



Dave Yost • Auditor of State



**SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT  
SUMMIT COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Summit County Combined General Health District  
Summit County  
1100 Graham Road Circle  
Stow, Ohio 44224

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Summit County Combined General Health District, Summit County, Ohio, (the Health District), as of and for the year ended, December 31, 2011, which collectively comprise the Health District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Health 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 modified 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 modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Summit County Combined General Health District, Summit County, Ohio, as of December 31, 2011, and the respective changes in modified cash financial position, thereof and the respective budgetary comparison for the General Fund, the Akron Contract Fund, the Women, Infant and Children Fund, the Help Me Grow Part C Fund, and the Air Quality EPA Fund, thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

As described in Note 3, the Health District implemented the provisions of the Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In addition, as describe in Note 3, the Health District restated its governmental fund balance due to the inclusion of the Help Me Grow Program funds which were previously reported within the Summit County Family and Children First Council financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2012, on our consideration of the Health 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 Health District's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, governmental activities and liabilities. The Federal Awards Receipts and Disbursement 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 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

September 14, 2012

## **Summit County Combined General Health District**

Management's Discussion and Analysis

For the Year Ended December 31, 2011

Unaudited

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The discussion and analysis of the Summit County Combined General Health District's (the Health District's) financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2011, within the limitations of the Health District's modified cash basis of accounting. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Health District's financial performance.

### **Financial Highlights**

Key financial highlights for the year 2011 are as follows:

- The assets of the Health District exceeded liabilities at the close of the year ended December 31, 2011 by \$5,414,467 (net assets). Of this amount, \$3,660,502 may be used to meet the Health District's ongoing obligations to citizens and creditors.
- The Health District's total net assets increased \$1,962,037. This increase is mainly attributable to consolidation with the Akron and Barberton City Health Departments in 2011.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise 84 percent of the Health District's receipts. General receipts in the form of property taxes and unrestricted grants make up the other 16 percent.
- The Health District had \$20.8 million in expenses related to governmental activities in 2011; only \$19.2 million of these expenses were offset by program specific charges and operating grants and contributions. General Revenues (primarily taxes) of \$3.5 million together with assets on hand at the beginning of the year were adequate to provide for these programs.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$3.6 million or 67 percent of total General Fund expenditures.

### **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 Health District's modified cash basis of accounting.

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

The Statement of Net Assets – Modified Cash Basis and Statement of Activities – Modified Cash Basis provide information about the activities of the whole Health District, presenting both an aggregate view of the Health District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health 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.

**Summit County Combined General Health District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2011  
Unaudited

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The notes to the 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 Health District has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Health District's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified cash basis of accounting.

**Reporting the Health District as a Whole**

The Statement of Net Assets and the Statement of Activities reflect how the Health District did financially during 2011, within the limitations of the modified cash basis of accounting. The Statement of Net Assets – Modified Cash Basis presents the cash balances of the governmental activities of the Health District at year end. The Statement of Activities – Modified Cash Basis compares disbursements with program receipts for each governmental activity. 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 disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

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

In the Statement of Net Assets – Modified Cash Basis and the Statement of Activities – Modified Cash Basis, the Health District's major programs are reported. Charges for services and state and federal grants finance most of these activities. To a significant extent, benefits provided through the governmental activities are being paid for by the people receiving them.



**Summit County Combined General Health District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2011  
Unaudited

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

***Fund Financial Statements***

Fund financial statements provide detailed information about the Health District's major funds – not the Health District as a whole. The Health 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. All of the operating funds of the Health District are governmental.

**Governmental Funds** - The Health District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Health District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Health District's health programs. The Health District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major 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 Health District's major governmental funds are the General Fund, the Akron Contract Fund the Women, Infants and Children Fund, the Help Me Grow Part C Fund and the Air Quality EPA Fund.

**The Health District as a Whole**

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

**Table 1: Net Assets – Modified Cash Basis**

	<b><u>Governmental Activities</u></b>	
	<b>2011</b>	<b>2010 (restated)</b>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$5,496,193	\$3,462,414
<b>Liabilities</b>		
Fiscal Agent Payable	81,726	9,984
<b>Net Assets</b>		
Restricted for Other Purposes	1,753,965	913,523
Unrestricted	3,660,502	2,538,907
<b>Total Net Assets</b>	<b>\$5,414,467</b>	<b>\$3,452,430</b>

As mentioned previously, net assets increased \$1,962,037. The increase is related primarily to the consolidation with Akron and Barberton City Health Departments.

Table 2, on the following page, reflects the changes in net assets in 2011.

**Summit County Combined General Health District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2011  
Unaudited

**Table 2: Changes in Net Assets**

	<u>Governmental Activities</u>	
	2011	2010 (restated)
<b>Receipts</b>		
Program Cash Receipts		
Charges for Services	\$ 5,093,240	\$ 3,047,829
Operating Grants and Contributions	14,084,916	5,657,148
Total Program Cash Receipts	<u>19,178,156</u>	<u>8,704,977</u>
General Receipts		
Property Taxes	3,230,675	3,128,607
State Subsidy	94,360	52,376
Miscellaneous	213,864	31,087
Total General Receipts	<u>3,538,899</u>	<u>3,212,070</u>
<b>Total Receipts</b>	<u>22,717,055</u>	<u>11,917,047</u>
<b>Disbursements</b>		
Public Health Services	<u>20,755,018</u>	<u>10,268,901</u>
<b>Total Disbursements</b>	<u>20,755,018</u>	<u>10,268,901</u>
Increase / (Decrease) in net Assets	1,962,037	1,648,146
Net Assets January 1, 2011	3,452,430	1,804,284
Net Assets December 31, 2011	<u>\$ 5,414,467</u>	<u>\$ 3,452,430</u>

In 2011, 16 percent of the Health District's total receipts were from general receipts, consisting mainly of property taxes. Program receipts accounted for 84 percent of the Health District's total receipts in year 2011. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, trailer park, swimming pools and spas, water system permits, clinic fees and state and federal operating grants and donations.

