

***PORTAGE COUNTY COMBINED GENERAL HEALTH
DISTRICT***

PORTAGE COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2010 & 2009

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Dave Yost • Auditor of State

Portage County Combined General Health District
449 South Meridian Street
Ravenna, Ohio 44266

We have reviewed the *Report of Independent Accountants* of the Portage County Combined General Health District, Portage County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Portage 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

June 13, 2011

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PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY, OHIO
Audit Report
For the years ended December 31, 2010 & 2009

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

REPORT OF INDEPENDENT ACCOUNTANTS

Portage County Combined General Health District
Portage County
449 South Meridian Street
Ravenna, Ohio 44266

To the Members of the Board:

We have audited the accompanying financial statements of the Portage County Combined General Health District, Ohio as and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2010 and 2009. Instead of the combined funds the accompanying financial statements present for 2010 and 2009, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for both years. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since the District does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

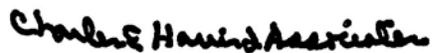
In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Portage County Combined Health District, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the years ended December 31, 2010 and 2009. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the District's financial statements. The accompanying Schedule of Federal Awards Expenditures for the year ended December 31, 2010, is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all materials respects in relation to the financial statements taken as a whole.



Charles E. Harris & Associates, Inc.
April 28, 2011

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2010**

	<u>Governmental Fund Types</u>		<u>(Memorandum Only) Total</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Federal Awards	\$ -	\$ 502,328	\$ 502,328
State Awards	19,479	98,560	118,039
Levies	321,514	-	321,514
Inspection Fees	77,864	560	78,424
Permits	153,660	-	153,660
Licenses	211,827	210,319	422,146
Fines	560	3,404	3,964
Contractual Services	266,802	92,340	359,142
Other	337,608	68,153	405,761
Total Cash Receipts	1,389,314	975,664	2,364,978
Cash Disbursements:			
Salaries	705,518	461,404	1,166,922
Supplies	67,476	20,008	87,484
Remittances to State	18,599	18,930	37,529
Equipment	17,069	15,161	32,230
Contracts- Repair	9,513	8,437	17,950
Contracts- Services	13,959	203,363	217,322
Travel	22,970	12,239	35,209
Advertisement and Printing	852	-	852
Public Employee's Retirement	96,061	64,220	160,281
Worker's Compensation	13,214	8,055	21,269
Other	138,853	105,641	244,494
Total Cash Disbursements	1,104,084	917,458	2,021,542
Cash Receipts Over/(Under) Cash Disbursements	285,230	58,206	343,436
Other Financing Sources/(Uses):			
Advances-In	59,500	23,085	82,585
Advances-Out	(23,085)	(59,500)	(82,585)
Transfers-In	-	1,081	1,081
Transfers-Out	(1,081)	-	(1,081)
Total Other Financing Sources/(Uses)	35,334	(35,334)	-
Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements and Other Financing Uses	320,564	22,872	343,436
Fund Balance, January 1, 2010	285,425	220,938	506,363
Fund Balance, December 31, 2010	\$ 605,989	\$ 243,810	\$ 849,799
Reserves for Encumbrances, December 31	\$ 2,947	\$ 5,313	\$ 8,260

See accompanying Notes to the Financial Statements.

PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2009

	Governmental Fund Types		(Memorandum Only)
	General	Special Revenue	Total
Cash Receipts:			
Federal Awards	\$ -	\$ 217,814	\$ 217,814
State Awards	31,924	216,205	248,129
Levies	322,733	-	322,733
Inspection Fees	84,237	1,786	86,023
Permits	178,931	-	178,931
Licenses	219,297	209,158	428,455
Fines	406	3,517	3,923
Contractual Services	29,249	154,110	183,359
Other	312,513	50,907	363,420
Total Cash Receipts	1,179,290	853,497	2,032,787
Cash Disbursements:			
Salaries	714,006	501,419	1,215,425
Supplies	81,135	34,931	116,066
Remittances to State	14,196	19,232	33,428
Equipment	145	26,236	26,381
Contracts- Repair	8,716	7,747	16,463
Contracts- Services	14,429	119,422	133,851
Travel	28,769	17,667	46,436
Advertisement and Printing	424	-	424
Public Employee's Retirement	100,238	69,381	169,619
Worker's Compensation	17,531	8,510	26,041
Other	139,705	84,254	223,959
Total Cash Disbursements	1,119,294	888,799	2,008,093
Cash Receipts Over/(Under) Cash Disbursements	59,996	(35,302)	24,694
Other Financing Sources/(Uses):			
Advances-In	-	122,596	122,596
Advances-Out	(122,596)	-	(122,596)
Total Other Financing Sources/(Uses)	(122,596)	122,596	-
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(62,600)	87,294	24,694
Fund Balance, January 1, 2009	348,025	133,644	481,669
Fund Balance, December 31, 2009	\$ 285,425	\$ 220,938	\$ 506,363
Reserves for Encumbrances, December 31	\$ 600	\$ 18,387	\$ 18,987

See accompanying Notes to the Financial Statements.

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Combined General Health District, Portage County, (the District) as a body corporate and politic. The District is directed by a seven-member Board, who are appointed by the District Advisory Council and the Mayors of the Cities of Aurora and Streetsboro. The Board appoints the Health Commissioner. The District's services include communicable disease investigations, immunization clinics, inspections, paternity testing, county employees' wellness program, family life education program, public health nursing services and issues health-related licenses and permits.

