

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

***SUMMIT COUNTY***

**Audit Report**

**For the Year Ended December 31, 2016**







# Dave Yost • Auditor of State

Board of Health  
Summit County Combined General Health District  
1867 Market Street  
Akron, Ohio 44322

We have reviewed the *Independent Auditor's Report* of the Summit County Combined General Health District, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Summit County Combined General Health District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 19, 2017

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

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

Summit County Combined General Health District  
Summit County  
1867 Market Street  
Akron, Ohio 44322

To the Board of Health:

### ***Report on the Financial Statements***

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County General Health District, Summit County, Ohio (the Health District), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

***Opinion***

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 the Summit County Combined General Health District, Summit County, Ohio, as of December 31, 2016, and the respective changes in modified cash financial position and the respective budgetary comparison for the General, Maternal and Child Health, HIV CBI, Adult Protective Service and Air Quality Local funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2016, the District had a restatement in its fund balances due to the conversion of an advance to a transfer. We did not modify our opinion regarding this matter.

***Other Matters***

***Supplemental Information***

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

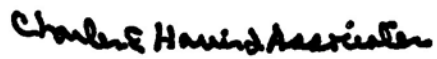
***Other Information***

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2017, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health District's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
June 2, 2017

**Summit County Combined General Health District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
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, 2016, 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 2016 are as follows:

- The assets of the Health District exceeded liabilities at the close of the year ended December 31, 2016 by \$7,426,149 (net position).
- The Health District's total net position decreased \$415,286. This reduction is mainly attributable to the absence of the prior year's insurance claim reimbursement of \$730,000, reductions totaling \$370,000 in operating grants and contributions and an increase in disbursements out of grant operations primarily due to the HUD grant.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise 85 percent of the Health District's receipts. General receipts in the form of property taxes and unrestricted grants make up the other 15 percent.
- The Health District had \$24.3 million in expenses related to governmental activities in 2016; only \$20.3 million of these expenses were offset by program specific charges and operating grants and contributions. General Revenues (primarily taxes) of \$3.6 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 \$6.7 million or 52 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 Position – 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

**Summit County Combined General Health District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
Unaudited

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statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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 Position and the Statement of Activities reflect how the Health District did financially during 2016, within the limitations of the modified cash basis of accounting. The Statement of Net Position – 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 Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis, the Health District's major funds 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, 2016  
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 Maternal and Child Health Fund, the HIV CBI Fund, the Adult Protective Services Fund and the Air Quality Local Fund.

**The Health District as a Whole**

Table 1 provides a summary of the Health District's net position for 2016 compared to 2015 on a modified cash basis:

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

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$7,509,318	\$7,842,231
<i>Total Assets</i>	<u>7,509,318</u>	<u>7,842,231</u>
<b>Liabilities</b>		
Fiscal Agent Payable	83,169	796
<b>Net Position</b>		
Restricted for Other Purposes	2,347,510	2,126,678
Unrestricted	5,078,639	5,714,757
<i>Total Net Position</i>	<u>7,426,149</u>	<u>7,841,435</u>
<b>Total Net Position and Liabilities</b>	<u>\$7,509,318</u>	<u>\$7,842,231</u>

As mentioned previously, net position decreased \$415,286. This reduction is mainly attributable to the absence of the prior year's insurance claim reimbursement of \$730,000, reductions totaling \$370,000 in operating grants and contributions and an increase in disbursements out of grant operations primarily due to the HUD grant.

Table 2 reflects the changes in net position in 2016.

**Summit County Combined General Health District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
Unaudited

**Table 2: Changes in Net Position**

	<b><u>Governmental Activities</u></b>	
	2016	2015
<b>Receipts</b>		
Program Cash Receipts		
Charges for Services	\$ 6,173,075	\$ 6,234,983
Operating Grants and Contributions	14,123,680	14,492,270
<b>Total Program Cash Receipts</b>	<b>20,296,755</b>	<b>20,727,253</b>
General Receipts		
Property Taxes	3,230,675	3,230,675
State Subsidy	101,883	101,713
Miscellaneous	269,218	307,981
<b>Total General Receipts</b>	<b>3,601,776</b>	<b>3,640,369</b>
Extraordinary Item	-	729,726
<b>Total Receipts</b>	<b>23,898,531</b>	<b>25,097,348</b>
<b>Disbursements</b>		
Public Health Services	23,382,994	22,991,381
Capital Outlay	-	193,298
Debt Service	930,823	917,030
<b>Total Disbursements</b>	<b>24,313,817</b>	<b>24,101,709</b>
Increase / (Decrease) in Net Position	(415,286)	995,639
Net Position January 1	7,841,435	6,845,796
Net Position December 31	7,426,149	7,841,435

In 2016, 15 percent of the Health District's total receipts were from general receipts, consisting mainly of property taxes. Program receipts accounted for 85 percent of the Health District's total receipts in year 2016. 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 below, in Table 3.

