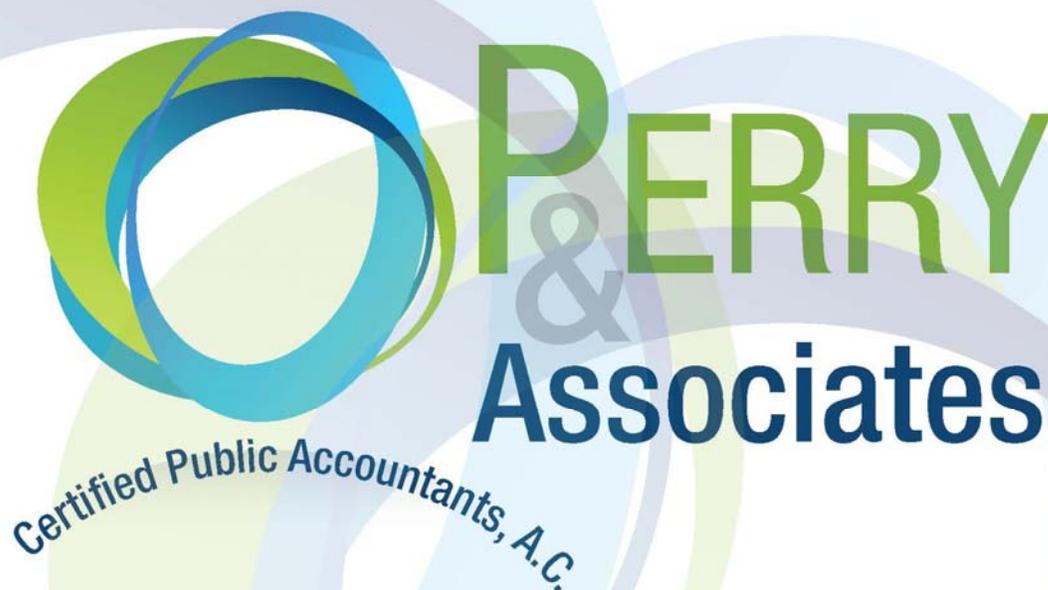


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Marietta, OH 45750  
740.373.0056

1035 Murdoch Ave.  
Parkersburg, WV 26101  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569



**PORTAGE COUNTY COMBINED  
GENERAL HEALTH DISTRICT  
PORTAGE COUNTY  
Regular Audit  
For the Years Ended December 31, 2014 and 2013**

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# Dave Yost • Auditor of State

Members of the Board  
Portage County Combined General Health District  
705 Oakwood Street, Suite 208  
Ravenna, Ohio 44266

We have reviewed the *Independent Auditor's Report* of the Portage County Combined General Health District, Portage County, prepared by Perry & Associates, Certified Public Accountants, A. C., for the audit period January 1, 2013 through December 31, 2014. 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 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

May 25, 2016

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PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT

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428 Second St.  
Marietta, OH 45750  
740.373.0056

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Parkersburg, WV 26101  
304.422.2203

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St. Clairsville, OH 43950  
740.695.1569

## INDEPENDENT AUDITOR'S REPORT

April 8, 2016

Portage County Combined General Health District  
Portage County  
705 Oakwood Street, Suite 208  
Ravenna, Ohio 44266

To the Members of the Board:

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

We have audited the accompanying financial statements and related notes of the **Portage County Combined General Health District**, Portage County, (the District) as of and for the years ended December 31, 2014 and 2013.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***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 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 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.

### ***...“bringing more to the table”***

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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1B of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Portage County Combined General Health District, Portage County, as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2016, 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. 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 District's internal control over financial reporting and compliance.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

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

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property Taxes	\$ 954,424	\$ -	\$ 954,424
Charges for Services	75,639	-	75,639
Licenses, Permits and Fees	506,619	286,366	792,985
Intergovernmental	236,660	326,890	563,550
Contractual Services	532,635	-	532,635
<i>Total Cash Receipts</i>	<u>2,305,977</u>	<u>613,256</u>	<u>2,919,233</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Personnel Services	1,423,399	472,949	1,896,348
Contractual Services	229,184	92,854	322,038
Materials and Supplies	175,131	19,269	194,400
Miscellaneous	20,151	22,829	42,980
<i>Total Cash Disbursements</i>	<u>1,847,865</u>	<u>607,901</u>	<u>2,455,766</u>
<i>Net Change in Fund Cash Balances</i>	458,112	5,355	463,467
<i>Fund Cash Balances, January 1</i>	<u>889,803</u>	<u>213,723</u>	<u>1,103,526</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	219,078	219,078
Assigned	210	-	210
Unassigned	1,347,705	-	1,347,705
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,347,915</u>	<u>\$ 219,078</u>	<u>\$ 1,566,993</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property Taxes	\$ 223,174	\$ -	\$ 223,174
Charges for Services	80,826	-	80,826
Licenses, Permits and Fees	525,095	221,538	746,633
Intergovernmental	106,854	316,779	423,633
Contractual Services	509,825	-	509,825
<i>Total Cash Receipts</i>	<u>1,445,774</u>	<u>538,317</u>	<u>1,984,091</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Personnel Services	1,201,372	444,966	1,646,338
Contractual Services	140,627	52,104	192,731
Materials and Supplies	115,571	14,465	130,036
Miscellaneous	19,037	20,201	39,238
<i>Total Cash Disbursements</i>	<u>1,476,607</u>	<u>531,736</u>	<u>2,008,343</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(30,833)</u>	<u>6,581</u>	<u>(24,252)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Advances In	-	21,000	21,000
Advances Out	(21,000)	-	(21,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(21,000)</u>	<u>21,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(51,833)	27,581	(24,252)
<i>Fund Cash Balances, January 1</i>	<u>941,636</u>	<u>186,142</u>	<u>1,127,778</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	213,723	213,723
Assigned	17,530	-	17,530
Unassigned	872,273	-	872,273
<i>Fund Cash Balances, December 31</i>	<u>\$ 889,803</u>	<u>\$ 213,723</u>	<u>\$ 1,103,526</u>

