



Dave Yost • Auditor of State

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets – Cash Basis	9
Statement of Activities – Cash Basis	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds.....	11
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds	12
Statement of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Budget Basis – General Fund	13
Statement of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Budget Basis – Public Health Infrastructure Fund	14
Statement of Fiduciary Assets and Liabilities – Cash Basis – Agency Fund.....	15
Notes to the Basic Financial Statements	17
Federal Awards Expenditures Schedule.....	31
Notes to the Federal Awards Expenditures Schedule	33
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	35
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	37
Schedule of Findings.....	39
Schedule of Prior Audit Findings.....	40

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Cuyahoga County District Board of Health
Cuyahoga County
5550 Venture Drive
Parma, Ohio 44130

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District), as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio, as of December 31, 2011, and the respective changes in cash financial position, thereof and the respective budgetary comparison for the General Fund and Public Health Infrastructure Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

As described in Note 3, during 2011 the Cuyahoga County District Board of Health, Cuyahoga County, Ohio, adopted Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*."

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the District's financial statements that taken as a whole. Management's Discussion and Analysis includes table of a statement of net assets and a table of changes in net assets of governmental activities. The federal awards expenditures schedule (the Schedule) is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These tables and the Schedule provide additional information, but are not a required part of the basic financial statements. However these tables and the Schedule are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables and the Schedule were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.



Dave Yost
Auditor of State

August 23, 2012

Cuyahoga County District Board of Health
Cuyahoga County

Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

This discussion and analysis of the Cuyahoga County District Board of Health (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2011 within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2011 are as follows:

- Net assets of governmental activities increased \$218,093 or 4.19 percent from 2010 to 2011.
- The District's general receipts are primarily property taxes and grants.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on cash basis of accounting per Auditor of State Bulletin 2006-002 and GASB Statement No. 34. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Cuyahoga County District Board of Health
Cuyahoga County

Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2011, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well, such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property tax and local government support.

In the statement of net assets and the statement of activities, the District reports:

All of the District's programs and basic services are reported as governmental activities including administration, environmental public health, prevention & wellness, epidemiology, surveillance and informatics, and capital outlay. Grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. Most of the District's activities are reported in the governmental funds which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods.

Governmental Funds. Most of the District's activities are reported in governmental funds. The governmental funds financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General and Public Health Infrastructure funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Cuyahoga County District Board of Health
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The District as a Whole

Table 1 provides a comparison of the District's net assets for 2011 compared to 2010 on a cash basis:

TABLE 1
Statement of Net Assets

	Governmental Activities	
	2011	2010
Assets		
Equity in Pooled Cash and Cash Equivalents	\$5,427,434	\$5,209,341
 Net Assets		
Restricted for:		
Public Health Infrastructure	137,916	2,445
Other Purposes	837,288	951,902
Unrestricted	4,452,230	4,254,994
 Total Net Assets	 \$5,427,434	 \$5,209,341

As mentioned previously, net assets of governmental activities increased \$218,093 or 4.19 percent during 2011. This increase is due primarily to the timing of reimbursement for various grants.

Cuyahoga County District Board of Health
Cuyahoga County

Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Table 2 reflects the changes in net assets in 2011 and 2010. A comparative analysis of government-wide data has been presented for years 2011 and 2010.

TABLE 2
Changes in Net Assets

	Governmental Activities		
	2011	2010	Difference
Receipts			
Program Receipts:			
Charges for Services and Sales	\$5,486,101	\$6,749,850	(\$1,263,749)
Operating Grants and Contributions	9,695,293	11,743,394	(2,048,101)
<i>Total Program Receipts</i>	<u>15,181,394</u>	<u>18,493,244</u>	<u>(3,311,850)</u>
General Receipts:			
Property Taxes	3,278,828	3,278,828	0
Grants and Entitlements not Restricted to Specific Programs	908,678	636,154	272,524
Other	533,076	731,504	(198,428)
<i>Total General Receipts</i>	<u>4,720,582</u>	<u>4,646,486</u>	<u>74,096</u>
<i>Total Receipts</i>	<u>19,901,976</u>	<u>23,139,730</u>	<u>(3,237,754)</u>
Disbursements			
Administration	1,882,312	1,658,407	223,905
Environmental Public Health	6,814,982	4,639,350	2,175,632
Prevention & Wellness	7,910,167	11,642,036	(3,731,869)
Epidemiology, Surveillance and Informatics	2,723,453	5,066,432	(2,342,979)
Capital Outlay	352,969	227,652	125,317
<i>Total Disbursements</i>	<u>19,683,883</u>	<u>23,233,877</u>	<u>(3,549,994)</u>
Change in Net Assets	218,093	(94,147)	312,240
Net Assets, Beginning of Year	5,209,341	5,303,488	(94,147)
Net Assets, End of Year	<u>\$5,427,434</u>	<u>\$5,209,341</u>	<u>\$218,093</u>

