

SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT

SUMMIT COUNTY

Audit Report

For the Year Ended December 31, 2015





Dave Yost • Auditor of State

Board of Health
Summit County Combined General Health District
1867 Market St
Akron, OH 44322

We have reviewed the *Independent Auditors' Report* of the Summit County Combined General Health District, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2015 through December 31, 2015. 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

July 14, 2016

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

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

INDEPENDENT AUDITORS' 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 Combined General Health District, Summit County, Ohio (the Health District), as of and for the year ended December 31, 2015, 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 opinions.

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, 2015, and the respective changes in modified cash financial position and the respective budgetary comparison for the General fund, Women, Infants and Children Fund, Air Quality EPA Fund and the Adult Protective Services Fund 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 16 to the financial statements, during 2015, the Health District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

As discussed in Note 9 to the financial statements, on December 31, 2014, the Health District restated its fund balance to include the STARS program in its financial statements.

Other Matters

Supplemental Information

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

The Schedule of Federal Awards Receipts and Expenditures 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.

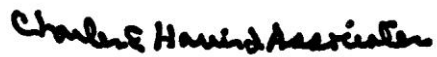
The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain 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 May 3, 2016, 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.
May 3, 2016

Summit County Combined General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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, 2015, 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 2015 are as follows:

- The assets of the Health District exceeded liabilities at the close of the year ended December 31, 2015 by \$7,841,435 (net position).
- The Health District's total net position increased \$995,638. This increase is mainly attributable to the final insurance reimbursements for damages from the 2014 flood.
- 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 \$24.1 million in expenses related to governmental activities in 2015; only \$20.7 million of these expenses were offset by program specific charges and operating grants and contributions. General Revenues (primarily taxes) of \$4.4 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 \$6.0 million or 45 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 statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

Summit County Combined General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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 2015, 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, 2015
Unaudited

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 Women, Infants and Children Fund, the Air Quality EPA Fund and the Adult Protective Services Fund.

The Health District as a Whole

Table 1 provides a summary of the Health District's net position for 2015 compared to 2014 on a modified cash basis:

Table 1: Net Position – Modified Cash Basis

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
		<u>(restated)</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$7,842,231	\$6,655,333
Cash and Cash Equivalents with Fiscal Agent	-	193,298
<i>Total Assets</i>	<u>7,842,231</u>	<u>6,848,631</u>
Liabilities		
Fiscal Agent Payable	<u>796</u>	<u>2,834</u>
Net Position		
Restricted for Principal Retirement	-	193,298
Restricted for Other Purposes	2,126,678	1,814,871
Unrestricted	<u>5,714,757</u>	<u>4,837,628</u>
<i>Total Net Position</i>	<u>7,841,435</u>	<u>6,845,797</u>
Total Net Position and Liabilities	<u>\$7,842,231</u>	<u>\$6,848,631</u>

As mentioned previously, net position increased \$995,638. The increase is related primarily to the final insurance reimbursements for damages from the 2014 flood.

Table 2, on the following page, reflects the changes in net position in 2015.

Summit County Combined General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Table 2: Changes in Net Positions

	<u>Governmental Activities</u>	
	2015	2014 (restated)
Receipts		
Program Cash Receipts		
Charges for Services	\$ 6,234,983	\$ 5,849,155
Operating Grants and Contributions	14,492,270	13,401,995
Total Program Cash Receipts	20,727,253	19,251,150
General Receipts		
Property Taxes	3,230,675	3,230,675
State Subsidy	101,713	102,079
Miscellaneous	307,981	242,708
Total General Receipts	3,640,369	3,575,462
Extraordinary Item	729,726	770,002
Total Receipts	25,097,348	23,596,614
Disbursements		
Public Health Services	22,991,382	22,880,113
Capital Outlay	193,298	4,806,702
Debt Service	917,030	172,868
Total Disbursements	24,101,710	27,859,683
Increase / (Decrease) in Net Position	995,638	(4,263,069)
Net Position January 1	6,845,797	11,108,866
Net Position December 31	7,841,435	6,845,797

In 2015, 17 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 2015. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, trailer park, swimming pools and spas, water system permits, clinic fees and state and federal operating grants and donations.