**Governmental Activities**

If you look at the Statement of Activities – Modified Cash Basis, you will see that the first column lists the major services provided by the Health District. The next column identifies the costs of providing these services. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Health District that must be used to provide a specific service. The net Receipt (Disbursement) 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 townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented on the next page, in Table 3.

**Summit County Combined General Health District**  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2011  
 Unaudited

**Table 3: Governmental Activities**

	<b>Total Cost of Services 2011</b>	<b>Net Cost of Services 2011</b>
Public Health Services	<u>\$ 20,755,018</u>	<u>\$ 1,576,862</u>

The Health District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. Only eight percent of health costs are supported through property taxes, unrestricted grants and other general receipts.

**The Health District's Funds**

The sum of governmental funds had total receipts of \$22,717,055 and total disbursements of \$20,755,018. These governmental funds increased cash balances by \$1,962,037 in 2011.

The fund balance of the General Fund increased \$1,121,595 to \$3,660,502 at year-end. This increase is due to efficiencies realized through the merger, including a reduction in workforce and associated costs for wages and benefits.

The Akron Contract Fund balance increased \$619,551. This increase is attributable to an overestimate in anticipated costs for the fund in the first year of its operation.

The Women, Infants and Children Grant Fund balance increased by \$242,669. This increase is attributable to the timing of expenditures and reimbursements. The Grant operates in a fiscal year other than January through December 2011.

The Help Me Grow Part C Grant Fund balance reflects a negative fund balance of \$81,267 at December 31, 2011, having decreased by \$74,668. This is due to timing issues between when disbursements are incurred and later reimbursed.

The Air Quality Grant Fund balance decreased by \$109,063, and is attributable to the timing of expenditures and reimbursements. The Grant operates in a fiscal year other than January through December 2011.

**General Fund Budgeting Highlights**

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

During the course of 2011, the Health District amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts. The decrease between the budgeted and the final receipts is due to the volume of fee-related services and permits being lower than originally anticipated.

**Summit County Combined General Health District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2011  
Unaudited

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The favorable variance seen between the final budgeted disbursements and actual disbursements is the result of efficiencies through consolidation, as noted above. Cost reductions were realized from a reduced workforce.

**Contacting the Health District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health District's finances and to reflect the Health District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Eric Seachrist, Fiscal Officer, Summit County Combined General Health District, 1100 Graham Road Circle, Stow, Ohio 44224.

**Summit County Combined General Health District**  
*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2011*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 5,496,193</u>
<b>Liabilities</b>	
Fiscal Agent Payable	<u>81,726</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	1,753,965
Unrestricted	<u>3,660,502</u>
<b>Total Net Assets</b>	<u><u>\$ 5,414,467</u></u>

See accompanying notes to the basic financial statements

**Summit County Combined General Health District**  
*Statement of Activities - Modified Cash Basis*  
*For the Year Ended December 31, 2011*

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>				
Public Health Services	\$ 20,755,018	\$ 5,093,240	\$ 14,084,916	\$ (1,576,862)
<b>General Receipts</b>				
Property Taxes				3,230,675
State Subsidy				94,360
Miscellaneous				213,864
Total General Receipts				3,538,899
Change in Net Assets				1,962,037
<i>Net Assets Beginning of Year</i>				3,452,430
<i>Net Assets End of Year</i>				\$ 5,414,467

See accompanying notes to the basic financial statements

**Summit County Combined General Health District**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2011*

	General	Akron Contract Fund	Women, Infants and Children	Help Me Grow Part C	Air Quality EPA	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 2,755,702	\$ 621,315	\$ 508,969	\$ -	\$ 305,949	\$ 1,304,258	\$ 5,496,193
Interfund Receivable	904,800	-	-	-	-	-	904,800
<i>Total Assets</i>	<u>\$ 3,660,502</u>	<u>\$ 621,315</u>	<u>\$ 508,969</u>	<u>\$ -</u>	<u>\$ 305,949</u>	<u>\$ 1,304,258</u>	<u>\$ 6,400,993</u>
<b>Liabilities</b>							
Fiscal Agent Payable	-	-	459	81,267	-	-	81,726
Interfund Payable	-	-	-	-	215,000	689,800	904,800
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 459</u>	<u>\$ 81,267</u>	<u>\$ 215,000</u>	<u>\$ 689,800</u>	<u>\$ 986,526</u>
<b>Fund Balances</b>							
Restricted	-	621,315	508,510	-	90,949	614,458	1,835,232
Assigned	38,393	-	-	-	-	-	38,393
Unassigned	3,622,109	-	-	(81,267)	-	-	3,540,842
<i>Total Fund Balances</i>	<u>3,660,502</u>	<u>621,315</u>	<u>508,510</u>	<u>(81,267)</u>	<u>90,949</u>	<u>614,458</u>	<u>5,414,467</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 3,660,502</u>	<u>\$ 621,315</u>	<u>\$ 508,969</u>	<u>\$ -</u>	<u>\$ 305,949</u>	<u>\$ 1,304,258</u>	<u>\$ 6,400,993</u>