**Summit County Combined General Health District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
Unaudited

**Table 3: Governmental Activities**

	Total Cost of Services 2016	Net Cost of Services 2016
Public Health Services	\$ 23,382,994	\$ (3,086,239)
Debt Service	930,823	(930,823)
Total Governmental Activities	\$ 24,313,817	\$ (4,017,062)

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 fifteen 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 \$23,898,531 and total disbursements of \$24,313,817. These governmental funds decreased cash balances by \$415,286 in 2016.

The fund balance of the General Fund increased \$541,896 to \$6,853,474 at year-end. This increase is due primarily to a reduction to capital outlays of \$193,298 with the remaining balance offset by reductions in disbursements for public health services.

The Maternal and Child Health Fund balance increased by \$12,068 and is attributable to the timing of expenditures and reimbursements. The Grant operates in a fiscal year other than January through December 2016.

The HIV CBI Fund balance decreased by \$15,664 and is attributable to the timing of expenditures and reimbursements. The Grant operates in a fiscal year other than January through December 2016.

The Adult Protective Services Fund balance decreased by \$37,861 and is attributable to the timing of expenditures and reimbursements. The Grant operates in a fiscal year other than January through December 2016.

The Air Quality Local Fund balance increased by \$133,395, consistent with the last several years in anticipation of potential litigation expenditures. Those costs will not be as high as originally anticipated, and so the fund's operations will invest the money in local air quality improvement studies.

**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.

**Summit County Combined General Health District**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
Unaudited

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During the course of 2016, the Health District amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts. The overall decrease between the original budgeted and the actual receipts is due to a reduction of the estimated revenues for local grants and fees for services received during the year.

The decrease of actual disbursements from the original budgeted amount is the result of a reduction in costs associated with public health services.

**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 Angela Burgess, Fiscal Officer, Summit County Combined General Health District, 1867 West Market Street, Akron, Ohio 44313.

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**Summit County Combined General Health District**  
*Statement of Net Position - Modified Cash Basis*  
 December 31, 2016

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 7,509,318
<i>Total Assets</i>	<i>7,509,318</i>
<b>Liabilities</b>	
Fiscal Agent Payable	83,169
<b>Net Position</b>	
Restricted for Other Purposes	2,154,912
Unrestricted	5,271,237
<i>Total Net Position</i>	<i>7,426,149</i>
<b>Total Net Position and Liabilities</b>	<b>\$ 7,509,318</b>

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, 2016*

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>				
<b>Current:</b>				
<b>Health:</b>				
Public Health Services	\$ 23,382,994	\$ 6,173,075	\$ 14,123,680	\$ (3,086,239)
<b>Debt Service:</b>				
Principal Retirement	810,712			(810,712)
Interest and Fiscal Charges	120,111	-	-	(120,111)
<b>Total Governmental Activities</b>	<u>\$ 24,313,817</u>	<u>\$ 6,173,075</u>	<u>\$ 14,123,680</u>	<u>\$ (4,017,062)</u>
<b>General Receipts</b>				
Property Taxes				3,230,675
State Subsidy				101,883
Miscellaneous				269,218
<b>Total General Receipts</b>				<u>3,601,776</u>
Change in Net Position				(415,286)
<i>Net Position Beginning of Year</i>				<u>7,841,435</u>
<i>Net Position End of Year</i>				<u>\$ 7,426,149</u>

See accompanying notes to the basic financial statements

**Summit County Combined General Health District**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
 December 31, 2016

	General	Maternal and Child Health	HIV CBI	Adult Protective Services	Air Quality Local	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 4,385,058	\$ -	\$ -	\$ 148,840	\$ 910,534	\$ 2,064,886	\$ 7,509,318
Interfund Receivable	2,468,416	-	-	-	-	-	2,468,416
<i>Total Assets</i>	<u>\$ 6,853,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,840</u>	<u>\$ 910,534</u>	<u>\$ 2,064,886</u>	<u>\$ 9,977,734</u>
<b>Liabilities</b>							
Fiscal Agent Payable	-	27,367	8,664	44,316	-	2,822	83,169
Interfund Payable	-	50,000	7,000	250,000	-	2,161,416	2,468,416
<i>Total Liabilities</i>	<u>\$ -</u>	<u>\$ 77,367</u>	<u>\$ 15,664</u>	<u>\$ 294,316</u>	<u>\$ -</u>	<u>\$ 2,164,238</u>	<u>\$ 2,551,585</u>
<b>Fund Balances</b>							
Restricted	-	-	-	-	910,534	1,244,378	2,154,912
Assigned	192,598	-	-	-	-	-	192,598
Unassigned	6,660,876	(77,367)	(15,664)	(145,476)	-	(1,343,730)	5,078,639
<i>Total Fund Balances</i>	<u>6,853,474</u>	<u>(77,367)</u>	<u>(15,664)</u>	<u>(145,476)</u>	<u>910,534</u>	<u>(99,352)</u>	<u>7,426,149</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 6,853,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,840</u>	<u>\$ 910,534</u>	<u>\$ 2,064,886</u>	<u>\$ 9,977,734</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*  
For the Year Ended December 31, 2016