Program receipts of \$15,181,394 in 2011 and \$18,493,244 in 2010 are primarily comprised of grants, environmental permits, fees and licenses, and charges for immunizations, lead testing, health assessments and health education or promotion and seminars. The decrease of \$3,311,850 in program receipts is primarily due to a reduction in grant funding, timing of reimbursement for various grants and the loss of public health school contracts.

General receipts represent 23.72 percent of total receipts in 2011 and 20.08 percent of 2010 receipts. Property taxes make up 16.47 and 14.17 percent of total receipts in 2011 and 2010, respectively.

The majority of disbursements come from Environmental Public Health, Prevention & Wellness and Epidemiology, Surveillance and Informatics disbursements. These three make up 88.64 percent of disbursements in 2011 and 91.89 percent of disbursements in 2010.

Cuyahoga County District Board of Health
Cuyahoga County

Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Governmental Activities

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for District health programs. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The Net Receipts (Disbursements) and Changes in Net Assets column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

The District's Funds

Total governmental funds had receipts of \$19,901,976, and disbursements of \$19,683,883, for 2011 and receipts of \$23,139,730, and disbursements of \$23,233,877 for 2010. From 2010 to 2011, the fund balance of the General fund decreased \$363,155 as a result of the loss of public health school contracts.

General Fund Budgeting Highlights

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

General fund original receipts were budgeted at \$10,678,508 and final receipts were budgeted at \$9,842,873 while actual receipts were \$10,193,237 for 2011. Original disbursements and other financing uses were budgeted at \$11,095,091, and final disbursements and other financing uses were budgeted at \$10,931,874 while actual disbursements and other financing uses were \$10,556,392 for 2011. Actual receipts were higher than the final budgeted receipts mainly due to increases in fines, licenses and permits, and other receipts. Actual disbursements were lower than final budgeted disbursements due to less expenditure than planned, namely Environmental Public Health, Prevention & Wellness, Epidemiology, Surveillance and Informatics and capital outlay.

Debt and Capital Assets

The District currently has no outstanding debt. The District has chosen not to present capital assets as part of its financial statements. The District does, however, track their capital assets even though they are not presented.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding.

Cuyahoga County District Board of Health
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Judy Wirsching, Chief Fiscal Officer, Cuyahoga County District Board of Health, 5550 Venture Drive, Parma, Ohio 44130.

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Net Assets - Cash Basis
December 31, 2011

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$5,427,434</u>
 Net Assets	
Restricted for:	
Public Health Infrastructure	\$137,916
Other Purposes	837,288
Unrestricted	<u>4,452,230</u>
 <i>Total Net Assets</i>	<u><u>\$5,427,434</u></u>

See accompanying notes to the basic financial statements

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2011

	Disbursements	Program Receipts		Net Receipts (Disbursements) and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Administration	\$1,882,312	\$0	\$0	(\$1,882,312)
Environmental Public Health	6,814,982	3,874,362	2,747,887	(192,733)
Prevention & Wellness	7,910,167	1,611,739	4,242,351	(2,056,077)
Epidemiology, Surveillance and Informatics	2,723,453	0	2,705,055	(18,398)
Capital Outlay	352,969	0	0	(352,969)
<i>Total Governmental Activities</i>	<u>\$19,683,883</u>	<u>\$5,486,101</u>	<u>\$9,695,293</u>	<u>(\$4,502,489)</u>
		General Receipts		
		Property Taxes Levied for General Health District Purposes		3,278,828
		Grants and Entitlements not Restricted to Specific Programs		908,678
		Other		533,076
		<i>Total General Receipts</i>		<u>4,720,582</u>
		Change in Net Assets		218,093
		<i>Net Assets, Beginning of Year</i>		<u>5,209,341</u>
		<i>Net Assets, End of Year</i>		<u>\$5,427,434</u>