See accompanying notes to the basic financial statements

**Summit County Combined General Health District**  
*Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2011

	General	Akron Contract Fund	Women, Infants and Children	Help Me Grow Part C	Air Quality EPA	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 3,230,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,230,675
Charges for Services	1,679,488	1,546,160	-	-	-	4,647	3,230,295
Licenses, Permits and Fees	1,278,824	464,572	-	-	-	119,548	1,862,944
Intergovernmental	165,945	4,004,365	2,569,847	225,437	1,260,796	5,952,886	14,179,276
Other	203,876	9,989	-	-	-	-	213,865
<i>Total Receipts</i>	<u>6,558,808</u>	<u>6,025,086</u>	<u>2,569,847</u>	<u>225,437</u>	<u>1,260,796</u>	<u>6,077,081</u>	<u>22,717,055</u>
<b>Disbursements</b>							
Public Health Services	5,430,761	5,405,535	2,332,449	300,105	1,369,859	5,916,309	20,755,018
<i>Total Disbursements</i>	<u>5,430,761</u>	<u>5,405,535</u>	<u>2,332,449</u>	<u>300,105</u>	<u>1,369,859</u>	<u>5,916,309</u>	<u>20,755,018</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,128,047</u>	<u>619,551</u>	<u>237,398</u>	<u>(74,668)</u>	<u>(109,063)</u>	<u>160,772</u>	<u>1,962,037</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	-	-	5,271	-	-	1,181	6,452
Transfers Out	(6,452)	-	-	-	-	-	(6,452)
<i>Total Other Financing Sources (Uses)</i>	<u>(6,452)</u>	<u>-</u>	<u>5,271</u>	<u>-</u>	<u>-</u>	<u>1,181</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	1,121,595	619,551	242,669	(74,668)	(109,063)	161,953	1,962,037
<i>Fund Balances Beginning of Year (Restated)</i>	<u>2,538,907</u>	<u>1,764</u>	<u>265,841</u>	<u>(6,599)</u>	<u>200,012</u>	<u>452,505</u>	<u>3,452,430</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,660,502</u>	<u>\$ 621,315</u>	<u>\$ 508,510</u>	<u>\$ (81,267)</u>	<u>\$ 90,949</u>	<u>\$ 614,458</u>	<u>\$ 5,414,467</u>

See accompanying notes to the basic financial statements



**Summit County Combined General Health District**

*Statement of Receipts, Disbursements and Changes*

*In Fund Balance - Budget and Actual -Budget Basis*

*General Fund*

*For the Year Ended December 31, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 3,230,681	\$ 3,230,681	\$ 3,230,675	\$ (6)
Charges for Services	1,667,490	1,667,490	1,679,488	11,998
Licenses, Permits and Fees	1,810,928	1,810,928	1,278,824	(532,104)
Intergovernmental	132,798	158,563	165,945	7,382
Other	5,000	15,000	203,876	188,876
<i>Total receipts</i>	<u>6,846,897</u>	<u>6,882,662</u>	<u>6,558,808</u>	<u>(323,854)</u>
<b>Disbursements</b>				
Current:				
Public Health Services	6,856,253	6,389,018	5,469,154	919,864
<i>Total Disbursements</i>	<u>6,856,253</u>	<u>6,389,018</u>	<u>5,469,154</u>	<u>919,864</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,356)</u>	<u>493,644</u>	<u>1,089,654</u>	<u>596,010</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	0	(6,452)	(6,452)	0
Advances In	0	446,951	446,951	0
Advances Out	0	(943,499)	(904,800)	38,699
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(503,000)</u>	<u>(464,301)</u>	<u>38,699</u>
<i>Net Change in Fund Balance</i>	(9,356)	(9,356)	625,353	634,709
<i>Fund Balance Beginning of Year</i>	2,082,600	2,082,600	2,082,600	0
Prior Year Encumbrances Appropriated	9,356	9,356	9,356	0
<i>Fund Balance End of Year</i>	<u>\$ 2,082,600</u>	<u>\$ 2,082,600</u>	<u>\$ 2,717,309</u>	<u>\$ 634,709</u>

See accompanying notes to the basic financial statements

**Summit County Combined General Health District**

*Statement of Receipts, Disbursements and Changes*

*In Fund Balance - Budget and Actual -Budget Basis*

*Akron Contract Fund*

*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Charges for Services	\$ 1,331,450	\$ 1,331,450	\$ 1,546,160	\$ 214,710
Licenses, Permits and Fees	696,674	696,674	464,572	(232,102)
Intergovernmental	5,177,656	5,177,656	4,004,365	(1,173,291)
Other	-	-	9,989	9,989
<i>Total receipts</i>	<u>7,205,780</u>	<u>7,205,780</u>	<u>6,025,086</u>	<u>(1,180,694)</u>
<b>Disbursements</b>				
Current:				
Public Health Services	<u>7,205,780</u>	<u>7,205,780</u>	<u>5,468,846</u>	<u>1,736,934</u>
<i>Total Disbursements</i>	<u>7,205,780</u>	<u>7,205,780</u>	<u>5,468,846</u>	<u>1,736,934</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>0</u>	<u>556,240</u>	<u>556,240</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>0</u>	<u>556,240</u>	<u>556,240</u>
<i>Fund Balance Beginning of Year</i>	<u>1,764</u>	<u>1,764</u>	<u>1,764</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,764</u>	<u>\$ 1,764</u>	<u>\$ 558,004</u>	<u>\$ 556,240</u>