Governmental Activities

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

Summit County Combined General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Table 3: Governmental Activities

	Total Cost of Services 2015	Net Cost of Services 2015
Public Health Services	\$ 22,991,382	\$ (2,264,129)
Capital Outlay	193,298	(193,298)
Debt Service	917,030	(917,030)
Total Governmental Activities	\$ 24,101,710	\$ (3,374,457)

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 17 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 \$25,097,348 and total disbursements of \$24,101,710. These governmental funds increased cash balances by \$995,638 in 2015.

The fund balance of the General Fund increased \$804,685 to \$6,320,038 at year-end. This increase is due primarily to the receipt of insurance reimbursements generated from the 2014 flood event.

The Women, Infants and Children Fund balance decreased by \$51,430. This is attributable to the timing of expenditures and reimbursements. The Grant operates in a fiscal year other than January through December 2015.

The Air Quality EPA Fund balance decreased by \$146,003, and is attributable to the timing of expenditures and reimbursements. The Grant operates in a fiscal year other than January through December 2015.

The Adult Protective Services Fund balance increased by \$2,215 and is attributable to the timing of expenditures and reimbursements. The Grant operates in a fiscal year other than January through December 2015.

General Fund Budgeting Highlights

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

During the course of 2015, the Health District amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts. The overall increase between the original budgeted and the actual receipts is due to additional local grants obtained during the year, as well as loan proceeds due to the Fairway building renovation project.

The increase of actual disbursements from the original budgeted amount is the result of additional costs associated with the renovation of the Fairway facility.

Summit County Combined General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health District's finances and to reflect the Health District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Eric Seachrist, Fiscal Officer, Summit County Combined General Health District, 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, 2015

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 7,842,231
<i>Total Assets</i>	7,842,231
Liabilities	
Fiscal Agent Payable	796
Net Position	
Restricted for Other Purposes	2,126,678
Unrestricted	5,714,757
<i>Total Net Position</i>	7,841,435
Total Net Position and Liabilities	\$ 7,842,231

See accompanying notes to the basic financial statements

Summit County Combined General Health District
Statement of Activities - Modified Cash Basis
 December 31, 2015

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Health:				
Public Health Services	\$ 22,991,382	\$ 6,234,983	\$ 14,492,270	\$ (2,264,129)
Capital Outlay	193,298	-	-	(193,298)
Debt Service:				
Principal Retirement	725,230	-	-	(725,230)
Interest and Fiscal Charges	191,800	-	-	(191,800)
Total Governmental Activities	<u>\$ 24,101,710</u>	<u>\$ 6,234,983</u>	<u>\$ 14,492,270</u>	<u>\$ (3,374,457)</u>
General Receipts				
Property Taxes				3,230,675
State Subsidy				101,713
Miscellaneous				307,981
Extraordinary Item				<u>729,726</u>
Total General Receipts				<u>4,370,095</u>
Change in Net Position				995,638
<i>Net Position Beginning of Year (Restated)</i>				<u>6,845,797</u>
<i>Net Position End of Year</i>				<u>\$ 7,841,435</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, 2015

	General	Women, Infants and Children	Air Quality EPA	Adult Protective Services	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 4,611,016	\$ 27,788	\$ 634,351	\$ 214,197	\$ 2,354,879	\$ 7,842,231
Interfund Receivable	1,709,022	-	-	-	-	1,709,022
<i>Total Assets</i>	<u>\$ 6,320,038</u>	<u>\$ 27,788</u>	<u>\$ 634,351</u>	<u>\$ 214,197</u>	<u>\$ 2,354,879</u>	<u>\$ 9,551,253</u>
Liabilities						
Fiscal Agent Payable	-	-	-	-	796	796
Interfund Payable	-	175,000	220,000	321,812	992,210	1,709,022
	<u>\$ -</u>	<u>\$ 175,000</u>	<u>\$ 220,000</u>	<u>\$ 321,812</u>	<u>\$ 993,006</u>	<u>\$ 1,709,818</u>
Fund Balances						
Restricted	-	-	414,351	-	1,712,327	2,126,678
Assigned	328,598	-	-	-	-	328,598
Unassigned	5,991,440	(147,212)	-	(107,615)	(350,454)	5,386,159
<i>Total Fund Balances</i>	<u>6,320,038</u>	<u>(147,212)</u>	<u>414,351</u>	<u>(107,615)</u>	<u>1,361,873</u>	<u>7,841,435</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 6,320,038</u>	<u>\$ 27,788</u>	<u>\$ 634,351</u>	<u>\$ 214,197</u>	<u>\$ 2,354,879</u>	<u>\$ 9,551,253</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, 2015