The accompanying notes to the financial statements are an integral part of this statement.

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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 Portage County 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, 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. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

As required by the Ohio Revised Code, the Portage County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the 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 and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Infrastructure – This is a Federal grant fund that accounts for the Public Health Emergency Preparedness Program.

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

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

**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 fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

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

A summary of 2014 and 2013 budgetary activity appears in Note 2.

**F. Fund Balance**

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

**1. Nonspendable**

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *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.

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

**3. Committed**

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

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

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) 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.

**G. 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.

**H. 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.

**2. Budgetary Activity**

Budgetary activity for the years ending December 31, 2014 and 2013 is as follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,185,566	\$ 2,305,977	\$ 120,411
Special Revenue	584,526	613,256	28,730
Total	\$ 2,770,092	\$ 2,919,233	\$ 149,141

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**2. Budgetary Activity (Continued)**

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,228,725	\$ 1,848,075	\$ 380,650
Special Revenue	738,134	608,581	129,553
Total	\$ 2,966,859	\$ 2,456,656	\$ 510,203

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,331,462	\$ 1,445,774	\$ 114,312
Special Revenue	547,587	538,317	(9,270)
Total	\$ 1,879,049	\$ 1,984,091	\$ 105,042

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,769,257	\$ 1,494,137	\$ 275,120
Special Revenue	665,744	532,975	132,769
Total	\$ 2,435,001	\$ 2,027,112	\$ 407,889

**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 \$954,424 in 2014 and \$223,174 in 2013. The financial statements present these amounts as property tax receipts.

**4. Retirement Systems**

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 this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10% and 10%, respectively, of their gross salaries and the District contributed an amount equaling 14% and 14%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2014.

**5. Risk Management**

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**5. Risk Management (Continued)**

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. 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, 2014, 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 net position at December 31, 2013 and 2014:

	<u>2013</u>	<u>2014</u>
Assets	\$ 34,411,883	\$ 35,402,177
Liabilities	<u>(12,760,194)</u>	<u>(12,363,257)</u>
Net Position	<u>\$ 21,651,689</u>	<u>\$ 23,038,920</u>

At December 31, 2013 and 2014, respectively, the liabilities above include approximately 11.6 million and \$11.1 million of estimated incurred claims payable. The assets above also include approximately \$11.1 million and \$10.8 million of unpaid claims to be billed. The Pool's membership increased from 475 members in 2013 to 488 members in 2014. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the District's share of these unpaid claims collectible in future years is approximately \$7,000.

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.

<u>Contributions to PEP</u>	
<u>2013</u>	<u>2014</u>
\$ 12,189	\$ 11,224

**PORTAGE COUNTY COMBINED GENERAL HEALTH DISTRICT  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**5. Risk Management (Continued)**

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.

**6. Contingent Liabilities**

Management believes there are no pending claims or lawsuits.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor 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.



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304.422.2203

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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**

April 8, 2016

Portage County Combined General Health District  
Portage County  
705 Oakwood Street, Suite 208  
Ravenna, Ohio 44266

To the Members of the District:

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 financial statements of **Portage County Combined General Health District**, Portage County, (the District) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated April 8, 2016.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the 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 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 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a significant deficiency. We consider finding 2014-001 to be a significant deficiency.

***...“bringing more to the table”***

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Litigation Support – Financial Investigations

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***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

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

**SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2014 AND 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2014-001**

**Significant Deficiency**

**Management Monitoring for Internal Control**

The District has not established effective internal control processes for monitoring of District financial activity related to the cash collected by the billing clerk and subsequently deposited in the bank.

During fiscal year 2014, the District did not maintain effective internal controls over the cash collection process which resulted in theft of cash receipts by a former employee. A special investigation performed by the Special Audit Task Force revealed control deficiencies with the District's reconciliation process relating to collections of over the counter receipts.

The District should establish controls and procedures to help assure accountability over cash receipts. These controls and procedures should include, but not necessarily be limited to, documenting the employees that are working that day and checking off the employee's name once their deposit for the day has been received by the accounting clerk. The accounting clerk should affix his/her initials on the form to provide evidence that the deposit was reconciled and reviewed. The District should also ensure collections and appointments are reconciled with Health District Information System (HDIS).

**Management's Response** - We did not receive a response from officials to this finding.



# 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 7, 2016**