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

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements adequately disclose material matters the Auditor of State's accounting basis requires.

C. Cash

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The County's cash and investment pool holds the District's assets, valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund accounts for all financial resources except those restricted by law or contract.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Food Service Fund – This fund receives monies from the purchase of food service and vending licenses.

Solid Waste Fund – This fund receives money from the Portage County Solid Waste Management District to perform certain monitoring, investigating and inspection services.

E. Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

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

A summary of 2010 and 2009 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2010 and December 31, 2009 follows:

2010 Budgeted vs Actual Receipts			
Funds	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,392,053	\$ 1,448,814	\$ 56,761
Special Revenue	953,382	999,830	46,448
Total	<u>\$ 2,345,435</u>	<u>\$ 2,448,644</u>	<u>\$ 103,209</u>

2010 Budgeted vs Actual Budgetary Basis Expenditures			
Funds	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,623,306	\$ 1,131,197	\$ 492,109
Special Revenue	1,075,455	982,271	93,184
Total	<u>\$ 2,698,761</u>	<u>\$ 2,113,468</u>	<u>\$ 585,293</u>

2009 Budgeted vs Actual Receipts			
Funds	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,172,851	\$ 1,179,290	\$ 6,439
Special Revenue	964,501	976,093	11,592
Total	<u>\$ 2,137,352</u>	<u>\$ 2,155,383</u>	<u>\$ 18,031</u>

2009 Budgeted vs Actual Budgetary Basis Expenditures			
Funds	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,454,904	\$ 1,242,490	\$ 212,414
Special Revenue	1,011,402	907,186	104,216
Total	<u>\$ 2,466,306</u>	<u>\$ 2,149,676</u>	<u>\$ 316,630</u>

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

3. INTERGOVERNMENTAL FUNDING

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

The County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide the District with sufficient funds for health programs. The levy generated \$321,514 in 2010 and \$322,733 in 2009. The financial statements present these amounts as levy receipts.

4. RETIREMENT SYSTEM

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their wages, respectively. The District contributed an amount equal to 14% of participants' gross salaries for each year. The District has paid all contributions required through December 31, 2010.

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Risk Pool Membership

The 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. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

5. RISK MANAGEMENT – (continued)

Casualty Insurance

PEP retains casualty risks up to \$250,000 per occurrence, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$12,000,000, from General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Insurance

On January 1, 2005, APEEP began administering a risk-sharing property program. Under the new program, Saint Paul Travelers will reinsure specific losses in excess of \$250,000 up to \$600,000,000 per occurrence. APEEP will reinsure members for specific losses in excess of \$100,000 up to \$250,000 per occurrence, subject to annual aggregate loss payment. Saint Paul Travelers provides aggregate stop-loss coverage based upon the combined Members' Total Insurable Value (TIV). If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Saint Paul Travelers will then reinsure specific losses in excess of \$100,000 up to their \$600,000,000 per occurrence limit.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statement (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (the latest information available):

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

5. RISK MANAGEMENT – (continued)

		2009		2008
Assets	\$	36,374,898	\$	35,769,535
Liabilities		(15,256,862)		(15,310,206)
Retained Earnings	\$	21,118,036	\$	20,459,329

6. CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2010 or 2009.

PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT

Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2010

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Receipts Recognized</u>	<u>Program Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<u>Passed through Ohio Department of Health:</u>			
Immunization Action Plan	93.268	\$ 23,837	\$ 22,154
Children Family Health Services	93.994	65,986	69,285
Public Health Emergency Preparedness	93.069	<u>403,931</u>	<u>475,064</u>
Total Federal Financial Assistance		<u>\$ 493,754</u>	<u>\$ 566,503</u>

See accompanying Notes to the Schedule of Federal Awards Expenditures

**Portage County Combined General Health District
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2010**

Note A - Significant Accounting Policies

The accompanying Schedule of Federal Award Expenditures is a summary of the activity of the District's federal awards programs. The schedule has been prepared on the cash basis of accounting.

Note B - Matching Requirement

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

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

Portage County Combined General Health District
Portage County
449 South Meridian Street
Ravenna, Ohio 44266

To the Members of the Board:

We have audited the financial statements of the Portage County Combined General Health District, Ohio (District) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated April 28, 2010, wherein we noted the District followed accounting practices prescribed or permitted by the Auditor of State of Ohio. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we have reported to management of the District in a separate letter dated April 28, 2011.

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



Charles E. Harris and Associates, Inc.

April 28, 2011

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

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

Portage County Combined General Health District
Portage County
449 South Meridian Street
Ravenna, Ohio 44266

To the Members of the Board:

Compliance

We have audited the compliance of the Portage County Combined General Health District, Ohio (District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

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

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

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

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



CHARLES E. HARRIS & ASSOCIATES, INC.

April 28, 2011

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505**

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Program:</i>	Public Health Emergency Preparedness CFDA #93.069
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No

SCHEDULE OF FINDINGS - (continued)
OMB CIRCULAR A-133 SECTION .505

PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY
DECEMBER 31, 2010

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT
PORTAGE COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the years ending December 31, 2008 and 2007, reported no material citations or recommendations.



Dave Yost • Auditor of State

PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 23, 2011