See accompanying notes to the basic financial statements

**Summit County Combined General Health District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Women, Infants and Children Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 2,080,531	\$ 4,394,603	\$ 2,569,847	\$ (1,824,756)
<i>Total receipts</i>	<u>2,080,531</u>	<u>4,394,603</u>	<u>2,569,847</u>	<u>(1,824,756)</u>
<b>Disbursements</b>				
Current:				
Public Health Services	2,458,473	4,772,545	2,332,449	2,440,096
<i>Total Disbursements</i>	<u>2,458,473</u>	<u>4,772,545</u>	<u>2,332,449</u>	<u>2,440,096</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(377,942)</u>	<u>(377,942)</u>	<u>237,398</u>	<u>615,340</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	5,271	5,271
Advances Out	0	0	(112,101)	(112,101)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(106,830)</u>	<u>(106,830)</u>
<i>Net Change in Fund Balance</i>	(377,942)	(377,942)	130,568	508,510
<i>Fund Balance Beginning of Year</i>	<u>377,942</u>	<u>377,942</u>	<u>377,942</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 508,510</u>	<u>\$ 508,510</u>

See accompanying notes to the basic financial statements

**Summit County Combined General Health District**

*Statement of Receipts, Disbursements and Changes*

*In Fund Balance - Budget and Actual -Budget Basis*

*Help Me Grow, Part C Fund*

*For the Year Ended December 31, 2011*

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 195,494	\$ 622,860	\$ 225,437	\$ (397,423)
<i>Total receipts</i>	<u>195,494</u>	<u>622,860</u>	<u>225,437</u>	<u>(397,423)</u>
<b>Disbursements</b>				
Current:				
Public Health Services	188,895	616,261	300,105	316,156
<i>Total Disbursements</i>	<u>188,895</u>	<u>616,261</u>	<u>300,105</u>	<u>316,156</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>6,599</u>	<u>6,599</u>	<u>(74,668)</u>	<u>(81,267)</u>
<i>Net Change in Fund Balance</i>	6,599	6,599	(74,668)	(81,267)
<i>Fund Balance Beginning of Year</i>	(6,599)	(6,599)	(6,599)	0
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (81,267)</u>	<u>\$ (81,267)</u>

See accompanying notes to the basic financial statements

**Summit County Combined General Health District**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Air Quality EPA Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$ 885,921	\$ 2,457,104	\$ 1,260,796	\$ (1,196,308)
<i>Total receipts</i>	<u>885,921</u>	<u>2,457,104</u>	<u>1,260,796</u>	<u>(1,196,308)</u>
<b>Disbursements</b>				
Current:				
Public Health Services	1,085,933	2,657,116	1,369,859	1,287,257
<i>Total Disbursements</i>	<u>1,085,933</u>	<u>2,657,116</u>	<u>1,369,859</u>	<u>1,287,257</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(200,012)</u>	<u>(200,012)</u>	<u>(109,063)</u>	<u>90,949</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	215,000	215,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>215,000</u>	<u>215,000</u>
<i>Net Change in Fund Balance</i>	(200,012)	(200,012)	105,937	305,949
<i>Fund Balance Beginning of Year</i>	<u>200,012</u>	<u>200,012</u>	<u>200,012</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,949</u>	<u>\$ 305,949</u>

See accompanying notes to the basic financial statements

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Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 1 – Reporting Entity**

The Summit County Combined General Health District (the Health District) serves as a policy-making body with authority to adopt rules and regulations. The Health District is directed by an appointed eighteen-member board and a Health Commissioner.

The Health District (1) adopts regulations as necessary for the prevention of disease and the promotion of public health, (2) holds hearings on public health matters, (3) cooperates with other health agencies and citizens groups to promote community health programs and, (4) informs and educates the community on public health matters.

**Note 2 - Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified 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 modified 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 modified 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 Health District's accounting policies.

**A. Basis of Presentation**

The Health 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 Health District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. 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 Health District has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health 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 Health District is responsible.

Program receipts 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.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 2 - Summary of Significant Accounting Policies** (continued)

Receipts which are not classified as program receipts are presented as general receipts of the Health District, 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 modified cash basis or draws from the general receipts 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. Funds are used to segregate resources that are restricted as to use. The Health District uses the following fund types:

Governmental Funds

Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District's major governmental fund types:

*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 Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Special Revenue Funds* - These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Health District has the following major Special Revenue Funds:

Akron Contract Fund – This fund receives proceeds from the City of Akron for the provision of public health services within the City limits.

Women, Infants and Children Fund – This fund receives proceeds from a federal grant to provide nutritional assistance to qualified women, infants and children.

Help Me Grow, Part C Fund – This fund receives federal grant money for the purpose of providing services to families with young children who have disabilities from birth to three years of age.

Air Quality EPA Fund – This fund receives federal and state grant money for the purpose of improving indoor/outdoor air quality and reducing pollution.



Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**C. Basis of Accounting**

The Health District's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Health 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 Health District are described in the appropriate section in this note.

As a result of the use of this modified 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 expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Health may appropriate. The appropriations resolution is the Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board of Health at the fund, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county auditor 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 Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health District must adopt an itemized appropriation measure. The appropriation measure, and an itemized estimate of revenues to be collected during the next fiscal year, is certified by the county budget commission. Subject to estimated resources, the Board of Health 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 are certified by approval of the county budget commission.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Health.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 2 - Summary of Significant Accounting Policies** (continued)

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 budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

**E. Cash and Investments**

The Summit County Fiscal Officer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Fiscal Officer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County by contacting Dennis Menendez, Deputy Fiscal Officer of Finance, County of Summit, 175 South Main Street, 44308-1306, (330) 643-2872.

**F. Restricted Assets**

Assets are reported as restricted when there are limitations imposed on their use through external restriction imposed by creditors, grantors or laws or regulations of other governments.

**G. Inventory and Prepaid Items**

The Health District reports disbursements for inventory 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. Interfund Receivables/Payables**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net assets.

**J. 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 Health District's modified cash basis of accounting.

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**L. Long-Term Obligations**

The Health District's modified cash basis financial statements do not report liabilities for long-term obligations. Proceeds of loans are reported as cash when received and principal and interest 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.

**M. 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 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 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.

***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.

Enabling legislation authorizes the Health District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Health District can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed:*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Health Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or 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 Board, 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.

***Assigned:*** Amounts in the assigned fund balance classification are intended to be used by the Health 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,

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 2 - Summary of Significant Accounting Policies** (continued)

assigned amounts represent intended uses established by the Health Board or a Health District official delegated that authority by ordinance, Charter, or by State Statute.

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

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

**N. 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. Net assets restricted for other purposes primarily include proceeds from state and federal grants that are to be used for the specific purposes outlined by the grantor. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**O. 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 and after nonoperating receipts/cash disbursements in proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

**Note 3 – Change in Accounting Principles and Restatement of Prior Year’s Fund Balances**

***Change in Accounting Principles***

For 2011, the Health District has 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.

***Restatement of Prior Year’s Fund Balances***

The following is a restatement to December 31, 2010 fund balances:

	General Fund	Help Me Grow Part C	Women, Infants and Children Fund	Other Governmental Funds	Total
Fund Balance, December 31, 2010	\$ 2,538,907	\$ -	\$ 266,300	\$ 364,398	\$ 3,169,605
Restatement:					
Addition of Help Me Grow Funds		(6,599)		289,883	283,284
Adjustment applied to prior year			(459)		(459)
Fund Balance, December 31, 2010, Restated	<u>\$ 2,538,907</u>	<u>\$ (6,599)</u>	<u>\$ 265,841</u>	<u>\$ 654,281</u>	<u>\$ 3,452,430</u>

Last year, the Health District reported Help Me Grow program funds, awarded through the State of Ohio, on the Summit County Family and Children First Council financial statements. This year, Help Me Grow program funds are included on the Health District’s financial statements as fiscal agent to the Council. Fund balances are restated to include these funds. The restatement also includes an adjustment to the Women, Infants and Children Fund for a transaction in 2011 that was posted to the prior year. This was the result of a check that was cancelled and re-issued.

The following is the change to the beginning fund balance of the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for Women, Infants and Children Fund based on the 2011 transaction posted in the prior year.

	<u>Woman, Infants and Children Fund</u>
Fund Balance December 31, 2010	\$378,401
Restatement Adjustment	<u>(459)</u>
Restated Fund Balance	<u>\$377,942</u>

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

**Note 4 - 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 each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is (are) outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a restricted, committed, or assigned fund balance (modified cash basis) and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (modified cash basis).

	<b>General Fund</b>	<b>Akron Contract Fund</b>	<b>Women Infants and Children</b>	<b>Help Me Grow Part C</b>	<b>Air Quality EPA</b>
<b>Budgetary Basis</b>	\$2,717,309	\$558,004	\$508,510	\$(81,267)	\$305,949
<b>Net Adjustment Revenue Accruals</b>	904,800	-	-	-	-
<b>Net Adjustment Expenditure Accruals</b>	-	-	-	-	215,000
<b>Net Adjustment for Encumbrances</b>	38,393	63,311	-	-	-
<b>GAAP Basis</b>	<u>\$3,660,502</u>	<u>\$621,315</u>	<u>\$508,510</u>	<u>\$(81,267)</u>	<u>\$90,949</u>

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 5 – Accountability**

**A. Deficit Fund Balances**

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

Major Governmental Funds:	
Help Me Grow, Part C	\$ (81,267)
Other Governmental Funds:	
Immunization Action Plan	(6,805)
CFHS	(49,796)
QOL	(30,240)
Minority Health	(2,126)
HIV	(1,719)
STD	(1,527)
Community	(11,579)
Access to Care BioInnovations	(48,078)
HUD Lead	(59,865)
Counseling	(6,344)
EMA / MRC	(62,961)
Citizens Corp	(2,583)
MMRS	(60,018)
ARRA Peer Advocate	(16,100)
Refugee	(38,082)
Total	<u>\$ (479,090)</u>

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

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

**Note 6 – Inter-fund Transfers**

During 2011 the following transfers were made:

<b>Transfer To</b>	<b>Transfer From General Fund</b>
<b>Major Funds</b>	
WIC Fund	\$ 5,271
<b>Other Governmental Funds</b>	
CFHS Fund	1,181
<b>Total Governmental Funds</b>	<b>\$ 6,452</b>

Transfers from the General Fund to Other Governmental Funds represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers from the Health District General Fund to the Women, Infants and Children Fund and the CFHS Fund represent the allocation of receipts for the payment of grant shortfalls.