	General	Maternal and Child Health	HIV CBI	Adult Protective Services	Air Quality Local	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 3,230,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,230,675
Charges for Services	3,319,806	-	-	-	-	447,240	3,767,046
Licenses, Permits and Fees	2,192,884	-	-	-	291,005	-	2,483,889
Intergovernmental	4,397,222	623,941	-	774,626	-	8,306,160	14,101,949
Local Grants	-	-	-	-	-	93,144	93,144
Other	213,817	-	-	-	-	8,011	221,828
<i>Total Receipts</i>	13,354,404	623,941	-	774,626	291,005	8,854,555	23,898,531
<b>Disbursements</b>							
<b>Current:</b>							
Public Health Services	11,866,675	611,873	15,664	812,487	157,610	9,918,685	23,382,994
<b>Debt Service</b>							
Principal Retirement	810,712	-	-	-	-	-	810,712
Interest and Fiscal Charges	120,111	-	-	-	-	-	120,111
<i>Total Disbursements</i>	12,797,498	611,873	15,664	812,487	157,610	9,918,685	24,313,817
<i>Excess of Receipts Over (Under) Disbursements</i>	556,906	12,068	(15,664)	(37,861)	133,395	(1,064,130)	(415,286)
<b>Other Financing Sources (Uses)</b>							
Transfers In	-	-	-	-	-	139,729	139,729
Transfers Out	(15,010)	-	-	-	-	(124,719)	(139,729)
<i>Total Other Financing Sources (Uses)</i>	(15,010)	-	-	-	-	15,010	-
<i>Net Change in Fund Balances</i>	541,896	12,068	(15,664)	(37,861)	133,395	(1,049,120)	(415,286)
<i>Fund Balances Beginning of Year, Restated Note 3</i>	6,311,578	(89,435)	-	(107,615)	777,139	949,768	7,841,435
<i>Fund Balances End of Year</i>	<u>\$ 6,853,474</u>	<u>\$ (77,367)</u>	<u>\$ (15,664)</u>	<u>\$ (145,476)</u>	<u>\$ 910,534</u>	<u>\$ (99,352)</u>	<u>\$ 7,426,149</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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 3,230,675	\$ 3,230,675	\$ 3,230,675	\$ -
Charges for Services	3,765,612	3,765,612	3,319,806	(445,806)
Licenses, Permits and Fees	2,233,200	2,233,200	2,192,884	(40,316)
Intergovernmental	4,286,438	4,396,977	4,397,222	245
Other	181,470	183,393	213,817	30,424
<i>Total receipts</i>	<u>13,697,395</u>	<u>13,809,857</u>	<u>13,354,404</u>	<u>(455,453)</u>
<b>Disbursements</b>				
Current:				
Public Health Services	13,266,670	12,720,877	12,059,273	661,604
Debt Service:				
Principal Retirement and Interest Charges	430,725	930,725	930,823	(98)
<i>Total Disbursements</i>	<u>13,697,395</u>	<u>13,651,602</u>	<u>12,990,096</u>	<u>661,506</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	-	158,255	364,308	206,053
<b>Other Financing Sources (Uses)</b>				
Transfers Out	-	(15,010)	(15,010)	-
Advances In	-	1,710,110	1,700,562	(9,548)
Advances Out	-	(2,468,416)	(2,468,416)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(773,316)</u>	<u>(782,864)</u>	<u>(9,548)</u>
<i>Net Change in Fund Balance</i>	-	(615,061)	(418,556)	196,505
<i>Fund Balance Beginning of Year</i>	4,282,417	4,282,417	4,282,417	-
Prior Year Encumbrances Appropriated	328,598	328,598	328,598	-
<i>Fund Balance End of Year</i>	<u>\$ 4,611,015</u>	<u>\$ 3,995,954</u>	<u>\$ 4,192,459</u>	<u>\$ 196,505</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*