See accompanying notes to the basic financial statements

Cuyahoga County District Board of Health
Cuyahoga County
 Statement of Cash Basis Assets and Fund Balances
 Governmental Funds
 December 31, 2011

	<u>General</u>	<u>Public Health Infrastructure</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,553,165	\$137,916	(\$263,647)	\$5,427,434
Fund Balances				
Restricted	\$0	\$137,916	\$837,288	\$975,204
Unassigned (Deficit)	5,553,165	0	(1,100,935)	4,452,230
Total Fund Balances (Deficit)	<u>\$5,553,165</u>	<u>\$137,916</u>	<u>(\$263,647)</u>	<u>\$5,427,434</u>

See accompanying notes to the basic financial statements.

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General	Public Health Infrastructure	Other Governmental Funds	Total Governmental Funds
Receipts				
Property Taxes	\$3,278,828	\$0	\$0	\$3,278,828
Intergovernmental	908,678	2,544,803	7,139,727	10,593,208
Fines, Licenses and Permits	3,658,775	0	0	3,658,775
Charges for Services	1,822,728	0	4,598	1,827,326
Gifts and Contributions	10,763	0	0	10,763
Other	513,465	19	19,592	533,076
<i>Total Receipts</i>	<u>10,193,237</u>	<u>2,544,822</u>	<u>7,163,917</u>	<u>19,901,976</u>
Disbursements				
Administration	1,882,312	0	0	1,882,312
Environmental Public Health	4,501,959	0	2,313,023	6,814,982
Prevention & Wellness	3,596,553	0	4,313,614	7,910,167
Epidemiology, Surveillance and Informatics	368,593	2,240,782	114,078	2,723,453
Capital Outlay	121,546	203,136	28,287	352,969
<i>Total Disbursements</i>	<u>10,470,963</u>	<u>2,443,918</u>	<u>6,769,002</u>	<u>19,683,883</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(277,726)</u>	<u>100,904</u>	<u>394,915</u>	<u>218,093</u>
Other Financing Sources (Uses)				
Transfers In	0	34,567	50,862	85,429
Transfers Out	(85,429)	0	0	(85,429)
<i>Total Other Financing Sources (Uses)</i>	<u>(85,429)</u>	<u>34,567</u>	<u>50,862</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(363,155)	135,471	445,777	218,093
<i>Fund Balances (Deficit), Beginning of Year</i>	<u>5,916,320</u>	<u>2,445</u>	<u>(709,424)</u>	<u>5,209,341</u>
<i>Fund Balances (Deficit), End of Year</i>	<u>\$5,553,165</u>	<u>\$137,916</u>	<u>(\$263,647)</u>	<u>\$5,427,434</u>

See accompanying notes to the basic financial statements.

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$3,278,830	\$3,278,830	\$3,278,828	(\$2)
Intergovernmental	983,036	886,297	908,678	22,381
Fines, Licenses and Permits	3,124,835	2,957,911	3,658,775	700,864
Charges for Services	3,128,807	2,551,335	1,822,728	(728,607)
Gifts and Contributions	0	0	10,763	10,763
Other	163,000	168,500	513,465	344,965
<i>Total Receipts</i>	<u>10,678,508</u>	<u>9,842,873</u>	<u>10,193,237</u>	<u>350,364</u>
Disbursements				
Administration	1,574,260	1,636,730	1,882,312	(245,582)
Environmental Public Health	4,647,708	4,628,890	4,501,959	126,931
Prevention & Wellness	4,281,506	3,899,962	3,596,553	303,409
Epidemiology, Surveillance and Informatics	268,235	492,339	368,593	123,746
Capital Outlay	207,165	172,000	121,546	50,454
<i>Total Disbursements</i>	<u>10,978,874</u>	<u>10,829,921</u>	<u>10,470,963</u>	<u>358,958</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(300,366)</u>	<u>(987,048)</u>	<u>(277,726)</u>	<u>709,322</u>
Other Financing Sources (Uses)				
Transfers Out	(116,217)	(101,953)	(85,429)	16,524
<i>Total Other Financing Sources (Uses)</i>	<u>(116,217)</u>	<u>(101,953)</u>	<u>(85,429)</u>	<u>16,524</u>
<i>Net Change in Fund Balances</i>	(416,583)	(1,089,001)	(363,155)	725,846
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balances, Beginning of Year</i>	<u>5,916,320</u>	<u>5,916,320</u>	<u>5,916,320</u>	<u>0</u>
<i>Fund Balances, End of Year</i>	<u>\$5,499,737</u>	<u>\$4,827,319</u>	<u>\$5,553,165</u>	<u>\$725,846</u>

