

**ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

**ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY
DECEMBER 31, 2024**

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ERIE COUNTY
DECEMBER 31, 2024**

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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, 2024, 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, 2024, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and Clinical Patient Services 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.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during 2024, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and other post-employment benefit (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

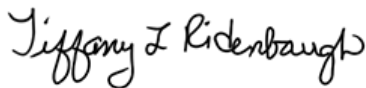
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, 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 Schedule of Expenditures of Federal Awards 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 22, 2025, 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 22, 2025

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Erie County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

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, 2024. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole.

HIGHLIGHTS

Highlights for 2024 are as follows:

Net position increased \$110,780 from the prior year.

Approximately 86 percent of the Health District's revenues are program revenues in 2024; 42 percent are charges for services (including Medicare and/or Medicaid reimbursements) and 44 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 special revenue fund.

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 2024. 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.

Erie County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

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 special revenue fund. 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.

Erie County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the Health District's net position for 2024 and 2023.

Table 1
Net Position

	Governmental Activities		
	2024	2023-Restated	Change
<u>Assets</u>			
Current and Other Assets	\$10,921,128	\$11,780,580	(\$859,452)
Net Pension Asset	170,366	118,032	52,334
Net OPEB Asset	473,166		473,166
Capital Assets, Net	12,201,512	11,170,391	1,031,121
Total Assets	<u>23,766,172</u>	<u>23,069,003</u>	<u>697,169</u>
<u>Deferred Outflows of Resources</u>			
Pension	4,971,362	6,280,707	(1,309,345)
OPEB	410,056	958,379	(548,323)
Total Deferred Outflows of Resources	<u>5,381,418</u>	<u>7,239,086</u>	<u>(1,857,668)</u>
<u>Liabilities</u>			
Current and Other Liabilities	980,302	1,122,555	(142,253)
Long-Term Liabilities			
Pension	13,882,424	14,525,136	(642,712)
OPEB		309,925	(309,925)
Other Amounts	2,046,532	2,412,587	(366,055)
Total Liabilities	<u>16,909,258</u>	<u>18,370,203</u>	<u>(1,460,945)</u>
<u>Deferred Inflows of Resources</u>			
Pension	65,020	55,583	9,437
OPEB	291,427	102,661	188,766
Other Amounts	2,306,848	2,315,385	(8,537)
Total Deferred Inflows of Resources	<u>2,663,295</u>	<u>2,473,629</u>	<u>189,666</u>
<u>Net Position</u>			
Net Investment in Capital Assets	11,977,589	10,896,999	1,080,590
Restricted	942,595	440,693	501,902
Unrestricted (Deficit)	<u>(3,345,147)</u>	<u>(1,873,435)</u>	<u>(1,471,712)</u>
Total Net Position	<u>\$9,575,037</u>	<u>\$9,464,257</u>	<u>\$110,780</u>

Erie County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

The net pension/OPEB liability (asset) reported by the Health District at December 31, 2024, 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.

Erie County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

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 decrease in deferred outflows, and an overall increase 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 and in the net OPEB liability represent the Health District's proportionate share of the unfunded benefits.

In addition to the changes related to pension/OPEB, there were only several other changes of significance from the prior year. The decrease in current and other assets is primarily a decrease in cash and cash equivalents which was primarily due to payments on the construction project for the Kaptur House. Accounts receivable and due from other governments also decreased as monies were collected on programs. However, these decreases were partially offset by increases in property tax receivable and materials and supplies inventory. The increase in net capital assets and the investment in capital assets is largely due to the completed construction of the Kaptur House building project which started in 2023 as well as other capital asset additions.

Erie County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

Table 2 reflects the change in net position for 2024 and 2023.

Table 2			
Change in Net Position			
	Governmental Activities		
	2024	2023	Change
<u>Revenues</u>			
Program Revenues			
Charges for services	\$9,127,421	\$8,735,481	\$391,940
Operating Grant and Contributions	8,558,400	8,607,818	(49,418)
Capital Grants and Contributions	795,367	1,461,481	(666,114)
Total Program Revenues	<u>18,481,188</u>	<u>18,804,780</u>	<u>(323,592)</u>
General Revenues			
Property Taxes Levied for			
General Purposes	2,275,901	2,143,313	132,588
Grants and Entitlements not			
Restricted to Specific Programs	419,660	182,943	236,717
Other	321,400	347,543	(26,143)
Total General Revenues	<u>3,016,961</u>	<u>2,673,799</u>	<u>343,162</u>
Total Revenues	<u>21,498,149</u>	<u>21,478,579</u>	<u>19,570</u>
<u>Program Expenses</u>			
General Health	11,110,126	11,251,209	(141,083)
Health Clinic	10,265,605	9,358,547	907,058
Interest Expense	11,638	24,299	(12,661)
Total Expenses	<u>21,387,369</u>	<u>20,634,055</u>	<u>753,314</u>
Increase in Net Position	<u>110,780</u>	<u>844,524</u>	<u>(733,744)</u>
Net Position Beginning of Year *	<u>9,464,257</u>	<u>10,053,336</u>	<u>(589,079)</u>
Net Position End of Year	<u><u>\$9,575,037</u></u>	<u><u>\$10,897,860</u></u>	<u><u>(\$1,322,823)</u></u>

* - Beginning net position was restated for fiscal year 2024; however, expenses for 2023 were not restated for this change.

Approximately 86 percent (88 percent in 2023) 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 charges for services due to a full year of services provided to clients (patients) with the expansion of the health clinic and capital grants and contributions decreased due to reduced grant funding for the construction of the Kaptur House. During 2024, operating grants and contributions decreased minimally. There was an increase in Property tax revenues due to changes in assessed valuations.

Erie County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2024
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Approximately 52 percent (55 percent 2023) 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 (45 percent in 2023) of the Health District's expenses are for the operations of the health clinic. These costs will vary annually depending on the number of patients served. The remainder of the Health District's expenses are for interest expense related to leases and a software based information technology program.

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 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
General Health	\$11,110,126	(\$1,180,056)	\$11,251,209	(\$1,040,983)
Health Clinic	10,265,605	(1,714,487)	9,358,547	(763,993)
Interest Expense	11,638	(11,638)	24,299	(24,299)
	<u>\$21,387,369</u>	<u>(\$2,906,181)</u>	<u>\$20,634,055</u>	<u>(\$1,829,275)</u>

As noted in the above table, 89 percent (91 percent in 2023) of the costs of providing general health services were paid for with program revenues; by charges for services provided to clients (patients) and through reimbursements from Medicare/Medicaid as well as through various grants. Approximately 83 percent (92 percent in 2023) 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 make up the 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 special revenue fund.