*Maternal and Child Health Fund*

*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 374,491	\$ 810,736	\$ 623,941	\$ (186,795)
<i>Total receipts</i>	374,491	810,736	623,941	(186,795)
<b>Disbursements</b>				
Current:				
Public Health Services	410,056	976,610	611,873	364,737
<i>Total Disbursements</i>	410,056	976,610	611,873	364,737
<i>Excess of Receipts Over (Under) Disbursements</i>	(35,565)	(165,874)	12,068	177,942
<b>Other Financing Sources (Uses)</b>				
Advances In	-	-	50,000	50,000
Advances Out	(130,000)	(130,000)	(130,000)	-
<i>Total Other Financing Sources (Uses)</i>	(130,000)	(130,000)	(80,000)	50,000
<i>Net Change in Fund Balance</i>	(165,565)	(295,874)	(67,932)	227,942
<i>Fund Balance Beginning of Year</i>	40,566	40,566	40,566	-
<i>Fund Balance End of Year</i>	\$ (124,999)	\$ (255,308)	\$ (27,366)	\$ 227,942

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*

*HIV CBI Fund*

*For the Year Ended December 31, 2016*

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 208,283	\$ 208,897	\$ -	\$ (208,897)
<i>Total receipts</i>	208,283	208,897	-	(208,897)
<b>Disbursements</b>				
Current:				
Public Health Services	208,283	208,897	15,664	193,233
<i>Total Disbursements</i>	208,283	208,897	15,664	193,233
<i>Excess of Receipts Over (Under) Disbursements</i>	-	-	(15,664)	(15,664)
<b>Other Financing Sources (Uses)</b>				
Advances In	-	-	7,000	7,000
<i>Total Other Financing Sources (Uses)</i>	-	-	7,000	7,000
<i>Net Change in Fund Balance</i>	-	-	(8,664)	(8,664)
<i>Fund Balance Beginning of Year</i>	-	-	-	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ (8,664)	\$ (8,664)

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*

*Adult Protective Services Fund*

*For the Year Ended December 31, 2016*

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 779,683	\$ 1,579,683	\$ 774,626	\$ (805,057)
<i>Total receipts</i>	779,683	1,579,683	774,626	(805,057)
<b>Disbursements</b>				
Current:				
Public Health Services	672,068	1,472,068	812,487	659,581
<i>Total Disbursements</i>	672,068	1,472,068	812,487	659,581
<i>Excess of Receipts Over (Under) Disbursements</i>	107,615	107,615	(37,861)	(145,476)
<b>Other Financing Sources (Uses)</b>				
Advances In	-	-	250,000	250,000
Advances Out	(160,000)	(321,812)	(321,812)	-
<i>Total Other Financing Sources (Uses)</i>	(160,000)	(321,812)	(71,812)	250,000
<i>Net Change in Fund Balance</i>	(52,385)	(214,197)	(109,673)	104,524
<i>Fund Balance Beginning of Year</i>	214,197	214,197	214,197	-
<i>Fund Balance End of Year</i>	\$ 161,812	\$ -	\$ 104,524	\$ 104,524

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 Local*

*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
<b>Receipts</b>				
Licenses, Permits and Fees	\$ -	\$ 130,543	\$ 291,005	\$ 160,462
<i>Total receipts</i>	-	130,543	291,005	160,462
<b>Disbursements</b>				
Current:				
Public Health Services	777,139	907,681	157,610	750,071
<i>Total Disbursements</i>	777,139	907,681	157,610	750,071
<i>Excess of Receipts Over (Under) Disbursements</i>	(777,139)	(777,138)	133,395	910,533
<i>Fund Balance Beginning of Year</i>	777,139	777,139	777,139	-
<i>Fund Balance End of Year</i>	\$ -	\$ 1	\$ 910,534	\$ 910,533

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, 2016

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**Note 1 – Reporting Entity**

The Summit County Combined General Health District (the Health 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. A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District' services include all public health services provided in the county.

***Public Entity Risk Pools***

The Health District participates in a public entity risk pool. Note 9 to the financial statements provide additional information for this entity.

The Health District's management believes these financial statements present all activities for which the Health 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 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. 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 position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the Health District as a whole. 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 non-exchange transactions. Business-type

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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

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 position 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.

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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**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.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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

*Maternal and Child Health Fund* – This fund receives proceeds from a federal grant to eliminate health disparities, improve birth outcomes, and to improve the health status of women, infants and children in Summit County.

*HIV CBI Fund* – This fund receives federal grant money for the purpose of supporting an array of activities for delivering and sustaining quality and accessible state of the science substance abuse and HIV prevention services.

*Adult Protective Services Fund* – This fund receives grant money for the purpose of providing care coordination services for seniors.

*Air Quality Local Fund* – This fund receives local fees for the purpose of regulating, enforcing and monitoring industrial, commercial and residential air pollution sources for compliance with applicable regulations governing air emissions.

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

**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.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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

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 Health 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 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 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.

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 / Fiscal Agent Payable**

The Summit County Fiscal Officer is the custodian for the Health District's cash and investments. The Health District utilizes a financial institution to service bonded debt as principal and interest payments come due. 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.

Amounts at year-end due to the County are recorded as Fiscal Agent Payable.