See accompanying notes to the basic financial statements

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis
Public Health Infrastructure Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$1,847,718	\$3,208,548	\$2,544,803	(\$663,745)
Other	10,000	10,000	19	(9,981)
<i>Total Receipts</i>	<u>1,857,718</u>	<u>3,218,548</u>	<u>2,544,822</u>	<u>(673,726)</u>
Disbursements				
Epidemiology, Surveillance and Informatics	1,880,394	3,046,502	2,240,782	805,720
Capital Outlay	12,084	206,808	203,136	3,672
<i>Total Disbursements</i>	<u>1,892,478</u>	<u>3,253,310</u>	<u>2,443,918</u>	<u>809,392</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(34,760)</u>	<u>(34,762)</u>	<u>100,904</u>	<u>135,665</u>
Other Financing Sources (Uses)				
Transfers In	74,287	74,287	34,567	(39,720)
<i>Total Other Financing Sources (Uses)</i>	<u>74,287</u>	<u>74,287</u>	<u>34,567</u>	<u>(39,720)</u>
<i>Net Change in Fund Balances</i>	39,527	39,525	135,471	95,945
<i>Fund Balances, Beginning of Year</i>	<u>2,445</u>	<u>2,445</u>	<u>2,445</u>	<u>0</u>
<i>Fund Balances, End of Year</i>	<u><u>\$41,972</u></u>	<u><u>\$41,970</u></u>	<u><u>\$137,916</u></u>	<u><u>\$95,945</u></u>

See accompanying notes to the basic financial statements

Cuyahoga County District Board of Health
Cuyahoga County
Statement of Fiduciary Assets and Liabilities - Cash Basis
Agency Fund
December 31, 2011

	<u>Agency</u>
Assets	
Cash and Cash Equivalents in Segregated Accounts	<u>\$29,043</u>
Liabilities	
Deposits Held Due to Others	<u>\$29,043</u>

See accompanying notes to the basic financial statements.

This page is intentionally left blank.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 – Description of the District and Reporting Entity

The Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District (general health) administers and enforces, within its jurisdiction, all public health and sanitation laws of the State of Ohio. The District provides public health services for the prevention or restriction of disease. In addition to the required programs, the District adopts regulations and provides programs to enable residents of the District to live in a healthy and environmentally safe community. The District is comprised of 36 cities, 19 villages and two townships within Cuyahoga County representing 854,859 residents. The five-member Board of Trustees is appointed by the District Advisory Council which consists of the President of the Board of County Commissioners, the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of trustees of each township. The Board appoints a Health Commissioner and can hire and fix compensation of employees. The District is dependent upon the County to provide facilities and legal counsel and act as custodian for its funds. The budget is approved by the District which is responsible for fiscal management through its authority to enter into contracts and prepare financial reports. The District is not part of the reporting entity of the County of Cuyahoga.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the Board of Trustees appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations for which the District approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. The District has no component units.

The District participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. This organization is presented in Note 8 to the basic financial statements.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the District's accounting policies.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets 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 assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The statement of net assets presents the cash balances of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the District's general receipts.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the District are divided into two categories, governmental and fiduciary.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the District's major governmental funds:

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

Public Health Infrastructure Fund - This fund receives federal grant money to assist with developing preparedness for and response to terrorism, pandemic influenza, and other public health emergencies. These emergency preparedness and response are intended to support the National Response Plan (NRP) and the National Incident Management System (NIMS).

The other governmental funds of the District account for the proceeds of federal grants whose uses are restricted to expenditures for specific health related purposes.

Fiduciary Funds

The fiduciary funds category is split into four classifications: pension trust funds, investments trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for deposits held for an employee flexible benefit account, and for deposits held from payroll deductions to cover the portion of the Health Insurance premiums that are paid by the CCBH employees.