Fund balance decreased 9 percent in the General Fund. There was a decrease in revenues due to less in intergovernmental revenues received which was partially offset by an increase in property taxes. There were insignificant changes in expenditures; however, there was an increase in transfers out to subsidize various grant programs of the Health District.

There was a decrease in fund balance in the Clinical Patient Services Fund. The change in fund balance is primarily due to an increase in salary and fringe benefit expenditures which were partially offset by transfers in.

Erie County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

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 and the change from final budget to actual revenue was insignificant. For expenditures, the change from the original budget to the final budget and change from final budget to actual expenditure were insignificant, with the exception of budgeting for transfers out actual activity.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Health District's investment in capital assets as of December 31, 2024, was \$12,201,512 (net of accumulated depreciation). Additions included construction in progress (Kaptur House building project), which finished during the year. For further information regarding the Health District's capital assets, refer to Note 8 to the basic financial statements.

Debt - At December 31, 2024, the Health District's outstanding long-term obligations included the net pension liability, the liability for compensated absences, the liability for leases, and the liability for SBITAs. For further information regarding the Health District's long-term obligations, refer to Note 13 to the basic financial statements.

CURRENT ISSUES

The grant administration progress of our department has continued to result in large number of deliverables being met, which in turn, yielded very successful outcomes in terms of quality of life and co-morbidity values.

A major project carried forward from 2023 was the completion of the new behavioral/mental health short term housing facility which had started on our campus August 1, 2023.

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, Senior CFO, 420 Superior Street, Sandusky, Ohio 44870-1815.

Erie County General Health District
Statement of Net Position
December 31, 2024

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$6,544,123
Accounts Receivable	64,894
Due from Other Governments	1,495,136
Materials and Supplies Inventory	347,646
Property Taxes Receivables	2,469,329
Net Pension Asset	170,366
Net OPEB Asset	473,166
Nondepreciable Capital Assets	1,441,599
Depreciable Capital Assets, Net	<u>10,759,913</u>
Total Assets	<u>23,766,172</u>
Deferred Outflows of Resources	
Pension	4,971,362
OPEB	<u>410,056</u>
Total Deferred Outflow of Resources	<u>5,381,418</u>
Liabilities	
Accrued Wages Payable	642,017
Accounts Payable	239,098
Due to Other Governments	99,187
Long-Term Liabilities:	
Due Within One Year	464,922
Due in More Than one Year:	
Net Pension Liability	13,882,424
Other Amounts Due in More than One Year	<u>1,581,610</u>
Total Liabilities	<u>16,909,258</u>
Deferred Inflows of Resources	
Property Taxes	2,306,848
Pension	65,020
OPEB	<u>291,427</u>
Total Deferred Inflows of Resources	<u>2,663,295</u>
Net Position	
Net Investment in Capital Assets	11,977,589
Restricted for:	
Other Purposes	299,063
Pension Plans	643,532
Unrestricted (Deficit)	<u>(3,345,147)</u>
Total Net Position	<u><u>\$9,575,037</u></u>

See Accompanying Notes to the Basic Financial Statements.

Erie County General Health District
Statement of Activities
For the Year Ended December 31, 2024

	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Governmental Activities</u>					
General Health	\$11,110,126	\$2,849,774	\$6,284,929	\$795,367	(\$1,180,056)
Health Clinic	10,265,605	6,277,647	2,273,471		(1,714,487)
Interest Expense	11,638				(11,638)
Total Governmental Activities	<u>\$21,387,369</u>	<u>\$9,127,421</u>	<u>\$8,558,400</u>	<u>\$795,367</u>	<u>(2,906,181)</u>
<u>General Revenues</u>					
Property Taxes Levied for General Purposes					2,275,901
Grants and Entitlements not Restricted to Specific Programs					419,660
Other					<u>321,400</u>
Total General Revenues					<u>3,016,961</u>
Change in Net Position					<u>110,780</u>
Net Position at December 31, 2023					10,897,860
Adjustments (GASB 101)					<u>(1,433,603)</u>
Net Position at December 31, 2023 as restated					<u>9,464,257</u>
Net Position End of Year					<u>\$9,575,037</u>

See Accompanying Notes to the Basic Financial Statements.

Erie County General Health District
Balance Sheet
Governmental Funds
December 31, 2024

	General	Clinical Patient Services	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and cash Equivalents	\$ 6,544,123			\$ 6,544,123
Accounts Receivable		\$53,791	\$11,103	64,894
Due from Other Governments	170,349	474,058	850,729	1,495,136
Materials and Supplies Inventory		347,646		347,646
Property Taxes Receivable	2,469,329			2,469,329
Total Assets	9,183,801	875,495	861,832	10,921,128
<u>Liabilities</u>				
Accrued Wages Payable	15,406	399,873	226,738	642,017
Accounts Payable	21,738	155,939	61,421	239,098
Due to Other Governments	2,381	61,781	35,025	99,187
Total Liabilities	39,525	617,593	323,184	980,302
<u>Deferred Inflows of Resources</u>				
Property Taxes Receivable	2,306,848			2,306,848
Unavailable Revenue	276,561		179,371	455,932
Total Deferred Inflows of Resources	2,583,409		179,371	2,762,780
<u>Fund Balance</u>				
Nonspendable		347,646		347,646
Restricted			424,470	424,470
Committed			10,598	10,598
Unassigned (Deficit)	6,560,867	(89,744)	(75,791)	6,395,332
Total Fund Balance	6,560,867	257,902	359,277	7,178,046
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 9,183,801	\$ 875,495	\$ 861,832	\$ 10,921,128

See Accompanying Notes to the Basic Financial Statements.