**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.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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

**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 position.

**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.

**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 another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**M. Net Position**

Net Position represents the difference between assets and liabilities. Net position is 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 position restricted for other purposes include resources restricted for federal, state and local grants.

The Health District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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

**N. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in 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. It also includes the long-term amount of interfund loans.

***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 mandates 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 (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 (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, assigned amounts represent intended uses established by the Health Board or a Health District official delegated that authority by resolution or by State Statute. The Health District may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget in the General Fund.

***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.



Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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

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.

**O. Internal Activity**

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

Exchange transactions between funds are reported as 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. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Restatement of Prior Year’s Fund Balances**

The following is a restatement to December 31, 2015 fund balances:

	General Fund	Other Governmental Funds
<b>Fund Balance, December 31, 2015</b>	\$6,320,038	\$941,308
<b>Restatement:</b>		
<b>Conversion of Advance to Transfer</b>	(8,460)	8,460
<b>Fund Balance, December 31, 2015, Restated</b>	\$6,311,578	\$949,768

Funds were advanced from the General Fund to Other Governmental Funds with the anticipation of repayment. Upon grant reimbursement, the funds received were not adequate to repay the advance in full. The Health District passed a formal resolution to acknowledge the change in status from advance to transfer.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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**Note 4 – Accountability and Compliance**

*Accountability*

Fund Balances at December 31, 2016 included the following individual fund deficits:

<u>Fund</u>	<u>Deficit</u>
Major Governmental Funds:	
Maternal and Child Health	\$ (77,367)
HIV CBI	(15,664)
Adult Protective Services	(145,476)
	(238,507)
Other Governmental Funds:	
HMG GRF	(101,105)
HMG Home Visiting	(14,152)
HMG Part C	(57,192)
IAP	(106,200)
WIC	(406,690)
Creating Healthy Communities	(13,986)
OIMRI	(11,522)
BCCP	(46,421)
Quality of Life	(48,651)
Regional Ebola	(145,797)
PHEP	(67,061)
Regional PHEP	(18,617)
HIV Prevention	(106,886)
Dental Sealant	(13,429)
HealthChek Data	(6,355)
PREP	(4,628)
STARS	(44,954)
Local 1422	(48,403)
HUD Lead	(25,992)
Tobacco Policy	(14,550)
MIECHV	(27,464)
PDOP	(11,064)
HMG Subsidy	(2,610)
	(1,343,730)
Total	\$ (1,582,237)

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, 2016

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**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 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 are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis).
2. 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).
3. Unreported interest is reported on the statement of modified receipts, disbursements, and changes in fund balances (modified cash basis), but not on the budgetary basis.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified cash basis are as follows:

	<u>General</u>	<u>Maternal and Child Health</u>	<u>HIV CBI</u>	<u>Adult Protective Services</u>	<u>Air Quality Local</u>
Cash Basis	\$ 541,896	\$ 12,068	\$ (15,664)	\$ (37,861)	\$ 133,395
Advances In	1,700,562	50,000	7,000	250,000	-
Advances Out	(2,468,416)	(130,000)	-	(321,812)	-
Encumbrances	(192,598)	-	-	-	-
<b>Budget Basis</b>	<b>\$ (418,556)</b>	<b>\$ (67,932)</b>	<b>\$ (8,664)</b>	<b>\$ (109,673)</b>	<b>\$ 133,395</b>

**Note 6 - Deposits and Investments**

As required by the Ohio Revised Code, the Summit County Fiscal Officer is custodian for the District’s deposits. The County’s deposit and investment pool holds the District’s assets, valued at the Fiscal Officer’s reported carrying amount.

**Note 7 - Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2016, was \$0.367795 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2016 property tax receipts were based are as follows:

Real Property	\$ 8,867,896,840
Public Utility Personal Property	<u>225,390,000</u>
Total	<u>\$ 9,093,286,840</u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the County. The County Fiscal Officer periodically remits to the Health District its portion of the taxes collected.

**Note 8 - Interfund Balances and Transfers**

*Transfers*

During 2016, the following transfers were made:

	<u>Transfer From</u>	<u>Transfer To</u>
General	\$ 15,010	\$ -
Nonmajor	<u>124,719</u>	<u>139,729</u>
	\$ 139,729	\$ 139,729

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers were made from Air Quality Enforcement, Air Quality EPA and Minority Health from 2015 to 2016 programs. These transfers are allowed according to their agreement with the state agency and local grants.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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**Note 8 - Interfund Balances and Transfers** (continued)

**Interfund Balances**

Interfund balances at December 31, 2016, consisted of the following fund receivables and payables:

	<b>Receivable</b>	<b>Payable</b>
	Advance to Other Funds	Advance to Other Funds
<b>Major Funds</b>		
General Fund	\$2,468,415	
Maternal and Child Health		\$50,000
HIV-CBI		7,000
Adult Protective Services		250,000
<b>Other Governmental Funds</b>		
Help Me Grow-GRF		101,105
Help Me Grow-Home Visiting		21,000
Help Me Grow-Part C		60,000
Immunization Action Plan		105,000
WIC Administration		420,000
Creating Health Communities		26,858
OIMRI		30,000
BCCP		65,000
Quality of Life		55,000
Air Quality Enforcement		25,406
Air Quality EPA		220,000
Regional Ebola		147,000
PHEP		72,000
Regional PHEP		21,000
HIV Prevention		114,000
Dental Sealant		27,160
HealthChek		15,000
PREP		10,000
STARS		70,942
Local 1422		141,952
HUD Lead		125,000
Tobacco Policy		14,600
Tobacco Prevention		19,000
Refugee Health		85,000
MIECHV		103,892
PDOP		24,500
Help Me Grow-Subsidy		41,000
<i>Total Governmental Activities</i>	\$2,468,415	\$2,468,415

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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**Note 8 - Interfund Balances and Transfers** (continued)

Interfund balances at December 31, 2016, consisted of \$2,468,415 advanced to other governmental funds to provide working capital for operations or projects. The interfund receivables/payables are expected to be repaid within one year.

**Note 9 – Risk Management**

The Health District is exposed to various risks of property and casualty losses, and injuries to employees. The Health District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage**

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2015, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**Financial Position**

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2015 and 2014.

	<b><u>2015</u></b>	<b><u>2014</u></b>
Assets	\$38,307,677	\$35,402,177
Liabilities	<u>(12,759,127)</u>	<u>(12,363,257)</u>
Net Position	<u>\$25,548,550</u>	<u>\$23,038,920</u>

At December 31, 2015 and 2014, respectively, the liabilities above include approximately \$11.5 million and \$11.1 million of estimated incurred claims payable. The assets above also include approximately \$11.0 million and \$10.8 million of unpaid claims to be billed to approximately 499 and 488 member governments in the future, as of December 31, 2015 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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

As of December 31, 2015, the Health District’s share of these unpaid claims collectible in future years is approximately 63% time the 2015 premium paid, or \$47,198.

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>2015</u></b>	<b><u>2016</u></b>
\$74,917	\$79,417

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**

*Plan Description – Ohio Public Employees Retirement System (OPERS)*

Health District employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

**Note 10 - Defined Benefit Pension Plans** (continued)

reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.



Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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**Note 10 - Defined Benefit Pension Plans** (continued)

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

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
 Total Employer	 14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District’s contractually required contribution was \$1,305,422 for 2016.

**Note 11 – Loans Payable**

In 2014, a “Conduit Bank-Qualified Tax Exempt Bond” was issued by Summit County’s Development Finance Authority (DFA) for which the Health District was the borrower. A local bank is providing the loan to the DFA.

Principal and interest on the debt was paid out of the General fund, including a payment of \$500,000 on the principal in addition to those required of the debt schedule. The Health District’s long-term loan activity for the year ended December 31, 2016, was as follows:

	Interest Rate	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016	Principal Due Within One Year
<b><u>Governmental Activities</u></b>						
Loans Payable						
2013 Issue (Facility Renovation) (Original Amount \$5,000,000)	3.41%	\$ 4,274,770	\$ 0	\$ 810,712	\$ 3,464,058	\$ 270,276
<b>Total Governmental Activities</b>		\$ 4,274,770	\$ 0	\$ 810,712	\$ 3,464,058	\$ 270,276

Summit County Combined General Health District  
Notes to the Financial Statements  
For the Year Ended December 31, 2016

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**Note 11 – Loans Payable** (continued)

The following is a summary of the Health District’s future annual debt service requirements for governmental activities:

Year	Loans	
	Principal	Interest
2017	\$ 270,276	\$ 151,448
2018	270,276	142,104
2019	270,276	132,760
2020	270,276	123,761
2021	270,276	114,071
2022-2023	2,112,678	169,264
	\$ 3,464,058	\$ 833,408

**Note 12 – Leases**

The Health District also entered into a lease for copier equipment for its new Building in October 2014 under a five year capital lease. Payments began in November, 2014 and will continue through October, 2019. In 2016, two additional copiers were added to the agreement, with the end date agreement remaining the same for lease of all equipment. The Health District disbursed a total of \$15,501 for this lease for the year ended December 31, 2016. Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$18,052
2018	18,052
2019	13,539

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 2016 were \$69,466.