	General	Women, Infants and Children	Air Quality EPA	Adult Protective Services	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 3,230,675	\$ -	\$ -	\$ -	\$ -	\$ 3,230,675
Charges for Services	3,278,294	-	-	-	403,456	3,681,750
Licenses, Permits and Fees	2,289,283	-	-	-	324,742	2,614,025
Intergovernmental	4,187,691	1,816,110	1,153,075	784,499	6,521,567	14,462,942
Local Grants	130,536	-	-	-	-	130,536
Other	247,694	-	-	-	-	247,694
<i>Total Receipts</i>	<u>13,364,173</u>	<u>1,816,110</u>	<u>1,153,075</u>	<u>784,499</u>	<u>7,249,765</u>	<u>24,367,622</u>
Disbursements						
Current:						
Public Health Services	12,163,860	1,867,540	1,299,078	782,284	6,878,620	22,991,382
Capital Outlay	193,298	-	-	-	-	193,298
Debt Service						
Principal Retirement	725,230	-	-	-	-	725,230
Interest and Fiscal Charges	191,800	-	-	-	-	191,800
<i>Total Disbursements</i>	<u>13,274,188</u>	<u>1,867,540</u>	<u>1,299,078</u>	<u>782,284</u>	<u>6,878,620</u>	<u>24,101,710</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	89,985	(51,430)	(146,003)	2,215	371,145	265,912
Other Financing Sources (Uses)						
Transfers In	-	-	108,172	-	73,304	181,476
Transfers Out	(15,026)	-	(108,172)	-	(58,278)	(181,476)
<i>Total Other Financing Sources (Uses)</i>	(15,026)	-	-	-	15,026	-
Special and Extraordinary Items						
Extraordinary Item - Note 16	729,726	-	-	-	-	729,726
<i>Net Change in Fund Balances</i>	804,685	(51,430)	(146,003)	2,215	386,171	995,638
<i>Fund Balances Beginning of Year (Restated)</i>	<u>5,515,353</u>	<u>(95,782)</u>	<u>560,354</u>	<u>(109,830)</u>	<u>975,702</u>	<u>6,845,797</u>
<i>Fund Balances End of Year</i>	<u>\$ 6,320,038</u>	<u>\$ (147,212)</u>	<u>\$ 414,351</u>	<u>\$ (107,615)</u>	<u>\$ 1,361,873</u>	<u>\$ 7,841,435</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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 3,230,675	\$ 3,230,675	\$ 3,230,675	\$ -
Charges for Services	2,678,831	2,887,831	3,278,294	390,463
Licenses, Permits and Fees	2,371,225	2,412,725	2,289,283	(123,442)
Intergovernmental	4,292,294	4,315,522	4,318,227	2,705
Other	577,116	657,116	247,692	(409,424)
<i>Total receipts</i>	<u>13,150,141</u>	<u>13,503,869</u>	<u>13,364,171</u>	<u>(139,698)</u>
Disbursements				
Current:				
Public Health Services	12,754,941	13,590,106	12,492,456	1,097,650
Capital Outlay	-	193,298	193,298	-
Debt Service:				
Principal Retirement	225,230	725,230	725,230	-
Interest and Fiscal Charges	169,970	191,970	191,800	170
<i>Total Disbursements</i>	<u>13,150,141</u>	<u>14,700,604</u>	<u>13,602,784</u>	<u>1,097,820</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	-	(1,196,735)	(238,613)	958,122
Other Financing Sources (Uses)				
Transfers Out	-	(15,026)	(15,026)	-
Advances In	-	1,185,810	1,185,810	-
Advances Out	-	(1,710,110)	(1,709,022)	1,088
<i>Total Other Financing Sources (Uses)</i>	-	(539,326)	(538,238)	1,088
Special and Extraordinary Items				
Extraordinary Item - See note 16	-	650,000	729,726	79,726
<i>Net Change in Fund Balance</i>	-	(1,086,061)	(47,125)	1,038,936
<i>Fund Balance Beginning of Year</i>	4,008,681	4,008,681	4,008,681	-
Prior Year Encumbrances Appropriated	<u>320,861</u>	<u>320,861</u>	<u>320,861</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,329,542</u>	<u>\$ 3,243,481</u>	<u>\$ 4,282,417</u>	<u>\$ 1,038,936</u>