Erie County General Health District
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2024

Total Governmental Fund Balance		\$7,178,046
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		12,201,512
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	\$179,371	
Delinquent Property Taxes Receivable	<u>276,561</u>	
		455,932
Some Liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated Absences Payable	(1,822,609)	
Leases Payable	(197,444)	
SBITA Payable	<u>(26,479)</u>	
		(2,046,532)
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	170,366	
Net OPEB Asset	473,166	
Deferred Outflows- Pension	4,971,362	
Deferred Inflows - Pension	(65,020)	
Net Pension Liability	(13,882,424)	
Deferred Outflows- OPEB	410,056	
Deferred Inflows- OPEB	<u>(291,427)</u>	
		<u>(8,213,921)</u>
Net Position of Governmental Activities		<u><u>\$9,575,037</u></u>

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, 2024

	General	Clinical Patient Services	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$2,169,197			\$2,169,197
Charges for Services		\$6,277,647	\$1,987,360	8,265,007
Fees, Licenses, and Permits			889,433	889,433
Intergovernmental	540,853	2,273,471	7,136,119	9,950,443
Other	67,375	248,307	5,718	321,400
Total Revenues	<u>2,777,425</u>	<u>8,799,425</u>	<u>10,018,630</u>	<u>21,595,480</u>
<u>Expenditures</u>				
Current:				
General Health:				
Salaries	171,411		4,875,787	5,047,198
Fringe Benefits	63,917		1,602,573	1,666,490
Travel and Transportation	11,645		102,400	114,045
Contractual Services	459,913		2,796,920	3,256,833
Materials and Supplies	87,964		1,676,229	1,764,193
Occupancy and Maintenance	137,404		13,237	150,641
Intergovernmental			247,089	247,089
Capital Outlay	16,226		94,420	110,646
Other	3,012		238,725	241,737
Health Clinic:				
Salaries		5,572,463		5,572,463
Fringe Benefits		1,822,224		1,822,224
Travel and Transportation		33,635		33,635
Contractual Services		1,330,917		1,330,917
Materials and Supplies		721,874		721,874
Occupancy and Maintenance		2,471		2,471
Capital Outlay		157,489		157,489
Other		11,863		11,863
Debt Service:				
Principal Retirement	3,921	54,556	21,817	80,294
Interest	587	8,921	2,130	11,638
Total Expenditures	<u>956,000</u>	<u>9,716,413</u>	<u>11,671,327</u>	<u>22,343,740</u>
Excess of Revenues Over (Under) Expenditures	<u>1,821,425</u>	<u>(916,988)</u>	<u>(1,652,697)</u>	<u>(748,260)</u>
<u>Other Financing Sources (Uses)</u>				
Inception of Capital Lease	9,722	75,722	51,485	136,929
Transfer In	262,882	500,857	2,244,736	3,008,475
Transfers Out	(2,745,593)		(262,882)	(3,008,475)
Total Other Financing Sources (Uses)	<u>(2,472,989)</u>	<u>576,579</u>	<u>2,033,339</u>	<u>136,929</u>
Change in Fund Balance	(651,564)	(340,409)	380,642	(611,331)
Fund Balance Beginning of Year	<u>7,212,431</u>	<u>598,311</u>	<u>(21,365)</u>	<u>7,789,377</u>
Fund Balance End of Year	<u>\$6,560,867</u>	<u>\$257,902</u>	<u>\$359,277</u>	<u>\$7,178,046</u>

See Accompanying Notes to the Basic Financial Statements.

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, 2024

Change in Fund Balance - Total Governmental Funds			(\$611,331)
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 (Net of Assets in Service)	(\$1,465,395)		
Capital Outlay- Depreciable Capital Assets	2,907,183		
Capital Outlay- Intangible Right-to-Use Equipment	136,929		
Depreciation/Amortization	<u>(547,596)</u>		
		1,031,121	
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds			
Delinquent Property Taxes	106,704		
Charges for Services	(27,019)		
Intergovernmental	<u>(177,016)</u>		
		(97,331)	
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.			
Leases Payable	55,431		
SBITA Payable	<u>24,863</u>		
		80,294	
The inception of a lease obligation is reported as other financing sources in the governmental funds but increases long-term liabilities on the statement of net position			
		(136,929)	
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.			
		422,690	
Except for amounts reported as deferred outflows/inflows, changes in the net pension liability(asset) and net OPEB liability are reported as pension/opeb expense on the statement of activities.			
Pension	(2,057,653)		
OPEB	<u>41,926</u>		
		(2,015,727)	
Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.			
Pension	1,433,917		
OPEB	<u>4,076</u>		
		<u>1,437,993</u>	
Change in Net Position of Governmental Activities			<u>\$110,780</u>

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, 2024

	Original	Final	Actual	Variance with Final Budget
<u>Revenues</u>				
Property Taxes	\$2,268,031	\$2,268,031	\$2,169,197	(\$98,834)
Intergovernmental	483,193	483,193	484,585	1,392
Other	9,000	9,000	67,375	58,375
Total Revenues	<u>2,760,224</u>	<u>2,760,224</u>	<u>2,721,157</u>	<u>(39,067)</u>
<u>Expenditures</u>				
Current:				
General Health				
Salaries	206,676	211,676	162,198	49,478
Fringe Benefits	85,907	75,907	62,493	13,414
Travel and Transportation	3,266	8,566	11,819	(3,253)
Contractual Services	524,300	526,300	463,544	62,756
Materials and Supplies	66,638	101,638	97,553	4,085
Occupancy and Maintenance	132,000	277,000	130,129	146,871
Capital Outlay	25,000	25,000	16,226	8,774
Other	1,600	1,600	2,895	(1,295)
Total Expenditures	<u>1,045,387</u>	<u>1,227,687</u>	<u>946,857</u>	<u>280,830</u>
Excess of Revenues Over Expenditures	<u>1,714,837</u>	<u>1,532,537</u>	<u>1,774,300</u>	<u>241,763</u>
<u>Other Financing Sources (Uses)</u>				
Inception of Lease			9,722	9,722
Transfer In		262,882	262,882	
Transfers Out		(2,745,593)	(2,745,593)	
Total Other Financing Sources (Uses)		<u>(2,482,711)</u>	<u>(2,472,989)</u>	<u>9,722</u>
Change in Fund Balance	1,714,837	(950,174)	(698,689)	251,485
Fund Balance Beginning of Year	<u>7,242,812</u>	<u>7,242,812</u>	<u>7,242,812</u>	
Fund Balance End of Year	<u>\$8,957,649</u>	<u>\$6,292,638</u>	<u>\$6,544,123</u>	<u>\$251,485</u>