**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, 2016

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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:

Fund Balances	General	Maternal and Child Health	HIV CBI	Adult Protective Services	Air Quality Local	Other Governmental Funds	Total
<i>Restricted:</i>							
Public Health Services	\$0	\$0	\$0	\$0	\$910,534	\$1,244,378	\$2,154,912
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>910,534</u>	<u>1,244,378</u>	<u>2,154,912</u>
<i>Assigned:</i>							
Encumbrances	192,598	0	0	0	0	0	192,598
<i>Total Assigned</i>	192,598	0	0	0	0	0	192,598
Unassigned	6,660,876	(77,367)	(15,664)	(145,476)	0	(1,343,730)	5,078,639
<b>Total Fund Balances</b>	<u><u>\$6,853,474</u></u>	<u><u>\$(77,367)</u></u>	<u><u>\$(15,664)</u></u>	<u><u>\$(145,476)</u></u>	<u><u>\$910,534</u></u>	<u><u>\$(99,352)</u></u>	<u><u>\$7,426,149</u></u>

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SUMMIT COUNTY GENERAL HEALTH DISTRICT  
SUMMIT COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(page 1 of 2)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Passed through Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	07710011WA0616	\$ 18,418	\$ 1,433,744
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	07710011WA0717	1,420	405,068
Total Special Supplemental Nutrition Program for Women, Infants and Children			19,838	1,838,812
<b>Total U.S. Department of Agriculture</b>			<b>19,838</b>	<b>1,838,812</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed through Ohio Department of Health</i>				
Public Health Emergency Preparedness	93.074	07710012PH0716	-	167,484
Public Health Emergency Preparedness	93.074	07710012PH0817	-	119,948
Public Health Emergency Preparedness (Regional)	93.074	07710012PH0716	-	39,880
Public Health Emergency Preparedness (Regional)	93.074	07710012PH0817	-	32,884
Public Health Emergency Preparedness (PHEP) Aligned Cooperative	93.074	07710012EB0116	195,689	259,549
Public Health Emergency Preparedness (PHEP) Aligned Cooperative	93.074	07710012EB0116	-	43,895
Total Emergency Preparedness			195,689	663,640
<i>Passed through Summit County Children's Service Board</i>				
Enhance Safety of Children Affected by Substance Abuse	93.087	FY16 94036	-	131,074
Enhance Safety of Children Affected by Substance Abuse	93.087	FY17 94037	-	47,842
Total STARS			-	178,916
<i>Passed through Ohio Department of Health</i>				
Affordable Care Act-Personal Responsibility Education Program	93.092	07710011PR0516	40,895	83,171
Affordable Care Act-Personal Responsibility Education Program	93.092	07710011PR0617	36,729	41,356
Total PREP			77,624	124,527
Immunization Action Plan	93.268	07710012IM0815	-	2,565
Immunization Action Plan	93.268	07710012IM0916	123	98,986
Total Immunization Action Plan Grants Cluster			123	101,551
Ohio Maternal Infant and Early Childhood Home Visiting	93.505	07710011MH0416	125,458	224,289
Ohio Maternal Infant and Early Childhood Home Visiting	93.505	07710011MH0517	4,895	27,404
Total Ohio Maternal Infant and Early Childhood Home Visiting			130,353	251,693
Breast and Cervical Cancer	93.919	07710014BC0916	-	109,428
<i>Passed through National Association of County and City Health Officials</i>				
ASTHO Million Hearts Project	93.283	FY15 96035	-	3,016
<i>Passed through Cuyahoga County Board of Health</i>				
Breast and Cervical Cancer	93.283	FY17 93767	-	71,084
<i>Passed through Ohio Department of Jobs and Family Services</i>				
Refugee and Entrant Assistance	93.566	FY16 96126	-	543,978
<i>Passed through Summit County Department of Jobs and Family Services</i>				
Adult Protective Services	93.667	FY16 96026	289,510	652,703
Adult Protective Services	93.667	FY17 96027	57,392	159,783
Total Adult Protective Services			346,902	812,486
<i>Passed through Ohio Department of Health</i>				
Local 1422	93.757	07710014PO0216	59,007	319,247
Local 1422	93.757	07710014PO0317	-	48,403
Total Local 1422			59,007	367,650
Medicaid Administrative Claiming	93.778	FY16 93601	-	174,383

**SUMMIT COUNTY GENERAL HEALTH DISTRICT  
SUMMIT COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

(page 2 of 2)