See accompanying notes to the basic financial statements

Summit County Combined General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Women, Infants and Children Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 1,700,742	\$ 3,700,999	\$ 1,816,110	\$ (1,884,889)
<i>Total receipts</i>	1,700,742	3,700,999	1,816,110	(1,884,889)
Disbursements				
Current:				
Public Health Services	1,604,960	3,605,217	1,867,540	1,737,677
<i>Total Disbursements</i>	1,604,960	3,605,217	1,867,540	1,737,677
<i>Excess of Receipts Over (Under) Disbursements</i>	95,782	95,782	(51,430)	(147,212)
Other Financing Sources (Uses)				
Advances In	-	-	175,000	175,000
Advances Out	(100,000)	(100,000)	(100,000)	-
<i>Total Other Financing Sources (Uses)</i>	(100,000)	(100,000)	75,000	175,000
<i>Net Change in Fund Balance</i>	(4,218)	(4,218)	23,570	27,788
<i>Fund Balance Beginning of Year</i>	4,218	4,218	4,218	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,788</u>	<u>\$ 27,788</u>

See accompanying notes to the basic financial statements

Summit County Combined General Health District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Air Quality EPA Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 627,370	\$ 2,131,108	\$ 1,153,075	\$ (978,033)
<i>Total receipts</i>	627,370	2,131,108	1,153,075	(978,033)
Disbursements				
Current:				
Public Health Services	1,079,553	2,691,462	1,299,078	1,392,384
<i>Total Disbursements</i>	1,079,553	2,691,462	1,299,078	1,392,384
<i>Excess of Receipts Over (Under) Disbursements</i>	(452,183)	(560,354)	(146,003)	414,351
Other Financing Sources (Uses)				
Transfers In	-	108,172	108,172	-
Transfers Out	-	(108,172)	(108,172)	-
Advances In	-	-	220,000	220,000
<i>Total Other Financing Sources (Uses)</i>	-	-	220,000	220,000
<i>Net Change in Fund Balance</i>	(452,183)	(560,354)	73,997	634,351
<i>Fund Balance Beginning of Year</i>	560,354	560,354	560,354	-
<i>Fund Balance End of Year</i>	<u>\$ 108,171</u>	<u>\$ -</u>	<u>\$ 634,351</u>	<u>\$ 634,351</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
Adult Protective Services Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 779,508	\$ 1,579,508	\$ 784,499	\$ (795,009)
<i>Total receipts</i>	779,508	1,579,508	784,499	(795,009)
Disbursements				
Current:				
Public Health Services	669,678	2,251,961	782,284	1,469,677
<i>Total Disbursements</i>	669,678	2,251,961	782,284	1,469,677
<i>Excess of Receipts Over (Under) Disbursements</i>	109,830	(672,453)	2,215	674,668
Other Financing Sources (Uses)				
Advances In	-	-	321,812	321,812
Advances Out	(130,500)	(130,500)	(225,431)	(94,931)
<i>Total Other Financing Sources (Uses)</i>	(130,500)	(130,500)	96,381	226,881
<i>Net Change in Fund Balance</i>	(20,670)	(802,953)	98,596	901,549
<i>Fund Balance Beginning of Year</i>	115,601	115,601	115,601	-
<i>Fund Balance End of Year</i>	<u>\$ 94,931</u>	<u>\$ (687,352)</u>	<u>\$ 214,197</u>	<u>\$ 901,549</u>

See accompanying notes to the basic financial statements

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 1 – Reporting Entity

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

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. 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 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.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the general receipts of the Health District.

Fund Financial Statements

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

B. Fund Accounting

The Health District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Health District uses the following fund types:

Governmental Funds

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

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

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

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

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

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

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.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

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

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

D. Budgetary Process

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

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenues with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county Fiscal Officer 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 are certified by approval of the county budget commission.

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

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

E. Cash and Investments / 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 there are limitations imposed on their use through external restriction imposed by creditors, grantors or laws or regulations of other governments.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Interfund Receivables/Payables

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

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

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 an other financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Fund Balance

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

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

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions. Enabling legislation authorizes the Health District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Health District can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (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.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

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 ordinance or by State Statute.

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

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

N. Net 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.

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

P. Pensions

For purposes of measuring the net pension liability, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 3 – Restatement of Prior Year’s Fund Balances

Restatement of Prior Year’s Fund Balances

The following is a restatement to December 31, 2014 fund balances:

	Governmental Activities	Other Governmental Funds
Fund Balance, December 31, 2014	\$6,876,949	\$1,456,756
Restatement:		
Addition of STARS fund	(31,152)	(31,152)
Fund Balance, December 31, 2014, Restated	\$6,845,797	\$1,425,604

Last year, the Health District reported the STARS program fund, awarded through the State of Ohio, on the Summit County Family and Children First Council financial statements. This year, the STARS negative fund is included on the Health District’s financial statements as the grant is no longer administered by the Summit County Family and Children First Council. Fund balances are restated to include these funds.