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, 2024

	Original	Final	Actual	Variance with Final Budget
<u>Revenues</u>				
Charges for Services	\$7,443,785	\$7,443,785	\$6,491,407	(\$952,378)
Intergovernmental	1,941,410	1,941,410	2,246,091	304,681
Other	204,325	204,325	239,996	35,671
Total Revenues	9,589,520	9,589,520	8,977,494	(612,026)
<u>Expenditures</u>				
Current:				
Health Clinic:				
Salaries	5,701,842	5,521,842	5,451,010	70,832
Fringe Benefits	1,990,266	1,950,266	1,804,966	145,300
Travel and Transportation	27,153	31,153	32,767	(1,614)
Contractual Services	1,376,577	1,367,777	1,306,433	61,344
Materials and Supplies	735,773	824,773	792,974	31,799
Capital Outlay	56,000	298,500	157,489	141,011
Other	11,500	13,500	8,434	5,066
Total Expenditures	9,899,111	10,007,811	9,554,073	453,738
Excess of Expenditures Over Revenues	(309,591)	(418,291)	(576,579)	(158,288)
<u>Other Financing Sources</u>				
Inception of Lease		75,722	75,722	
Transfer In		500,857	500,857	
Total Other Financing Sources		576,579	\$576,579	
Change in Fund Balance	(309,591)	158,288		(158,288)
Fund Balance Beginning of Year				
Fund Balance End of Year	(\$309,591)	\$158,288		(\$158,288)

See Accompanying Notes to the Basic Financial Statements.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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 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 2024.

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 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.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

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.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

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.

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.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

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.

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, 2024, but which were levied to finance 2025 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. 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.

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.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 budget amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the Board of Health prior to year end.

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, 2024, 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.

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.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All capital assets (except for intangible right-to-use lease assets and subscription assets which are discussed below) are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value on the date received. 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:

<u>Description</u>	<u>Estimated Lives</u>
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
Intangible Right-to-Use Software	3 years

The Health District is reporting intangible right to use assets related to lease assets and subscription assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subscription assets represent intangible right to use assets related to the use of another party's IT software. These intangible right to use 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.

Sick leave benefits are accrued as a liability using the more likely than not 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 if it is more likely than not to be used in the future.

The entire compensated absences liability is reported on the government-wide financial statements.

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On the governmental funds financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid; however, no amounts were recorded in this line item for fiscal year 2024.

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 will be paid from governmental funds are reported as a liability in 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, leases, and subscriptions payable 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.

M. Leases and SBITAs

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 in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Health District is reporting Subscription-Based Information Technology Arrangements (SBITAs) for a noncancellable IT software contract. At the commencement of the subscription term, the Health District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset. Subscription assets are reported with other capital assets and subscription payables are reported with long-term debt on the statement of net position.

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.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 2024, the Health District has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62", Implementation Guide No. 2023-1 and GASB Statement No. 101, "Compensated Absences".

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES (continued)

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously reported by the Health District.

The purpose of GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Health District.

The purpose of GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the Health District.

The purpose of GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 resulted in a change in accounting principle that led to a change to the beginning net position of the Health District. These adjustments can be found in Note 18 and are made in accordance with GASB Statement No. 100.

NOTE 4 - ACCOUNTABILITY

At December 31, 2024, the following funds had deficit fund balances:

<u>Fund Type/Fund</u>	<u>Deficit</u>
Nonmajor Special Revenue Funds	
Vital Statistics	\$25,046
Moms Quit for Two	2,325
Environmental Health Programs	28,382
Safety Net Dental Care I	2,588
Adult Day Care	17,450

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

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 Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual for the General Fund and the Clinical Patient Services special revenue fund 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).

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

	General Fund	Clinical Patient Services
GAAP Basis	(\$651,564)	(\$340,409)
Net adjustment for revenue accruals	(56,268)	178,069
Net adjustment for expenditure accruals	9,143	\$162,340
Budget Basis	<u>(\$698,689)</u>	<u></u>

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2024, 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:

	<u>Amount</u>
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$114,080
Public Health Workforce Grant	56,269
Total General Fund	<u>170,349</u>
Clinical Patient Services	
Charges for Services	215,672
HRSA Grant	182,703
Reproductive Health and Wellness Grant	75,683
Total Clinical Patient Services	<u>474,058</u>
Total Major Funds	<u>644,407</u>
Nonmajor Funds	
Women, Infants, and Children	
WIC Administration	<u>135,375</u>
First Responders	
First Responders Grant	<u>51,801</u>
Adult Day Care	
Area Office on Aging Grant	<u>10,028</u>
Immunization Action Plan	
Get Vaccinated Ohio Grant	<u>7,052</u>
Institutional Nursing Contracts	
Contracts	<u>147,794</u>
SPF	
SPF Grant	<u>83,052</u>
Ohio Lead Safe Homes	
Ohio Lead Safe Homes Grant	<u>93,150</u>
Public Health Emergency Planning and Response	
Public Health Emergency Planning and Response Grant	<u>31,122</u>

(continued)

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 6 - RECEIVABLES (continued)

	<u>Amount</u>
Governmental Activities (continued)	
Nonmajor Funds (continued)	
Health Homes Project	
Health Homes Project Grant	<u>23,290</u>
Preconception H&W	
Preconception H&W Grant	<u>24,750</u>
Community Health	
Safe Communities Grant	<u>1,523</u>
Tobacco Use Prevention and Cessation	
Tobacco Use Prevention and Cessation Grant	<u>10,350</u>
Water Pollution Control Program	
Environmental Protection Agency	<u>12,717</u>
Community Health Worker Workforce Development	
Community Health Worker Workforce Development Grant	28,274
Cribs for Kids and Safe Sleep	
Cribs for Kids and Safe Sleep Grant	<u>6,700</u>
Comprehensive Opioid, Stimulant, and Substance Abuse Program	
Comprehensive Opioid, Stimulant, and Substance Abuse Program Grant	<u>93,027</u>
Environmental Health	
Mosquito Grant	<u>7,795</u>
Housing Preservation	
Housing Preservation Grant	<u>11,458</u>
Ohio Department of Development - Lead Safe Home	
Ohio Department of Development - Lead Safe Home Grant	<u>9,330</u>
Integrated Harm Reduction	
Integrated Harm Reduction Grant	<u>24,000</u>
Sexually Transmitted Infections	
Sexually Transmitted Infections Grant	<u>2,800</u>
Public Health Workforce	
Public Health Workforce Grant	<u>35,341</u>
Total Nonmajor Funds	<u>850,729</u>
Total Governmental Activities	<u>\$1,495,136</u>

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

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 2024 represent the collection of 2023 taxes. Real property taxes received in 2024 were levied after October 1, 2023, on the assessed values as of January 1, 2023, 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 2024 represent the collection of 2023 taxes. Public utility real and tangible personal property taxes received in 2024 became a lien on December 31, 2023, were levied after October 1, 2023, 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, 2024, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2024 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.