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed through Ohio Department of Health</i>				
HIV Prevention	93.940	07710012HP0515	\$ 13,469	\$ 20,778
HIV Prevention	93.940	07710012HP0616	63,037	206,173
Total HIV Prevention			76,506	226,951
<i>Passed through Summit County Alcohol, Drug and Mental Health Board</i>				
Medical Assistance Program-Counseling	93.959	FY13 95953	-	1,873
Medical Assistance Program-Counseling	93.959	FY16 95956	-	142,880
Total Medical Assistance Program-Counseling			-	144,753
<i>Passed through Ohio Department of Health</i>				
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	07710012ST0415	-	1,934
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	07710012ST0516	-	64,406
Total Preventive Health Services-Sexually Transmitted Diseases Control Grants				66,340
Preventive Health and Health Services -Creating Healthy Communities	93.758	07710014CC0615	-	3,286
Preventive Health and Health Services -Creating Healthy Communities	93.758	07710014CC0716	20,038	112,128
Total Preventive Health and Health Services -Creating Healthy Communities Grants			20,038	115,414
Maternal and Child Health Services Block Grant	93.994	07710011MC0916	152,811	377,884
Maternal and Child Health Services Block Grant	93.994	07710011MP0117	534	77,367
Maternal and Child Health Services Block Grant	93.994	07710011OM0117	11,522	11,522
Maternal and Child Health Services Block Grant-Dental Sealant	93.994	07710011DS0815	7,463	9,380
Maternal and Child Health Services Block Grant-Dental Sealant	93.994	07710011DS0916	23,916	71,769
Total Child and Family Health Services Block Grant			196,246	547,922
Tobacco Use Prevention and Cessation	93.305	07710014TU0217	-	10,801
Prescription Drug Overdose Prevention FY17	93.136	07710014PD0117	-	27,340
HIV CBI Grant	93.243	FY17 94057	-	15,664
<b>Total U.S. Department of Health and Human Services</b>			<b>1,102,488</b>	<b>4,557,537</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	66.001	FY11 93791	-	85,668
Air Pollution Control Program-Air Quality EPA	66.001	FY16 93796	-	213,147
Air Pollution Control Program-Air Quality EPA	66.001	FY17 93797	-	128,616
Air Pollution Control Program-Air Quality PM 2.5	66.001	FY17 93807	-	70,157
Total Air Pollution Control Program			-	497,588
<b>Total U.S. Environmental Protection Agency</b>			-	<b>497,588</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	84.181	07710011HG0716	299,947	494,266
Special Education Grant for Infants and Families -Help Me Grow Part C	84.181	07710011HG0817	36,846	57,192
Total Special Education Grant for Infants and Families			336,793	551,458
<b>Total U.S. Department of Education</b>			<b>336,793</b>	<b>551,458</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
Lead-Based Paint Hazard Control	14.900	FY13 95933	768,349	1,123,069
Lead-Based Paint Hazard Control	14.900	FY16 95936	-	6,880
Lead-Based Paint Hazard Control	14.900	FY13 95943	49,509	55,537
<b>Total U.S. Department of Housing and Urban Development</b>			<b>817,858</b>	<b>1,185,486</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$ 2,276,977</b>	<b>\$ 8,630,881</b>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule

**SUMMIT COUNTY GENERAL HEALTH DISTRICT  
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Summit County General Health District (the Health District) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Health District, it is not intended to and does not present the financial position or changes in net position or cash flows of the Health District

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Health District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - SUBRECIPIENTS**

The Health District passes certain federal awards received from the US Department of Health and Human Services, US Department of Agriculture, US Department of Education and US Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note B describes, the Health District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the Health District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require the Health District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Health District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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*Certified Public Accountants*

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

Summit County General Health District  
Summit County  
1867 Market Street  
Akron, Ohio 44322

To the Board of Health:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County General Health District, Summit County, (the Health District) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated June 2, 2017, wherein we noted the Health District uses a special purpose framework other than generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

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

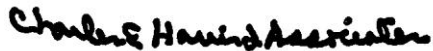
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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



***Charles E. Harris & Associates, Inc.***

June 2, 2017

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*Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Summit County General Health District  
Summit County  
1867 Market Street  
Akron, Ohio 44322

To the Board of Health:

***Report on Compliance for Each Major Federal Program***

We have audited the Summit County General Health District's (the Health District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Summit County General Health District's major federal programs for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Health District's major federal programs.

***Management's Responsibility***

The Health District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the Health District's compliance for each of the Health District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the Health District's major programs. However, our audit does not provide a legal determination of the Health District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Summit County General Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2016.

***Report on Internal Control Over Compliance***

The Health District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Health District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine 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's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



**Charles E. Harris & Associates, Inc.**  
June 2, 2017

**SUMMIT COUNTY GENERAL HEALTH DISTRICT  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2016**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Supplemental Nutrition Program for Women, Infants and Children (CFDA # 10.557) Adult Protective Service (CFDA #93.667) PHEP (Public Health Emergency Preparedness), PHEP Regional and PHEP Aligned (CFDA # 93.074) Air Pollution Control Program-Air Quality EPA and Air Quality PM 2.5 (CFDA # 66.001)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT  
SUMMIT COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended December 31, 2016**

The prior report, for the year ending December 31, 2015, reported no material citations or recommendations.



# 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 3, 2017**