**Note 7 - Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Health District. Real property tax receipts received in 2011 represent the collection of 2010 taxes. Real property taxes received in 2011 were levied after October 1, 2010, on the assessed values as of January 1, 2010, 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 personal property tax received in 2011 represent the collection of 2010 taxes. Public utility tangible personal property taxes received in 2011 became a lien on December 31, 2009, were levied after October 1, 2010, and are collected in 2011 with real property taxes. Public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2011 (other than public utility property) represent the collection of 2011 taxes. Tangible personal property taxes received in 2011 were levied after October 1, 2010, on the true value as of December 31, 2009. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County. The County Fiscal Officer periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is



Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 7 – Property Taxes** (continued)

accounted for through agency funds. The amount of the County’s tax collections is accounted for within the applicable funds.

The full tax rate for all Health District operations for the year ended December 31, 2011, was \$.340254 per \$1,000 of assessed value. The total assessed value upon which 2011 property tax receipts were based was \$9,494,899,505.

**Note 8 - Interfund Receivables/Payables**

Interfund balances at December 31, 2011, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Air Quality EPA	\$215,000
Other Governmental Funds	<u>689,800</u>
Total General Fund	<u>\$904,800</u>

The balance due to the General Fund includes loans made to provide working capital for operations or projects. All of these amounts are expected to be repaid within one year.

**Note 9 - Risk Management**

**Risk Pool Membership**

The Health District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. 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

PEP is a member of a reinsurance pool known as American Public Entities Excess Pool (APEEP). Members of PEP may receive limits of liability up to \$3,000,000 for claims resulting from general, automobile, police, professional or public official’s liability. Of this amount, PEP is responsible for the first \$350,000 of the claim payment and expense. Amounts exceeding that are paid by APEEP up to \$2,650,000 in any one loss. Individual arrangements are made with General Reinsurance Corporation, an internationally recognized reinsurer, for Members who require coverage limits in excess of \$3,000,000.

Property Coverage

Property and automobile physical damage losses in excess of \$150,000 are reinsured through APEEP and Traveler’s Insurance Company. Limits to \$600,000,000 are available for loss in any one occurrence.

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 obligation of the respective local government.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

**Note 9 – Risk Management** (continued)

Financial Position

PEP’s financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 (the latest information available):

<u>Public Entities Pool of Ohio</u>	<u>2011</u>	<u>2010</u>
Assets	\$33,362,404	\$34,952,010
Liabilities	<u>(14,187,273)</u>	<u>(14,320,812)</u>
Net Assets-Unrestricted	<u>\$19,175,131</u>	<u>\$20,631,198</u>

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13 million and \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

Based on discussions with PEP, 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.

<b><u>Contributions to PEP</u></b>
<b><u>2011</u></b>
\$102,357

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year’s contribution. Withdrawing members have no other future obligation to PEP. 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 the withdrawal.

**Note 10 - Defined Benefit Pension Plans**

Ohio Public Employees Retirement System

The Health District 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 that has elements of both a defined

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 10 - Defined Benefit Pension Plans**

Ohio Public Employees Retirement System

benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 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 publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

For the year ended December 31, 2011, members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10 percent of their annual covered salary to fund pension obligations. The Health District's contribution rate for pension benefits for 2011 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Health District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2011, 2010, and 2009, were \$418,960, \$390,520, and \$369,572, respectively. The full amount has been contributed for 2011, 2010 and 2009.

**Note 11 - Postemployment Benefits**

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-employment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Pension or Combined Plans. Health care coverage for disability recipients and qualified survivor recipients is available. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pension". A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care based on authority granted by State statute. The 2011 employer contribution rate was 14 percent of covered payroll. The portion of employer contributions allocated to health care was 4.0 percent in the same period.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Service Code 401(h).

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 for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 12 – Leases**

The Health District entered into a lease for copier equipment for a grant project in December 2009 under a five year capital lease. Monthly payments of \$131 began, December, 2009 and will continue through November, 2014. The Health District disbursed a total of \$1,441 for this lease for the year ended December 31, 2011. Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$1,572
2013	1,572
2014	1,572

The Health District also entered into a lease for copier equipment for its Akron site in November 2011 under a five year capital lease. Payments began in December, 2011 and will continue through November, 2016. The Health District disbursed a total of \$955 for this lease for the year ended December 31, 2011. Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$3,821
2013	3,821
2014	3,821
2015	3,821
2016	2,866

Additionally, the Health District leases various clinic facilities under operating leases for up to two years in length. Total rent expenses for these leases in 2011 were \$437,145.