Note 4 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a restricted, committed, or assigned fund balance (modified cash basis) and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (modified cash basis).

	Net Change in Fund Balance General and Major Special Revenue Funds			
	General Fund	Women, Infants and Children	Air Quality EPA	Adult Protective Services
Modified Cash Basis	\$804,685	(\$51,430)	(\$146,003)	\$2,215
Net Adjustment Revenue Accruals	(1,709,022)	(100,000)	-	(225,431)
Net Adjustment Expenditure Accruals	1,185,810	175,000	220,000	321,812
Net Adjustment for Encumbrances	(328,598)	-	-	-
Budgetary Basis	(\$47,125)	\$23,570	\$73,997	\$98,596

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 5 – Accountability

Deficit Fund Balances

Fund Balances at December 31, 2015 included the following individual fund deficits:

<u>Fund</u>	<u>Deficit</u>
Major Governmental Funds:	
Women, Infants and Children	\$ (147,212)
Adult Protective Services	(107,615)
	(254,827)
Other Governmental Funds:	
HMG Home Visiting	(5,833)
IAP	(9,689)
Creating Healthy Communities	(55,411)
CFHS	(89,434)
BCCP	(1,044)
Quality of Life	(38,361)
Air Quality Enforcement	(339)
PHEP	(2,989)
HIV Prevention	(12,500)
Dental Sealant	(9,256)
STD Control	(4,115)
HealthChek Data	(6,422)
STARS	(29,398)
HUD Lead	(13,459)
HUD Healthy Homes	(1,127)
Refugee	(70,218)
HMG Subsidy	(63)
Tobacco Policy	(796)
	350,454
Total	\$ (604,485)

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.

Note 6 - Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Health District. Real property tax receipts received in 2015 represent the collection of 2014 taxes. Real property taxes received in 2015 were levied after October 1, 2014, on the assessed values as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 6 - Property Taxes (continued)

Public utility personal property tax received in 2015 represent the collection of 2014 taxes. Public utility tangible personal property taxes received in 2015 became a lien on December 31, 2013, were levied after October 1, 2014, and are collected in 2015 with real property taxes. Public utility tangible personal property is currently assessed at varying percentages of true value.

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County. The County Fiscal Officer periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds.

The full tax rate for all Health District operations for the year ended December 31, 2015, was \$0.366773 per \$1,000 of assessed value. The total assessed value upon which 2015 property tax receipts were based was \$8,810,676,540.

Note 7 - Interfund Receivables/Payables

Interfund balances at December 31, 2015, consisted of the following fund receivables and payables:

Due to General Fund from:	
Women, Infants and Children Fund	\$ 175,000
Air Quality EPA Fund	220,000
Adult Protective Services Fund	321,812
Other Governmental Funds	<u>992,210</u>
Total General Fund	\$ <u>1,709,022</u>

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

Note 8 – 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.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 8 – Risk Management (continued)

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 retained earnings at December 31, 2014 and 2013 (the latest information available.)

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

At December 31, 2014 and 2013, respectively, the liabilities above include approximately \$11.1 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.1 million of unpaid claims to be billed to approximately 488 and 475 member governments in the future, as of December 31, 2014 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Health District’s share of these unpaid claims collectible in future years is approximately \$56,000.

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>2014</u>	<u>2015</u>
\$85,188	\$74,917

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.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 9 – Change in Accounting Principle

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment to GASB 27*. The implementation of this pronouncement had no effect on the net position of the District.

Note 10 - Defined Benefit Pension Plans

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Health District employees 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. Health 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 reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 10 - Defined Benefit Pension Plans (continued)

Group A	Group B	Group C
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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 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.

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

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 10 - Defined Benefit Pension Plans (continued)

	State and Local								
2015 Statutory Maximum Contribution Rates									
Employer	14.0 %								
Employee	10.0 %								
2015 Actual Contribution Rates									
Employer:									
Pension	12.0 %								
Post-employment Health Care Benefits	2.0								
Total Employer	14.0 %								
Employee	10.0 %								
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.									
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.									

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$1,295,271 for year 2015.