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The appropriations resolution is the District Board's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control set by statute. The legal level of control has been established at the object level for all funds. The County Budget Commission must also approve the annual appropriation measure. Grant funds are appropriated one time and the appropriations carryover from year to year until the grant is closed. For the general fund, unencumbered appropriations lapse at year-end.

ORC Section 5705.28(C) (1) requires the District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the District by about June 1 (forty-five days prior to July 15). The County Office of the Fiscal Officer cannot allocate property taxes from the municipalities and townships within the District if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the County Budget Commission.

Subject to estimated resources, the District Board may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the County Budget Commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts submitted to the County Budget Commission when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the changes to the grant awards in effect at the time final appropriations were passed by the District Board.

The appropriations resolution 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 appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District Board during the year.

E. Cash and Investments

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets, except cash held in a segregated account, are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. Individual fund integrity is maintained through the District's records. Deposits and investments disclosures for the County as a whole may be obtained from the County.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The District has a segregated bank account for monies held separate from the County's central bank account. This amount is presented as "cash and cash equivalents in segregated accounts" since it is not required to be deposited into the County treasury.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net assets reports \$975,204 of restricted net

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include resources restricted for special District programs. The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance

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

Nonspendable- The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. The District did not have any nonspendable fund balances.

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

Committed- The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the District. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the District, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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. The District did not have any committed fund balances.

Assigned- Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District or a District official delegated that authority by resolution, or by State Statute. The District did not have any committed fund balances.

Unassigned- Unassigned fund balance is the residual classification for the general fund and include amount not contained in the other classifications (restricted, committed, and or assigned). In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amount are available. Similarly, within unrestricted fund balance, committed amounts are reduced first

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The District Fund balance is classified as restricted or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds.

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Change in Accounting Principle

For 2011, the District implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions.*” GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on fund balances of the major and non-major funds as they were previously reported.

Note 4 – Accountability and Compliance

Fund balances at December 31, 2011, included the following individual fund deficits:

NonMajor Funds:

Title X Family Planning Services	\$1,336
Lead Prevention Program	37,092
Dental Sealant	20,183
Teen Pregnancy Prevention	97,419
Starting Point	21,233
Shaken Baby Syndrome	88,313
West Nile Virus	55,400
Stream Restoration	496,164
Watershed Program	109
Child Death Review	101,553
Matter of Balance	4,577
OCCRRA	6,956
Community Services Block Grant	162,950
National Children’s Study	7,650

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The fund deficits in the above funds resulted from interfund liabilities due to timing issues with the reimbursement of expenses for various federal grants. The general fund is liable for the deficits in these funds and will provide advances when cash is required, not when the liability occurs.

Note 5 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, and public health infrastructure special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 6 – Deposits and Investments

As required by Ohio Revised Code, the Cuyahoga County Office of the Fiscal Officer is the fiscal agent of the District. The District's cash pool, used by all funds, is deposited with the Cuyahoga County Treasurer. The cash pool is commingled with Cuyahoga County's cash and investment pool and is not identifiable as to demand deposits or investments. All collections are remitted to the Cuyahoga County Treasurer for deposit and all disbursements are made by warrants prepared by the Cuyahoga County Office of the Fiscal Officer drawn on deposits held in the name of Cuyahoga County. Deposits and deposit risk and investments and investment risk are presented in the December 31, 2011 Cuyahoga County Comprehensive Annual Financial Report. The fund balances are expressed in cash equivalents. Cash equivalents are available for immediate expenditure or liquid investments which are immediately marketable, have negligible credit risk, and mature within three months. The carrying amount of cash on deposit with the Cuyahoga County Treasurer at December 31, 2011 was \$5,426,636. The District also had fully collateralized immunization and flexible benefit checking accounts with year-end balances of \$386 and \$29,043, respectively, and petty cash of \$412.

Note 7 – Property Taxes / Subdivision Revenue

The cities, villages and townships that receive services from the District, contribute to the operations of the District. The County Office of the Fiscal Officer assesses each subdivision their share of the operating cost, which is calculated by the District and received through property tax collections. When the County Office of the Fiscal Officer disburses property tax to the subdivision, the appropriate deduction is made on the subdivision settlement and transmitted to the District.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 8 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. The Pool provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For occurrences prior to January 1, 2006, PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000 and provides up to \$1,750,000 per claim.