**Note 13 – Contingent Liabilities**

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**Note 14 – Fund Balances**

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

<u>Fund Balances</u>	<u>General</u>	<u>Akron Contract Fund</u>	<u>Women, Infants and Children</u>	<u>Help Me Grow Part C</u>	<u>Air Quality EPA</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Restricted:</i>							
Public Health Services		\$621,315	\$508,510		\$90,949	\$614,458	\$1,835,232
<i>Total Restricted</i>	0	621,315	508,510		90,949	614,458	\$1,835,232
<i>Assigned:</i>							
Encumbrances	38,393	0	0	0	0	0	38,393
<i>Total Assigned</i>	38,393	0	0	0	0	0	38,393
Unassigned	3,622,109	0	0	(\$81,267)	0	0	3,540,842
 Total Fund Balances	 \$3,660,502	 \$621,315	 \$508,510	 (\$81,267)	 \$90,949	 \$614,458	 \$5,414,467

**SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT  
SUMMIT COUNTY  
FEDERAL AWARDS RECEIPTS AND DISBURSEMENT SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Pass-Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Federal Receipts</b>	<b>Federal Disbursements</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Passed through the City of Akron</i> Special Supplemental Nutrition Program for Women, Infants and Children	FY10 93710	10.557	\$112,101	\$0
<i>Passed through Ohio Department of Health</i> Special Supplemental Nutrition Program for Women, Infants and Children	07710011WA0111	10.557	1,466,000	1,849,672
Special Supplemental Nutrition Program for Women, Infants and Children	07710011WA0212		991,746	482,777
<b>Total U.S. Department of Agriculture / Total Special Supplemental Nutrition Program for WIC</b>			<b>2,569,847</b>	<b>2,332,449</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<i>Passed through Ohio Emergency Management Agency</i> Homeland Security Grant-Citizens Corp	FY10 96080	97.067	6,650	-
Homeland Security Grant-Citizens Corp	FY11 96081		-	2,583
<i>Passed through Summit County Emergency Management Agency</i> Homeland Security Grant-Medical Reserve Corp	FY09 96049	97.067	53,000	-
Homeland Security Grant-Medical Reserve Corp	FY11 96041		-	62,961
Homeland Security Grant-Metropolitan Medical Response System	FY10 96090		38,300	60,018
<b>Total U.S. Department of Homeland Security / Homeland Security Grant</b>			<b>97,950</b>	<b>125,562</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed through Area Agency on Aging</i> Aging Outreach Grant -Title III B FY11	FY11 96021	93.044	4,779	4,779
<i>Passed through Ohio Department of Health</i> Public Health Infrastructure	07710012PH0211	93.069	230,783	346,124
Public Health Infrastructure	07710012PH0312		96,621	79,717
Public Health Infrastructure (Regional Grant	07710012PH0312		79,950	27,790
Public Health Emergency Response -Focus I and I	07710012PH0312		56,115	56,115
Public Health Emergency Response -Focus II	07710012PH0312		58,921	58,921
Pandemic Influenza Tier I	07710012PH0312		20,500	20,333
Total Emergency Preparedness			542,890	589,000
<i>Passed through Ohio Department of Health</i> Affordable Care Act-Personal Responsibility Education Program	07710011PR0112	93.092	60,000	12,858
<i>Passed through Ohio Department of Health</i> Immunization Action Plan	07710012IM0310	93.268	37,122	23,999
Immunization Action Plan	07710012IM0411		133,863	139,188
ARRA Peer Advocate Immunization	07710012IA0111	93.712	92,574	120,546
Total Immunization Action Plan Grants Cluste			263,559	283,733
<i>Passed through Ohio Department of Health</i> Breast and Cervical Cancer	07710014BC0411	93.283	61,610	68,837
Breast and Cervical Cancer	07710014BC0512		114,827	99,014
Total Bureau of Prevention			176,437	167,851
<i>Passed through Austin BioInnovations Institute</i> Community Transformation Grant	FY12 94062	93.531	-	11,580
<i>Passed through Summit County Department of Jobs and Family Services</i> Prevention, Retention and Contingency (PRC)	FY11 96141	93.558	-	25,000
<i>Passed through Ohio Department of Jobs and Family Services</i> Refugee and Entrant Assistance	FY11 96121	93.566	132,500	132,500
Refugee and Entrant Assistance	FY12 96122		36,800	74,882
Total Refugee and Entrants Assistance			169,300	207,382
<i>Passed through Akron Summit Community Action</i> ARRA Help Me Grow Plus	FY11 98051	93.710	25,000	25,000
<i>Passed through Summit County Alcohol, Drug and Mental Health Board</i> Medical Assistance Program-Counseling	FY11 95951	93.778	277,308	267,354
<i>Passed through Healthy Connection Network</i> Access to Care Federal	FY11 96131	93.888	110,738	105,168
<i>Passed through Ohio Department of Health</i> HIV Prevention	07710012HP0111	93.940	249,727	252,445
HIV Prevention	07710012HP0111	93.943	8,000	8,000
Total HIV Prevention			257,727	260,445

**SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT  
SUMMIT COUNTY  
FEDERAL AWARDS RECEIPTS AND DISBURSEMENT SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Pass-Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Federal Receipts</b>	<b>Federal Disbursements</b>
<i>Passed through Ohio Department of Health</i>				
Health Promotion Block Grant-Sexually Transmitted Diseases Control Grants	07710012ST0112	93.977	85,656	87,184
Health Promotion Block Grant -Creating Healthy Communities	07710014CC0110	93.991	19,441	4,514
Health Promotion Block Grant -Creating Healthy Communities	07710014CC0211		90,127	89,569
Total Health Promotion Block Grant			195,224	181,267
<i>Passed through Ohio Department of Health</i>				
Child and Family Health Services Block Grant	07710011MC0411	93.994	328,210	277,619
Child and Family Health Services Block Grant	07710011MC0512		86,742	136,538
Child and Family Health Services Block Grant-Dental Sealant	07710011DS0410		-	24
Child and Family Health Services Block Grant-Dental Sealant	07710011DS0411		99,335	69,722
Total Child and Family Health Services Block Grant			514,287	483,903
<b>Total U.S. Department of Health and Human Services</b>			<b>2,597,249</b>	<b>2,625,320</b>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>				
<i>Passed through the Ohio Environmental Protection Agency</i>				
Air Pollution Control Program-Air Quality EPA	FY11 93791	66.001	31,929	231,941
Air Pollution Control Program-Air Quality EPA	FY12 93792		36,153	48,245
Air Pollution Control Program-Air Quality PM 2.5	FY11 93801		-	32,612
Air Pollution Control Program-Air Quality PM 2.5	FY12 93802		103,982	56,179
<b>Total U.S. Environmental Protection Agency / Total Air Pollution Control Program</b>			<b>172,064</b>	<b>368,977</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Passed through Ohio Department of Health</i>				
Special Education Grant for Infants and Families -Help Me Grow Part C	07710011HG0212	84.181	31,504	112,771
Special Education Grant for Infants and Families -Help Me Grow Part C	07710011HG0209		193,933	187,334
ARRA Special Education Grant for Infants and Families-Help Me Grow Part C Stimulus	07710011HA0211	84.393A	127,270	154,104
<b>Total U.S. Department of Education / Special Education Grant for Infants and Families Cluster</b>			<b>352,707</b>	<b>454,209</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Direct</i>				
Lead-Based Paint Hazard Control	FY11 95931	14.900	663,940	723,806
<b>Total U.S. Department of Housing and Urban Development</b>			<b>663,940</b>	<b>723,806</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b><u>\$6,453,757</u></b>	<b><u>\$6,630,323</u></b>

The note to the Federal Awards Receipts and Disbursements Schedule is an integral part of this Schedule

**SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT  
NOTES TO FEDERAL AWARDS RECEIPT AND DISBURSEMENT SCHEDULE  
DECEMBER 31, 2011**

**NOTE A: SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Disbursements Schedule is a summary of the Health District's federal award programs. The schedule has been prepared on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B: FEDERAL GRANTS COMINGLED WITH STATE GRANTS**

Cash receipts from the U.S. Department of Health and Human Services and the U.S. Environmental Protection Agency are commingled with State grants for the Immunization Action Plan, Breast and Cervical Cancer Prevention Grant, Counseling Grant, HIV Prevention Grant and Air Pollution Control Program. The Health District has determined the percentage of federal dollars, in which, constitute the overall grant awards. The Health District has applied these percentages to the Schedule of Federal Awards to reflect the federal portion of expenditures disbursed during the fiscal period.

**NOTE C: SUBRECIPIENTS**

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Special Supplemental Nutrition Program	10.557	\$ 82,364
Immunization Action Plan	93.268	12,797
Child and Family Health Services Block Grant	93.994	150,518
HIV Prevention	93.940	147,444
Special Education Grant for Infants and Families	84.181	194,406
ARRA Special Education Grant for Infants and Families	84.393	154,103
Lead-Based Paint Hazard Control	14.900	330,843
		<u>\$ 1,072,475</u>





# 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

Summit County Combined General Health District  
Summit County  
1100 Graham Road Circle  
Stow, Ohio 44224

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County Combined General Health District, Summit County, (the Health District) as of and for the year ended December 31, 2011, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated September 14, 2012, wherein we noted the Health District uses a comprehensive basis of accounting other than generally accepted accounting principles and wherein we noted the Health District implemented the provisions of the Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and wherein we noted the Health District restated its governmental fund balance due to the inclusion of the Help Me Grow Program funds. 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 Health District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Health District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Health 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 Health 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 Health 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 intend this report solely for the information and use of the management, Board of Health, others within the Health District, federal awarding agencies and pass-through entities. It is not intended for anyone 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 "D" and "Y".

**Dave Yost**  
Auditor of State

September 14, 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

Summit County Combined General Health District  
Summit County  
1100 Graham Road Circle  
Stow, Ohio 44224

To the Board of Health:

### Compliance

We have audited the compliance of Summit County Combined General Health District, Summit County, (the Health 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 Health 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 Health District's major federal programs. The Health 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 express an opinion on the Health 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 Health 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 Health District's compliance with these requirements.

In our opinion, the Summit County Combined General Health District, Summit County, Ohio, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2011.

### Internal Control Over Compliance

The Health 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 Health District's internal control over compliance with requirements that could directly and materially affect a major federal program in order 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 Health 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 noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the Health District's management in a separate letter dated September 21, 2012.

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



**Dave Yost**  
Auditor of State

September 21, 2012

**SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT  
SUMMIT COUNTY**

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

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Immunization Grant Cluster CFDA #93.268 and #93.712 Air Pollution Control Program Support CFDA #66.001 Special Education-Grants for Infants and Families Cluster CFDA #84.181 and CFDA #84.393A Lead-Based Paint Hazard Control In Privately-owned Housing CFDA #14.900
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

**SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT**

**SUMMIT 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  
OCTOBER 04, 2012**