Note 11 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (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. The Combined Plan is a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, aged-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefits is available.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 11 - Postemployment Benefits (continued)

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2014 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, the Village contributed at a rate of 14.00% of earnable salary for state and local employees. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund the OPEB Plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. For 2015, the portion of employer contributions allocated to health care for members in the Traditional Pension and Combined plans was 2%. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2% for both plans, as recommended by the OPERS' Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actual employer contributions which were used to fund postemployment benefits for the year ended December 31, 2015 was \$25,905. 100% has been contributed for 2015.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension obligation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 12 – 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, 2015, was as follows:

	Interest Rate	Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015	Principal Due Within One Year
<u>Governmental Activities</u>						
Loans Payable						
2013 Issue (Facility Renovation) (Original Amount \$5,000,000)	3.41%	\$ 5,000,000	\$ 0	\$ 725,230	\$ 4,274,770	\$ 270,276
Total Governmental Activities		<u>\$ 5,000,000</u>	<u>\$ 0</u>	<u>\$ 725,230</u>	<u>\$ 4,274,770</u>	<u>\$ 270,276</u>

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

Year	Loans	
	Principal	Interest
2016	\$ 270,276	\$ 161,241
2017	270,276	151,448
2018	270,276	142,104
2019	270,276	132,760
2020	270,276	123,761
2021-2023	2,923,390	283,335
	<u>\$ 4,274,770</u>	<u>\$ 994,649</u>

Note 13 – Leases

The Health District entered into a lease for copier equipment for its Akron site in November 2011 under a five year capital lease. Payments began in December, 2011 and will continue through November, 2016. The Health District disbursed a total of \$3,821 for this lease for the year ended December 31, 2015. Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$2,866

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 13 – Leases (continued)

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. The Health District disbursed a total of \$10,680 for this lease for the year ended December 31, 2015. Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$10,680
2017	10,680
2018	10,680
2019	8,010

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 2015 were \$60,963.

Note 14 – 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.

Note 15 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Women, Infants and Children</u>	<u>Air Quality EPA</u>	<u>Adult Protective Services</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>Restricted:</u>						
Public Health Services	\$0	\$0	\$414,351	\$0	\$1,712,327	\$2,126,678
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>414,351</u>	<u>0</u>	<u>1,712,327</u>	<u>2,126,678</u>
<u>Assigned:</u>						
Encumbrances	328,598	0	0	0	0	328,598
<i>Total Assigned</i>	328,598	0	0	0	0	328,598
Unassigned	5,991,440	(147,212)	0	(107,615)	(350,454)	5,386,159
Total Fund Balances	<u><u>\$6,320,038</u></u>	<u><u>\$(147,212)</u></u>	<u><u>\$414,351</u></u>	<u><u>(\$107,615)</u></u>	<u><u>\$1,361,873</u></u>	<u><u>\$7,841,435</u></u>

Note 16 - Extraordinary Item

In 2015, the District received \$729,726 in insurance proceeds for damage from flooding that took place in 2014.

SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	Federal CFDA Number	Federal Receipts	Passed Through to Subrecipients	Federal Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed through Ohio Department of Health</i>					
Special Supplemental Nutrition Program for Women, Infants and Children	07710011WA0515	10.557	\$ 1,549,410	8,202	\$ 1,453,628
Special Supplemental Nutrition Program for Women, Infants and Children	07710011WA0616	10.557	266,700	859	413,912
Total Special Supplemental Nutrition Program for Women, Infants and Children			1,816,110	9,061	1,867,540
Total U.S. Department of Agriculture			1,816,110	9,061	1,867,540
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
<i>Passed through Ohio Department of Health</i>					
Public Health Emergency Preparedness	07710012PH0615	93.069	211,348	-	196,227
Public Health Emergency Preparedness	07710012PH0716	93.069	117,653	-	120,642
Public Health Emergency Preparedness (Regional)	07710012PH0615	93.069	44,776	-	41,605
Public Health Emergency Preparedness (Regional)	07710012PH0716	93.069	29,837	-	27,117
Public Health Emergency Preparedness (PHEP) Aligned Cooperative	07710012EB0116	93.074	41,861	-	22,871
Public Health Emergency Preparedness (PHEP) Aligned Cooperative	07710012EB0116	93.074	167,176	48,678	64,742
Total Emergency Preparedness			612,651	48,678	473,204
<i>Passed through Summit County Childrens Service Board</i>					
Enhance Safety of Children Affected by Substance Abuse	FY15 94035	93.087	172,095	-	143,871
Enhance Safety of Children Affected by Substance Abuse	FY16 94036	93.087	6,351	-	22,807
Total STARS			178,446	-	166,678
<i>Passed through Ohio Department of Health</i>					
Affordable Care Act-Personal Responsibility Education Program	07710011PR0415	93.092	81,576	48,995	96,704
Affordable Care Act-Personal Responsibility Education Program	07710011PR0516	93.092	63,088	21,357	50,937
Total PREP			144,664	70,352	147,641
<i>Passed through Ohio Department of Health</i>					
Immunization Action Plan	07710012IM0714	93.268	-	-	7,162
Immunization Action Plan	07710012IM0815	93.268	79,901	3,592	85,378
Total Immunization Action Plan Grants Cluster			79,901	3,592	92,540
<i>Passed through Ohio Department of Health</i>					
ASTHO Million Hearts Project	FY15 96035	93.283	10,500	-	7,484
Breast and Cervical Cancer	07710014BC0815	93.283	137,000	-	131,671
Breast and Cervical Cancer	07710014BC0916	93.283	54,689	-	55,472
Total Bureau of Prevention			202,189	-	194,627
<i>Passed through Ohio Department of Health</i>					
Ohio Maternal Infant and Early Childhood Home Visiting	07710011MH0315	93.505	96,275	-	95,145
Ohio Maternal Infant and Early Childhood Home Visiting	07710011MH0416	93.505	58,080	5,622	39,237
Total OMIECHV			154,355	5,622	134,382
<i>Passed through Ohio Department of Health</i>					
Strategies for Increasing Teen Immunization Rates	07710012TS0114	93.539	5,330	-	1,118
Total Strategies for Increasing Teen Immunization Rates			5,330	-	1,118

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	Federal CFDA Number	Federal Receipts	Passed Through to Subrecipients	Federal Disbursements
<i>Passed through Ohio Department of Jobs and Family Services</i>					
Refugee and Entrant Assistance	FY14 96124	93.566	17,115	-	31,785
Refugee and Entrant Assistance	FY15 96125	93.566	384,084	-	412,848
Total Refugee and Entrants Assistance			401,199	-	444,633
<i>Passed through Summit County Department of Jobs and Family Services</i>					
Adult Protective Services	FY15 96025	93.667	764,182	290,317	654,351
Adult Protective Services	FY16 96026	93.667	20,317	22,081	127,932
Total Adult Protective Services			784,499	312,398	782,283
<i>Passed through Ohio Department of Health</i>					
Local 1422	07710014PO0115	93.757	327,326	38,523	327,326
Local 1422	07710014PO0216	93.757	80,000	-	66,295
Total Local 1422			407,326	38,523	393,621
<i>Passed through Northeast Ohio Medical University</i>					
MEDTAPP	FY15 96185	93.778	21,178	-	21,178
Total MEDTAPP			21,178	-	21,178
<i>Passed through Ohio Department of Health</i>					
Medicaid Administrative Claiming	FY15 95955	93.959	198,509	-	198,509
Total MAC			198,509	-	198,509
<i>Passed through Ohio Department of Health</i>					
HIV Prevention	07710012HP0414	93.940	45,078	7,841	15,037
HIV Prevention	07710012HP0515	93.940	195,626	46,047	205,081
Total HIV Prevention			240,704	53,888	220,118
<i>Passed through Summit County Alcohol, Drug and Mental Health Board</i>					
Medical Assistance Program-Counseling	FY14 95954	93.959	9,901	-	3,903
Medical Assistance Program-Counseling	FY15 95955	93.959	168,198	24,623	145,404
Total Medical Assistance Program-Counseling			178,099	24,623	149,308
<i>Passed through Ohio Department of Health</i>					
Preventive Health Services-Sexually Transmitted Diseases Control Grants	07710012ST0314	93.977	6,340	-	3,506
Preventive Health Services-Sexually Transmitted Diseases Control Grants	07710012ST0415	93.977	60,546	-	64,661
Preventive Health and Health Services -Creating Healthy Communities	07710014CC0514	93.991	15,867	-	3,681
Preventive Health and Health Services -Creating Healthy Communities	07710014CC0615	93.991	114,400	67,000	169,810
Total Health Promotion Block Grant			197,153	67,000	241,658
<i>Passed through Ohio Department of Health</i>					
Maternal and Child Health Services Block Grant	07710011MC0815	93.994	271,644	140,610	294,579
Maternal and Child Health Services Block Grant-Dental Sealant	07710011DS0714	93.994	25,141	14,716	19,218
Maternal and Child Health Services Block Grant-Dental Sealant	07710011DS0815	93.994	66,864	25,344	76,120
Total Child and Family Health Services Block Grant			363,649	180,670	389,917
Total U.S. Department of Health and Human Services			4,169,852	805,346	4,051,415

SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	Federal CFDA Number	Federal Receipts	Passed Through to Subrecipients	Federal Disbursements
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>					
<i>Passed through the Ohio Environmental Protection Agency</i>					
Air Pollution Control Program-Air Quality EPA	FY15 93795	66.001	187,621	-	207,847
Air Pollution Control Program-Air Quality EPA	FY16 93796	66.001	37,791	-	37,354
Air Pollution Control Program-Air Quality PM 2.5	FY15 93805	66.001	-	-	44,646
Air Pollution Control Program-Air Quality PM 2.5	FY16 93806	66.001	102,712	-	76,429
Total Air Pollution Control Program			328,124	-	366,275
Total U.S. Environmental Protection Agency			328,124	-	366,275
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed through Ohio Department of Health</i>					
Special Education Grant for Infants and Families -Help Me Grow Part C	07710011HG0615	84.181	531,567	421,482	471,713
Special Education Grant for Infants and Families -Help Me Grow Part C	07710011HG0716	84.181	16,276	-	10,284
Total Special Education Grant for Infants and Families			547,843	421,482	481,997
Total U.S. Department of Education			547,843	421,482	481,997
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Lead-Based Paint Hazard Control	FY13 95933	14.900	855,911	719,390	860,908
Lead-Based Paint Hazard Control	FY13 95943	14.900	125,161	101,595	125,562
Total U.S. Department of Housing and Urban Development			981,072	820,985	986,470
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 7,843,001	\$ 2,056,875	\$ 7,753,697

The notes to the Schedule of Federal Awards Receipts and Expenditures is an integral part of this Schedule

SUMMIT COUNTY GENERAL HEALTH DISTRICT
Notes to the Schedule of Federal Awards Receipts and Expenditures
For the Year Ended December 31, 2015

NOTE A: BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) includes the federal award activity of the Summit County General Health District (the District) under programs of the federal government for the year ended December 31, 2015. 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 District, it is not intended to and does not present the financial position or changes in net position of the District

NOTE B: SIGNIFICANT ACCOUNTING POLICIES

Receipts and Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following as applicable either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or 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 District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C: SUBRECIPIENTS

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

As a subrecipient, the 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 District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE E: FEDERAL GRANTS COMINGLED WITH STATE GRANTS

Cash receipts from the U.S. Department of Health and Human Services and the U.S. Environmental Protection Agency are commingled with State grants for the Creating Healthy Communities Grant, Breast and Cervical Cancer Prevention Grant, Counseling Grant, HIV Prevention Grant, Child and Family Health Services Grant and Air Pollution Control Program. The Health District has determined the amount of federal dollars, in which, constitute the overall federal grant awards. The amount of state expenditures are not included on this schedule.

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

Summit County Combined General Health District
Summit County
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 Combined General Health District, Summit County, (the Health District) as of and for the year ended December 31, 2015, 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 May 3, 2016, wherein we noted the Health District uses a special purpose framework other than generally accepted accounting principles. We also noted the Health District adopted a new accounting guidance in Governmental Accounting Standards Board Statement No. 68, "*Accounting and Financial Reporting for Pensions – an Amendment to GASB 27*".

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 opinions 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.

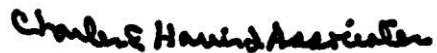
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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

May 3, 2016

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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 Combined 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 Combined 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 Health District's major federal programs for the year ended December 31, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 Combined 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, 2015.

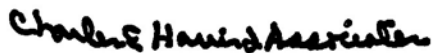
Report on Internal Control Over Compliance

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.
May 3, 2016

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)	No
(d)(1)(vii)	Major Programs:	Special Supplement Nutrition Program for Women, Infants & Children CFDA # 10.557 Lead Based Paint Hazard Control CFDA # 14.900 Local 1422 CFDA # 93.757
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	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, 2015**

The prior report, for the year ending December 31, 2014, reported no material citations or recommendations.

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Dave Yost • Auditor of State

SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 26, 2016**