For occurrences on or after January 1, 2006, PEP retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000 and provides up to \$2,650,000 per claim.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

Property Insurance

Prior to January 1, 2009, Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide aggregate stop-loss coverage based upon the combined PEP members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

On or after January 1, 2009, Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$150,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide aggregate stop-loss coverage based upon the combined PEP members' total insurable values. If the stop loss is reached by payment of losses between \$150,000 and \$500,000, Travelers will reinsure specific losses exceeding \$150,000 up to their \$600,000,000 per occurrence limit.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligations of the respective PEP member.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Financial Position

PEP's financial statements reported the following assets, liabilities and retained earnings at December 31, 2011 and 2010:

	2011	2010
Assets	\$33,362,404	\$34,952,010
Liabilities	(14,187,273)	(14,320,812)
Retained Earnings	\$19,175,131	\$20,631,198

The District's share of unpaid claims collectible in future years is approximately \$49,140. This payable includes the subsequent year's contribution due if the District terminates participation.

The expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Year	Contributions to PEP
2008	\$39,194
2009	39,010
2010	41,401
2011	24,570

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no future obligation to the pool. Also, upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal.

The District insures against injuries to employees through the Ohio Bureau of Workers' Compensation. Workers' compensation coverage is provided by the State. The District pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description - The Cuyahoga County District Board of Health participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy 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 statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2011, members in state and local classifications contributed 10.0 percent of covered payroll.

The District's contribution rate for 2011 was 14.0 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The District's contribution allocated to health care for members in the traditional plan was 4.0 percent of covered payroll during calendar year 2011. The District's contribution allocated to health care for members in the combined plan was 6.05 percent during calendar year 2011. Employer contribution rates are actuarially determined.

The District's required contributions for pension obligations (excluding post-employment benefits) for the years ended December 31, 2011, 2010, and 2009, were \$907,550, \$798,785 and \$735,697, respectively. The full amount has been contributed for 2011, 2010, and 2009.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 10 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – 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 plan for qualifying members of both the Traditional Pension and the Combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The District's contributions allocated to fund postemployment benefits for 2011, 2010 and 2009 were \$362,995, \$457,616 and \$536,417, respectively. Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained 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 post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, State and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to rate not to exceed 14 percent of covered payroll for state and local employer.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The portion of employer contributions allocated to health care for members in the traditional plan was 4.0 percent during calendar year 2011.

Cuyahoga County District Board of Health
Cuyahoga County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The portion of employer contributions allocated to health care members in the combined plan was 6.05 percent during calendar year 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active member do not make contributions to the post- employment health care plan.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

Note 11 – Operating Lease

The District entered into an operating lease with ImagePro, Limited in February 2007, for the purpose of leasing a business color digital copier/printer/fax machine. This is a cancelable lease that is paid quarterly. For 2011, the District paid total final rental costs of \$1,299.

In addition, the District entered into an operating lease with NEOPOST, Inc. in July 2009, for the purpose of leasing a mailing system for 63 months. This is a non cancelable lease that is paid annually. The District paid \$2,420 and \$605 in 2011, for total paid rental costs of \$3,025.

Note 12 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Public Health Infrastructure	Other Governmental Funds	Total
Restricted for				
Public Health Infrastructure	\$ -	\$ 137,916	\$ -	\$ 137,916
Other Purposes	-	-	837,288	837,288
<i>Total Restricted</i>	<u>0</u>	<u>137,916</u>	<u>837,288</u>	<u>975,204</u>
Unassigned (deficits):	<u>5,553,165</u>	<u>-</u>	<u>(1,100,935)</u>	<u>4,452,230</u>
<i>Total Fund Balances</i>	<u><u>\$5,553,165</u></u>	<u><u>\$137,916</u></u>	<u><u>(\$263,647)</u></u>	<u><u>\$5,427,434</u></u>

Cuyahoga County District Board of Health

Cuyahoga County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2011

Note 13 – Interfund Transfers

Interfund transfers for the year ended December 31, 2011, consisted of the following:

<u>Transfers To</u>	Transfers from General
<i>Major Funds:</i>	
Public Health Infrastructure	\$34,567
<i>Major Funds Subtotal</i>	<u>\$34,567</u>
<i>Nonmajor Governmental Funds:</i>	
US EPA Tinkers Creek Watershed	\$6,614
Lead Prevention Program	41,282
Stream Restoration	2,966
<i>Nonmajor Governmental Funds Subtotal</i>	<u>\$50,862</u>
Total	<u><u>\$85,429</u></u>

The transfers from the general fund to the major funds for \$34,567 and to the non-major special revenue funds for \$50,862 were made to support programs and projects in those funds.

CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY NUMBER</u>	<u>EXPENDITURES</u>
U.S. Department of Health and Human Services			
<i>Passed Through the State Department of Health:</i>			
Breast & Cervical Cancer Project			
10/11 Breast & Cervical Cancer Project	93.283	01810014BC0411	153,760
11/12 Breast & Cervical Cancer Project	93.283	01810014BC0512	121,951
Total Breast & Cervical Cancer Project			<u>275,711</u>
Immunization Action Plan			
2010 Immunization Action Plan	93.268	01810012IM0310	59,179
2011 Immunization Action Plan	93.268	01810012IM0411	267,741
Total Immunization Action Plan			<u>326,920</u>
Maternal and Child Health Services Block Grant			
10/11 OPTIONS Regional Referral	93.994	01810011DO0411	5,291
10/11 Child Family Health Services Program	93.994	01810011MC0411	585,142
11/12 Child Family Health Services Program	93.994	01810011MC0512	7,021
Total Maternal and Child Health Services Block Grant			<u>597,454</u>
OPTIONS Regional Referral			
10/11 OPTIONS Regional Referral	93.236	01810011DO0411	43,206
11/12 OPTIONS Regional Referral	93.236	01810011DO0512	30,666
Total OPTIONS Regional Referral			<u>73,872</u>
Preventive Health and Health Services Block Grant			
2010 Creating Healthy Communities	93.991	01810014CC0211	11,366
2011 Creating Healthy Communities	93.991	01810014CC0312	133,224
Total Preventive Health and Health Services Block Grant			<u>144,590</u>
11/12 Personal Responsibility Education Program	93.092	01810011PR0112	1,577
			<u>1,577</u>
ARRA - 2011 Body Mass Index	93.723	ARRAFam-11	1,000
			<u>1,000</u>
Public Health Emergency Preparedness			
09/10 Public Health Emergency Preparedness	93.069	01810012PH0110	73
10/11 Public Health Emergency Preparedness	93.069	01810012PH0211	1,928,906
11/12 Public Health Emergency Preparedness	93.069	01810012PH0312	170,870
2010/2011 Cities Readiness Initiative (CRI)	93.069	N/A	244,709
2011/2012 Cities Readiness Initiative (CRI)	93.069	N/A	50,192
Total Public Health Emergency Preparedness			<u>2,394,750</u>
<i>Passed Through the National Association of County and City Health Officials</i>			
NACCHO Medical Reserve Corps			
2008 NACCHO Medical Reserve Corps	93.008	N/A	2,152
2009 NACCHO Medical Reserve Corps	93.008	N/A	4,310
Total NACCHO Medical Reserve Corps			<u>6,462</u>
<i>Passed Through The Center for Community Solutions</i>			
Title X Family Planning Services			
10/11 Title X Family Planning Services	93.217	N/A	33,900
11/12 Title X Family Planning Services	93.217	N/A	8,235
11/12 Title X Family Planning Services	93.217	N/A	34,615
Total Title X Family Planning Services			<u>76,750</u>
Total U.S. Department of Health and Human Services			3,899,086

(Continued)

CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
 CUYAHOGA COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011
 (CONTINUED)