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 7 - PROPERTY TAXES (continued)

The full tax rate for all Health District operations for the year ended December 31, 2024, was \$1.00 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2024 property tax receipts were based are as follows:

<u>Category</u>	<u>Amount</u>
Real Property	
Agricultural	\$178,231,320
Residential	2,474,850,370
Commercial	585,643,110
Industrial	71,816,980
Public Utility Property	
Real	15,979,310
Personal	262,310,510
Total Assessed Value	<u><u>\$3,588,831,600</u></u>

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Governmental Activities:				
Non-Depreciatble Capital Assets				
Land	\$1,441,599			\$1,441,599
Construction in Progress	1,465,395	\$1,318,294	(\$2,783,689)	
Total Non-Depreciable Capital Assets	<u>2,906,994</u>	<u>1,318,294</u>	<u>(2,783,689)</u>	<u>1,441,599</u>
Depreciable Capital Assets				
Tangible Assets				
Land Improvements	481,596	59,895		541,491
Buildings and Improvements	7,590,328	2,723,794		10,314,122
Furniture, Fixtures and Equipment	1,744,499	123,494		1,867,993
Vehicles	94,949			94,949
Total Tangible Assets	<u>9,911,372</u>	<u>2,907,183</u>		<u>12,818,555</u>

(continued)

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 8 - CAPITAL ASSETS (continued)

	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Governmental Activities:				
Intangible Assets				
Lease Assets				
Intangible Right-to-Use Assets -				
Equipment	206,186	136,929		343,115
Subscription Assets				
Intangible Right-to-Use Assets -				
Software	74,687			74,687
Total Intangible Assets	280,873	136,929		417,802
Total Depreciable Capital Assets	10,192,245	3,044,112		13,236,357
Depreciation				
Tangible Assets				
Land Improvements	(65,443)	(28,073)		(93,516)
Buildings and Improvements	(838,595)	(262,834)		(1,101,429)
Furniture, Fixtures and Equipment	(820,410)	(146,770)		(967,180)
Vehicles	(74,093)	(13,585)		(87,678)
Total Depreciation -Tangible Assets	(1,798,541)	(451,262)		(2,249,803)
Amortization				
Intangible Assets				
Lease Assets				
Intangible Right-to-Use Assets -				
Equipment	(106,962)	(72,989)		(179,951)
Subscription Assets				
Intangible Right-to-Use Assets -				
Software	(23,345)	(23,345)		(46,690)
Total Amortization	(130,307)	(96,334)		(226,641)
Total Accumulated Depreciation- Amortization	(1,928,848)	(547,596)		(2,476,444)
Total Depreciable Capital Assets, Net	8,263,397	2,496,516		10,759,913
Governmental Activities Capital Assets, Net	\$11,170,391	\$3,814,810	(\$2,783,689)	\$12,201,512

Depreciation/Amortization expense was charged to governmental activities as follows:

	Depreciation	Amortization	Total
Governmental Activities			
General Health	\$271,547	\$72,989	\$344,536
Health Clinic	179,715	23,345	203,060
Total Governmental Activities	\$451,262	\$96,334	\$547,596

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

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 2024, the Health District had the following insurance coverage:

Type of Coverage	Coverage	Deductible
Building and Contents Liability	\$20,705,087	\$500
General Liability	3,000,000	1,000
Medical Malpractice Liability	3,000,000	1,000
Automobile Liability	3,000,000	
Wrongful Acts	3,000,000	1,000

There has been no significant reduction in insurance coverage from 2023 and no insurance settlement has exceeded insurance coverage during the last three years.

NOTE 10 - DEFINED BENEFIT PENSION PLAN

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

Net Pension Liability (Asset) and Net OPEB Liability (Asset)

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represent liabilities 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) represent the Health District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) 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.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (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 healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB (asset)* or a 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.

Ohio Public Employees Retirement System (OPERS)

Plan Description - Health District employees, other than certified teachers, 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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this 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):

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

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

Traditional plan state and local 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 at retirement. Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

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 member's 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.

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

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

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

	<u>State and Local</u>			
	<u>Traditional</u>	<u>Combined</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2024 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
2024 Actual Contribution Rates				
Employer:				
Pension ****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	<u>0.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* 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; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2024, the Health District's contractually required contribution was \$1,409,469 for the traditional plan, \$24,448 for the combined plan, and \$35,836 for the member-directed plan. Of these amounts, \$87,439 is reported as an intergovernmental payable for the traditional plan, \$1,517 for the combined plan, and \$2,223 for the member-directed plan.

Net Pension Liability (Asset), 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, 2023, 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:

	<u>OPERS</u> <u>Traditional Plan</u>	<u>OPERS</u> <u>Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability (Asset):			
Current Measurement Date	0.05302600%	0.05542500%	
Prior Measurement Date	<u>0.04917100%</u>	<u>0.05007900%</u>	
Change in Proportionate Share	<u><u>0.00385500%</u></u>	<u><u>0.00534600%</u></u>	
Proportionate Share of the:			
Net Pension Liability	\$13,882,424		\$ 13,882,424
Net Pension (Asset)	-	\$170,366	170,366
Pension Expense	2,051,904	5,750	2,057,654

2024 pension gain for the member-directed defined contribution plan was \$392. The aggregate pension expense for all pension plans was \$2,057,262 for 2024.

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

At December 31, 2024, the Health District reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

Deferred Outflows of Resources	OPERS Traditional	OPERS Combined	Total
Differences between projected and actual economic experience	\$226,896	\$6,904	\$233,800
Changes in assumptions		6,322	6,322
Differences between projected and actual investment earnings	2,802,065	27,709	2,829,774
Changes in proportion	464,664	2,885	467,549
Health District contributions subsequent to the measurement date	1,409,469	24,448	1,433,917
Total	\$4,903,094	\$68,268	\$4,971,362

Deferred Inflows of Resources

Differences between projected and actual economic experience		\$16,851	\$16,851
Differences between projected and actual investment earnings			
Changes in assumption			
Changes in proportion		48,169	48,169
Total		\$65,020	\$65,020

\$1,433,917 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 to the net pension (asset) in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional	OPERS Combined	Total
2025	\$1,028,154	(\$2,366)	\$1,025,788
2026	1,076,354	1,025	1,077,379
2027	1,788,119	9,155	1,797,274
2028	(399,002)	(11,904)	(410,906)
2020		(6,714)	(6,714)
Thereafter		(10,396)	(10,396)
Total	\$3,493,625	(\$21,200)	\$3,472,425

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

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, 2023, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
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 (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.2 percent for 2023.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

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, 2023, these best estimates are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00%</u>	

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 projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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:

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Health District's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$21,854,666	\$13,882,424	\$7,251,836
OPERS Combined Plan	(103,091)	(170,366)	(223,363)

NOTE 11 - DEFINED BENEFIT OPEB PLAN

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care Service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated 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 for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$4,076 for 2024. Of this amount, \$253 is reported as an intergovernmental payable.

