i>	<u>385,575</u>	<u>0</u>	<u>385,575</u>
<i>Net Change in Fund Cash Balances</i>	15,968	97,614	113,582
<i>Fund Cash Balances, January 1</i>	<u>978,318</u>	<u>1,314,260</u>	<u>2,292,578</u>
Fund Cash Balances, December 31			
Restricted	0	1,411,874	1,411,874
Committed	45,522	0	45,522
Unassigned (Deficit)	948,764	0	948,764
<i>Fund Cash Balances, December 31</i>	<u><u>\$994,286</u></u>	<u><u>\$1,411,874</u></u>	<u><u>\$2,406,160</u></u>

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

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Geauga Public Health, Geauga County, formerly the Geauga County Combined Health District, as a body corporate and politic. A five-member Board and a Health Commissioner govern Geauga Public Health. Geauga Public Health's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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Women, Infants and Children Fund This is a Federal grant fund for providing the Special Supplemental Nutrition Program for women, infants and children that are qualifying residents.

Public Health Emergency Preparedness Fund This is a combined Federal and State grant fund for planning and preparing Geauga Public Health to respond to public health emergencies.

Child and Family Health Services Fund This is a combined Federal and State grant fund for providing Title V Maternal and Child Health Block Grant services to qualifying residents.

Immunization Action Plan Fund This is a combined Federal and State grant fund designed to increase the number of local private providers vaccinating children and adolescent residents.

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Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

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Budgetary Process

The Ohio Revised Code requires Geauga Public Health to budget each fund annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Geauga Public Health Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires Geauga Public Health to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2015 budgetary activity appears in Note 3.

Capital Assets

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Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

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

Committed The Board can *commit* amounts via formal action (resolution). Geauga Public Health must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,278,987	\$1,391,372	\$112,385
Special Revenue	1,424,842	1,311,674	(113,168)
Total	\$2,703,829	\$2,703,046	(\$783)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,947,841	\$1,407,450	\$540,391
Special Revenue	1,449,692	1,225,726	223,966
Total	\$3,397,533	\$2,633,176	\$764,357

Note 4 - Deposits and Investments

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

Note 5 – Intergovernmental Funding

The County apportions the excess of Geauga Public Health's appropriations over other estimated receipts among the townships and municipalities composing Geauga Public Health, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to Geauga Public Health. The financial statements present these amounts as intergovernmental receipts.

The County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide Geauga Public Health with sufficient funds for health programs. The levy generated \$534,667 in 2015. The financial statements present these amounts as intergovernmental receipts.

Geauga Public Health
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 6 – Risk Management

Commercial Insurance

Geauga Public Health has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Geauga Public Health's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and Geauga Public Health contributed an amount equaling 14% of participants' gross salaries. Geauga Public Health has paid all contributions required through December 31, 2015.

Note 8 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.



Dave Yost • Auditor of State

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

Geauga Public Health
(Formerly Geauga County Combined Health District)
Geauga County
470 Center Street, Building 8
Chardon, Ohio 44024

To the Members of the Board:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Geauga Public Health, Geauga County, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated June 13, 2017 wherein we noted Geauga Public Health followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

Compliance and Other Matters

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

Geauga Public Health's Response to the Finding

Geauga Public Health's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit Geauga Public Health's response and, accordingly, we express no opinion on it.

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

June 13, 2017

**GEAUGA PUBLIC HEALTH
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2016-001

Financial Reporting – Material Weakness

Sound financial reporting is the responsibility of the Fiscal Officer, Health Commissioner, and Board of Health, and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following weaknesses were noted and subsequent adjustments made by Geauga Public Health to their Budgetary Activity note for the year ended December 31, 2016:

- Actual receipts in the General Fund were understated by \$281,457;
- Appropriation authority in the General and Special Revenue funds was understated by \$7,026 and \$3,454, respectively; and
- Budgetary expenditures in the General and Special Revenue fund were understated by \$46,523 and \$13,247, respectively.

The following weaknesses were noted and subsequent adjustments made by Geauga Public Health to their Budgetary Activity note for the year ended December 31, 2015:

- Actual receipts in the General Fund were understated by \$385,576;
- Appropriation authority in the General and Special Revenue funds was understated by \$19,895 and \$4,378, respectively; and
- Budgetary expenditures in the General and Special Revenue fund were understated by \$32,046 and \$11,664, respectively.

The lack of controls over the reporting of budgetary activity resulted in errors that required adjustments.

Officials' Response: Geauga Public Health has placed new staff in charge of the financial reporting process. The new staff in charge of this process have new internal reporting guidelines, standards, and expectations to correct the issues noted.

**GEAUGA PUBLIC HEALTH
GEAUGA COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016 AND 2015**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Annual Financial Reporting	Corrective Action Taken and Finding is Fully Corrected	None



Dave Yost • Auditor of State

GEAUGA PUBLIC HEALTH

GEAUGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 27, 2017**