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY NUMBER</u>	<u>EXPENDITURES</u>
U.S. Department of Housing and Urban Development			
<i>Direct</i>			
07/10 Lead-Based Paint Hazard Control In Housing	14.900	N/A	102,965 <u>102,965</u>
Healthy Homes Demonstration			
06/09 Healthy Homes Demonstration	14.901	N/A	339
10/13 Healthy Homes Demonstration	14.901	N/A	<u>249,831</u>
Total Healthy Homes Demonstration			250,170
Lead Hazard Reduction			
2007/2010 Lead Hazard Reduction	14.905	N/A	221,379
2011/2014 Lead Hazard Reduction	14.905	N/A	<u>261,252</u>
Total Lead Hazard Reduction			482,631
Total U.S. Department of Housing and Urban Development			835,766
U.S. Environmental Protection Agency			
<i>Passed Through the State Environmental Protection Agency</i>			
11/13 Porter Creek	66.469	GL00E00624	41,927 <u>41,927</u>
09/12 Nonpoint Source Implementation	66.460	C9975500009	151,905 <u>151,905</u>
09/11 Tinkers Creek Wetland Survey	66.461	CD-00E70601-0	2,500 <u>2,500</u>
2007/2010 ODNR Tinkers Creek	66.460	N/A	16,352 <u>16,352</u>
<i>Passed Through the State Department of Health</i>			
Bathing Beaches			
2010 Bathing Beaches	66.472	N/A	1
2011 Bathing Beaches	66.472	N/A	<u>41,565</u>
Total Bathing Beaches			41,566
Total U.S. Environmental Protection Agency			254,250
U.S. Department of Transportation			
<i>Passed through the State Department of Transportation</i>			
Safe Routes to School			
10/11 Safe Routes to School	20.205	23598	4,000
11/12 Safe Routes to School	20.205	24472	<u>22,551</u>
Total Safe Routes to School			26,551
Total U.S. Department of Transportation			26,551
TOTAL FEDERAL AWARDS EXPENDITURES			<u><u>\$5,015,653</u></u>

The accompanying notes are an integral part of this schedule.

Cuyahoga County District Board of Health
Cuyahoga County
Notes to the Federal Awards Expenditures Schedule
For the Year Ended December 31, 2011

Note 1 – Significant Accounting Policies

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

Note 2 – Federal Grants Commingled with State Grants

Cash receipts from the U.S. Department of Health and Human Services are commingled with State grants for the Breast and Cervical Cancer Project, Immunization Action Plan, OPTIONS Regional Referral and the Child and Family Health Services Program. The District has determined the percentage of federal dollars which constitutes the overall grant awards. The District has applied these percentages to the Schedule to reflect the federal portion of expenditures disbursed during the fiscal period.

Note 3 – Matching Requirements

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

Note 4 – Subrecipients

Of the federal expenditures presented in the schedule, the District provided federal awards to sub recipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Immunization Action Plan	93.268	\$191,510
Options Regional Referral	93.236	250
Child and Family Health Services	93.994	594,070
Creating Healthy Communities	93.991	39,945
Public Health Emergency Preparedness	93.069	934,275
City Readiness Initiative	93.069	126,654
NACCHO Medical Reserve Corps	93.008	6,462
Title X Family Planning Services	93.217	27,868
Lead-Based Paint Hazard Control in Housing	14.900	63,558
Healthy Home Demonstration	14.901	65,376
HUD Lead Hazard Reduction	14.905	251,115
Porter Creek	66.469	3,347
Nonpoint Source Implementation	66.460	133,612
Tinkers Creek Wetland Survey	66.461	3,000
Safe Routes to School	20.205	7,491
Total Amount Provided to Subrecipients:		<u>\$2,448,533</u>

This page is intentionally left blank.



Dave Yost • Auditor of State

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

Cuyahoga County District Board of Health
Cuyahoga County
5550 Venture Drive
Parma, Ohio 44130

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District) as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 23, 2012, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the District implemented Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*." We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

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

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 23, 2012.

We intend this report solely for the information and use of management, the audit committee, Board of Trustees, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

August 23, 2012



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Cuyahoga County District Board of Health
Cuyahoga County
5550 Venture Drive
Parma, Ohio 44130

To the Board of Trustees:

Compliance

We have audited the compliance of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended December 31, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

In our opinion, the Cuyahoga County District Board of Health, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, Board of Trustees, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

August 23, 2012

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(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 internal control weaknesses 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	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Public Health Emergency Preparedness – CFDA #93.069 Maternal and Child Health Services Block Grant – CFDA #93.994
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-01	Certification of Availability of Funds – Ohio Rev. Code Section 5705.41(D)(1). Expenditures were not certified by the fiscal officer at the time the commitment was incurred. Blanket certificates extended beyond year end.	No	Partially Corrected – Reissued as Management Letter Comment.



Dave Yost • Auditor of State

CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 11, 2012**