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

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

The net OPEB (asset) and total OPEB (asset) for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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 liability 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:

	<u>OPERS</u>
Proportion of the Net OPEB (Asset):	
Current Measurement Date	0.052427%
Prior Measurement Date	<u>0.049154%</u>
Change in Proportionate Share	<u><u>0.003273%</u></u>
Proportionate Share of the Net OPEB (Asset)	(\$473,166)
OPEB Expense	(\$26,847)

At December 31, 2024, the Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	<u>OPERS</u>
Changes in assumptions	\$121,817
Differences between projected and actual investment earnings	284,163
Health District contributions subsequent to the measurement date	<u>4,076</u>
Total	<u><u>\$410,056</u></u>
 Deferred Inflows of Resources	
Differences between projected and actual economic experience	\$67,346
Changes in assumptions	203,400
Changes in proportion	<u>20,681</u>
Total	<u><u>\$291,427</u></u>

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

\$4,076 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 liability or an increase of the net OPEB (asset) in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>
2025	(\$25,359)
2026	14,669
2027	221,195
2028	(95,952)
Total	<u>\$114,553</u>

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 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 the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

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 of 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 of these tables.

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care 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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected 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 real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00%</u>	

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Health District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following table presents the Health District's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 percent, as well as what the Health District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Health District's proportionate share of the net OPEB liability (asset)	\$260,038	(\$473,166)	(\$1,080,520)

Sensitivity of the Health District's Proportionate Share of the Net OPEB Liability (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 liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (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 2024 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.

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 11 - DEFINED BENEFIT OPEB PLAN (continued)

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Health District's proportionate share of the net OPEB (asset)	(\$492,814)	(\$473,166)	(\$450,872)

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, 2024, was as follows:

	Restated Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024	Due Within One Year
<u>Governmental Activities</u>					
Net Pension Liability	\$14,525,136		(\$642,712)	\$13,882,424	
Net OPEB Liability	309,925		(309,925)		
Compensated Absences Payable	2,245,299		(422,690)	1,822,609	\$381,787
Leases Payable	115,946	\$136,929	(55,431)	197,444	56,656
SBITA Payable	51,342		(24,863)	26,479	26,479
Total Long-Term Obligations	<u>\$17,247,648</u>	<u>\$136,929</u>	<u>(\$1,455,621)</u>	<u>\$15,928,956</u>	<u>\$464,922</u>

* At December 31, 2024 there was a Net OPEB asset of \$473,166 and a Net Pension asset of \$170,366.

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

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; Women, Infants, and Children; First Responders; Immunization Action Plan; Institutional Nursing Contracts; HUD Lead; Public Health Emergency Planning and Response; Healthy Homes Project; Ohio Health Improvement Zones Pilot Project; Vital Statistics; Community Health; Drug Free Communities; Tobacco Use and Cessation; Moms Quit for Two; Environmental Health Programs; Community Health Workers Workforce Development; Cribs for Kids and Safe Sleep; Comprehensive Opioid, Stimulant, and Substance Abuse Program; Creating Healthy Communities; Preconception Health and Wellness; Housing Preservation; Safety Net Dental Care; Integrated Harm Reduction; Sexually Transmitted Infections Prevention; Strategic Prevention Framework; Workforce Development; Ohio Department of Health-Enhanced Operations; Alcohol Use Disorder; and Adult Day Center 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.

The Health District has outstanding agreements to lease copiers and an outstanding contract to use a SBITA vendor's IT software for patient services at the Detox Center. The future lease/subscription 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/subscription. These leases will be paid from various funds based on the building allocation split for the year and the subscriptions will be paid from the Clinical Patient Services special revenue fund. A summary of the principal and interest amounts for the remaining leases/subscription is as follows:

Year	Leases		Subscription	
	Principal	Interest	Principal	Interest
2025	\$56,656	\$9,137	\$26,479	\$1,721
2026	50,085	6,168		
2027	40,871	3,630		
2028	30,431	1,777		
2029	19,401	399		
	<u>\$197,444</u>	<u>\$21,111</u>	<u>\$26,479</u>	<u>\$1,721</u>

Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)

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.

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	Other Governmental
Nonspendable for:			
Materials and Supplies			
Inventory		\$347,646	
Total Nonspendable		347,646	
Restricted for:			
Community Health			\$1,041
Cribs for Kids and Safe Sleep			5,807
Drug Free Communities			3,777
First Responders			34,396
HH Prod Grant			674
Immunization Action Plan			4,024
Integrated Harm Reduction			18,434
ODOD Grant			6,473
Opioid Abuse Site-Based Program			82,884
Preconception H&W			23,719
Public Health Emergency Planning and Response			24,642
Sexually Transmitted Infections Prevention			2,101
SPF Grant			68,028
USDA Housing			8,954
Workforce Development			33,442
Women, Infants, and Children			106,074
Total Restricted			424,470
Committed for:			
Institutional Nursing Contracts			10,598
Unassigned (Deficit)	\$6,560,867	(89,744)	(75,791)
Total Fund Balance	\$6,560,867	\$257,902	\$359,277

**Erie County General Health District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 15 - INTERFUND TRANSFERS

During 2024, the General Fund made transfers to the Clinical Services major special revenue fund and other governmental funds, in the amount of \$2,745,593 to subsidize various programs or activities in those funds. Other governmental funds did make transfers to the General Fund in the amount of \$262,882.

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 material matters in litigation with the Health District as a defendant.

B. Federal and State Grants

For the period January 1, 2024, to December 31, 2024, 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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
(continued)**

NOTE 18 - ACCOUNTING CHANGES/ERROR CORRECTIONS

	<u>Governmental Activities</u>
Net Position December 31, 2023	\$10,897,860
GASB 101 restatement	<u>(1,433,603)</u>
Net position, January 1, 2024 (as restated)	<u><u>\$9,464,257</u></u>

Change in Accounting Principle

For 2024, GASB Statement No. 100, Accounting Changes and Error Corrections, and GASB Statement No. 101, Compensated Absences, were effective. GASB 100 had an effect on beginning net position/fund balance as the Health District had an accounting change related to 2024. GASB 101 had an effect on beginning net position as the Health District did not previously report sick leave using the more likely than not approach. This resulted in the Governmental Activities net position being overstated / compensated absence being understated by \$1,433,603.

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 Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Health District's proportion of the net pension liability	0.053026%	0.049171%	0.048756%	0.044630%	0.039854%	0.037398%	0.031587%	0.028419%	0.026123%	0.023882%
Health District's proportionate share of the net pension liability	\$13,882,424	\$14,525,136	\$4,241,968	\$6,608,731	\$7,877,412	\$10,242,554	\$4,955,388	\$6,453,472	\$4,524,833	\$2,880,436
Health District's covered payroll	\$8,728,157	\$7,625,086	\$7,085,786	\$6,287,229	\$5,606,114	\$5,051,307	\$4,174,279	\$3,673,807	\$3,251,314	\$2,927,925
Health District's proportionate share of the net pension liability as a percentage of its covered payroll	159.05%	190.49%	59.87%	105.11%	140.51%	202.77%	118.71%	175.66%	139.17%	98.38%
Plan fiduciary net position as a percentage of the total pension liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

Amounts presented as of the Health District's measurement date which is the prior fiscal year.
See accompanying notes to the required supplementary information.

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 Seven Years (1)

	2024	2023	2022	2021	2020	2019	2018
Health District's proportion of the net pension liability	0.050079%	0.050079%	0.035374%	0.035537%	0.035692%	0.033288%	0.039358%
Health District's proportionate share of the net pension asset	\$170,366	\$118,032	\$139,374	\$102,581	\$74,427	\$37,223	\$53,578
Health District's covered payroll	\$254,508	\$234,471	\$161,271	\$155,300	\$160,193	\$142,371	\$161,192
Health District's proportionate share of the net pension liability as a percentage of its covered payroll	66.94%	50.34%	86.42%	66.05%	46.46%	26.15%	33.24%
Plan fiduciary net position as a percentage of the total pension liability	144.55%	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%

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

(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.

See accompanying notes to the required supplementary information.

Erie County General Health District
Required Supplementary Information
Schedule of Health District Pension Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$1,409,469	\$1,221,942	\$1,067,512	\$992,010	\$880,212	\$784,856	\$707,183	\$542,656	\$440,857	\$390,158
Contributions in relation to the contractually required contribution	<u>(1,409,469)</u>	<u>(1,221,942)</u>	<u>(1,067,512)</u>	<u>(992,010)</u>	<u>(880,212)</u>	<u>(784,856)</u>	<u>(707,183)</u>	<u>(542,656)</u>	<u>(440,857)</u>	<u>(390,158)</u>
Contribution deficiency (excess)	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
Health District's covered payroll	\$10,067,636	\$8,728,157	\$7,625,086	\$7,085,786	\$6,287,229	\$5,606,114	\$5,051,307	\$4,174,279	\$3,673,807	\$3,251,314
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

Erie County General Health District
Required Supplementary Information
Schedule of Health District Pension Contributions
Ohio Public Employees Retirement System - Combined Plan
Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$24,448	\$30,541	\$32,826	\$22,578	\$21,742	\$22,427	\$19,932	\$20,955	\$20,923	\$16,446
Contributions in relation to the contractually required contribution	<u>(24,448)</u>	<u>(30,541)</u>	<u>(32,826)</u>	<u>(22,578)</u>	<u>(21,742)</u>	<u>(22,427)</u>	<u>(19,932)</u>	<u>(20,955)</u>	<u>(20,923)</u>	<u>(16,446)</u>
Contribution deficiency (excess)	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
Health District's covered payroll	\$203,733	\$254,508	\$234,471	\$161,271	\$155,300	\$160,193	\$142,371	\$161,192	\$174,358	\$137,050
Contributions as a percentage of covered payroll	12.00%	12.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

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 Eight Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017
Health District's proportion of the net OPEB liability /(asset)	0.05242700%	0.04915400%	0.04984900%	0.04533400%	0.04041400%	0.03751300%	0.03264000%	0.29960000%
Health District's proportionate share of the net OPEB liability/(asset)	\$ (473,166)	\$ 309,925	\$ (1,561,348)	\$ (807,661)	\$ 5,582,223	\$ 4,890,810	\$ 3,544,464	\$ 3,026,062
Health District's covered payroll	\$ 9,255,326	\$ 8,181,007	\$ 7,773,432	\$ 6,856,104	\$ 6,105,707	\$ 5,441,103	\$ 4,623,596	\$ 4,140,715
Health District's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-5.11%	3.79%	-20.09%	-11.78%	91.43%	89.88%	76.66%	73.08%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available.
Amounts presented as of the Health District's measurement date which is the prior fiscal year.
See accompanying notes to the required supplementary information.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 4,076	\$ 14,006	\$ 12,858	\$ 21,055	\$ 16,543	\$ 13,576	\$ 9,897	\$ 54,880	\$ 88,665
Contributions in relation to the contractually required contribution	<u>(4,076)</u>	<u>(14,006)</u>	<u>(12,858)</u>	<u>(21,055)</u>	<u>(16,543)</u>	<u>(13,576)</u>	<u>(9,897)</u>	<u>(54,880)</u>	<u>(88,665)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Health District covered payroll	\$ 10,527,357	\$ 9,255,326	\$ 8,188,150	\$ 7,773,432	\$ 6,856,104	\$ 6,105,707	\$ 5,441,103	\$ 4,623,596	\$ 4,140,715
Contributions as a percentage of covered payroll	0.040%	0.150%	0.160%	0.270%	0.240%	0.220%	0.180%	1.190%	2.140%

(1) Information prior to 2016 is not available.
See accompanying notes to the required supplementary information.

Erie County General Health District
Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in Assumptions - OPERS Pension - Traditional Plan

There was a change in assumptions for 2024-2022. There were no changes in assumptions for 2021 and 2020. Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used beginning in 2017 and in 2016 are presented below:

	2024	2023	2022
Wage Inflation	2.75 percent	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 10.75 percent including wage inflation	2.75 to 10.75 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	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age
	2021, 2020 and 2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including 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
Post-January 7, 2013 Retirees	See below	See below	See below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

2024	2.3 percent, simple through 2024 then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
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 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use mortality rates based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% 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% 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 of 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 of these tables.

Erie County General Health District
Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

Changes in Assumptions - OPERS Pension - Traditional Plan (Continued)

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to 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

	<u>2022-2024*</u>	<u>2019 through 2021</u>	<u>2018</u>
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 2024,2023, 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

Investment Return Assumption:

2024-2019	6 percent
2018	6.5 percent

Municipal Bond Rate:

2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent

Erie County General Health District
Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

Changes in Assumptions - OPERS OPEB (Continued)

Single Discount Rate:

2024	5.70 percent
2023	5.22 percent
2022-2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent

Health Care Cost Trend Rate:

2024	5.5 percent, initial 3.5 percent, ultimate in 2038
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10 percent, initial 3.5 percent, ultimate in 2030
2019	10 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

**ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	02210011WA1724	\$498,534
		02210011WA1825	126,861
Total AL #10.557			<u>625,395</u>
<i>Direct Program</i>			
Cooperative Extension Service	10.500	N/A	<u>76,129</u>
Total U.S. Department of Agriculture			<u>701,524</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct Program</i>			
Lead Hazard Reduction Grant Program	14.900	N/A	296,115
Healthy Homes Production Program	14.913	N/A	<u>437,200</u>
Total U.S. Department of Housing and Urban Development			<u>733,315</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Development</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	LED-2023-202465	<u>475,952</u>
Total U.S. Department of Treasury			<u>475,952</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Traffic Safety Office</i>			
<u>Highway Safety Cluster:</u>			
State and Community Highway Safety	20.600	SC-2024-00019	9,875
		SC-2025-00029	<u>2,016</u>
Total Highway Safety Cluster			<u>11,891</u>
Total U.S. Department of Transportation			<u>11,891</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Program</i>			
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	N/A	<u>316,226</u>
Total U.S. Department of Justice			<u>316,226</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
<i>Passed Through Ohio Department of Health</i>			
Beach Monitoring and Notification Program Implementation Grants	66.472	12E52611	<u>33,769</u>
Total U.S. Environmental Protection Agency			<u>33,769</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Direct Program</i>			
Drug-Free Communities Support Program Grants	93.276	N/A	147,630
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	N/A	25,000
Congressional Directives	93.493	N/A	795,367
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	697,804
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	93.421	N/A	100,000
<u>Health Center Program Cluster:</u>			
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) (FQHC)	93.224	N/A	789,832
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) (BHE)	93.224	N/A	<u>51,581</u>
Total AL #93.224			<u>841,413</u>
Grants for New and Expanded Services under the Health Center Program (FQHC)	93.527	N/A	653,574
COVID-19 Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	N/A	<u>10,240</u>
Total AL #93.527			<u>663,814</u>
Total Health Center Program Cluster			<u>1,505,227</u>
<i>Passed Through Ohio Department of Mental Health and Addiction Services</i>			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2400310	164,356
<i>Passed Through Ohio Department of Health</i>			
Preventive Health and Health Services Block Grant	93.991	02210014CC0724	78,222
Maternal and Child Health Services Block Grant to the States	93.994	02210011PW0124	68,813
		02210011CD0324	30,000
		02210011RH1324	<u>26,575</u>
Total AL #93.994			<u>125,388</u>
Public Health Emergency Preparedness	93.069	02210012PH1524	51,597
		02210012PH0125	<u>44,224</u>
Total AL #93.069			<u>95,821</u>
Family Planning Services	93.217	02210011RH1324	73,957
		02210011RH1425	<u>161,157</u>
Total AL #93.217			<u>235,114</u>
National and State Tobacco Control Program	93.387	02210014TU0925	28,730
Immunization Cooperative Agreements	93.268	02210012GV0624	9,966
		02210012GV0725	<u>15,376</u>
Total AL #93.268			<u>25,342</u>
Opioid STR	93.788	02210014IH0224	144,000
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	02210012WF0223	93,579
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	02210012EO0323	349,362
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	02210011OI0123	81,099
		02210011WD0123	<u>18,000</u>

ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
Total AL #93.391			<u>99,099</u>
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	02210012II0124 02210012II0225	24,597 <u>10,150</u>
Total AL #93.977			<u>34,747</u>
Total U.S. Department of Health and Human Services			<u>4,744,788</u>
Total Expenditures of Federal Awards			<u>\$7,017,465</u>

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, 2024**

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, 2024. 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 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.

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**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, 2024, 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 22, 2025, wherein we noted the District adopted Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* during 2024.

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 2024-001 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 22, 2025



65 East State Street
Columbus, Ohio 43215
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Opinion on Each Major Federal Program

We have audited Erie County General Health District's, Erie County, Ohio (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, 2024. 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.

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 each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

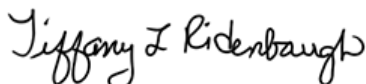
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 22, 2025

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**ERIE COUNTY GENERAL HEALTH DISTRICT
ERIE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

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?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Health Center Program Cluster Substance Abuse and Mental Health Services Projects of Regional and National Significance - AL #93.243 Congressional Directives - AL #93.493
(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 2024-001

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.

The following errors requiring adjustment to the basic financial statements were identified:

- General Fund intergovernmental revenue in the amount of \$234,193 was improperly classified as property taxes revenue; and
- Remaining Fund Information unavailable revenue in the amount of \$168,887 was improperly classified as intergovernmental, fees, licenses, and permits, and charges for services revenues in the amounts of \$93,150, \$1,020, and \$74,717, respectively.

These errors were 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 accounting records, where appropriate, have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified misstatements ranging from \$3,637 to \$108,700 that we have brought to the District's attention

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

None



Erie County Health Department
An Accredited Public Health Department
Erie County Community Health Center
A Federally Qualified Health Center
Peter T. Schade, MPH, REHS
Health Commissioner



CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2024

Finding Number:	2024-001
Planned Corrective Action:	CFO will work with GAPP conversion team to ensure accurate financial reporting.
Anticipated Completion Date:	December 31, 2025
Responsible Contact Person:	Melissa Keller, CFO

Board of Health: Linda Miller-Moore (Board President); Dina C. Bauer, DPM (President Pro-Tem); Michael Bixler; Ron Brown; Richard R. Keller, MD; Natalie Felter; Bob Lippert; Adam Machoukas; Charles M. Murray; Leroy E. Sizemore; Joey Supina

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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 9/25/2025

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

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