

SUMMIT COUNTY
GENERAL HEALTH DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

This audit report is subject to review and acceptance by the Auditor of State's office, and the requirements of ORC 117.25 are not met until the Auditor of State certifies this report. This process takes approximately two weeks and reports are subject to change if the Auditor of State determines that modification of a report is necessary to comply with required accounting or auditing standards.



**Auditor of State
Betty Montgomery**

Board of Health
Summit County General Health District
1100 Graham Circle
Stow, OH 44224

We have reviewed the Independent Auditor's Report of the Summit County General Health District, Summit County, prepared by Brott Mardis & Co., for the audit period January 1, 2004 through December 31, 2004. 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 General Health District is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

April 22, 2005

This Page is Intentionally Left Blank.

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

Table of Contents

TITLE	PAGE
APPOINTED OFFICIALS AND ADMINISTRATIVE PERSONNEL	(i)
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2004	3
Notes to the Financial Statements	4-8
SUPPLEMENTAL DATA	
Schedule of Federal Awards Expenditures	9-10
Note to Schedule of Federal Awards Expenditures	11
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	12-13
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	14-15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	16

SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY
1100 Graham Road Circle
Stow, Ohio 44224

Appointed Officials and Administrative Personnel
As of December 31, 2004

APPOINTED OFFICIALS

NAME	TITLE	TERM OF OFFICE	SURETY	AMOUNT	PERIOD
Jay Williamson, M.D.	Board President	01/01/02 - 12/31/05			
Lewis Debevec, Jr.	Board Member	01/01/03 - 12/31/06			
Kristine Gill, Ph.D., R.N.	Board Member	01/01/02 - 12/31/05			
Douglas Hasbrouck	Board Member	01/01/03 - 12/31/06			
Jeffrey Snell, J.D.	Board Member	03/01/02 - 03/31/06			
Peggy Burns	Board Member	03/01/01 - 03/31/05			
Gale Betterly, Ph.D.	Board Member	03/01/03 - 03/31/07			
G. Kolaczewski, M.D.	Board Member	12/31/03 - 12/31/07			
Lawrence Halpin	Board Member	12/31/03 - 12/31/07			
Lynn Clark, J.D.	Board Member	03/01/04 - 03/31/08			
Pat Lachowski	Board Member	01/01/02 - 12/31/04			
Mike Haught	Board Member	03/01/04 - 03/31/06			
Alexsandra Mamonis, M.D.	Board Member	01/01/04 - 12/31/07			
Martha Allen	Board Member	10/01/04 - 12/31/05			

ADMINISTRATIVE PERSONNEL

Gene Nixon, R.S. , M.P.A.	Health Commissioner	04/01/03 - 03/31/05	(A)	\$2,000,000	(B)
------------------------------	------------------------	---------------------	-----	-------------	-----

STATUTORY LEGAL COUNSEL

Sherri Bevan Walsh, Prosecutor
County of Summit
53 University Avenue
Akron, Ohio 44308

(A) Public Entities Pool of Ohio

(B) Concurrent with contract.



BROTT MARDIS & CO.

Certified Public Accountants

222 South Main Street, Suite 210, Akron, Ohio 44308-1538
tel: 330-762-5022 fax: 330-762-2727 www.brottgardis.com

INDEPENDENT AUDITOR'S REPORT

Board of Health
Summit County General Health District
Summit County
1100 Graham Circle
Stow, Ohio 44224

We have audited the accompanying combined statement of cash receipts, cash disbursements and changes in fund cash balances - all governmental fund types of the Summit County General Health District (the Health District) as of and for the year ended December 31, 2004. These financial statements are the responsibility of the Health District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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


As discussed in Note 1, the Health District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Summit County General Health District as of December 31, 2004, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 4, 2005 on our consideration of the Health District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Health District, taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of officials authorized to receive this report under Section 117.26, Ohio Revised Code, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants
March 4, 2005

SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES-
ALL GOVERNMENTAL FUND TYPES**

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>2004</u>	<u>2004</u>	<u>(Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Cash Receipts:			
Local taxes	\$ 2,675,175	\$ -	\$ 2,675,175
State subsidy	83,211	-	83,211
Environmental health fees	1,108,023	-	1,108,023
Vital statistics	135,164	-	135,164
Personal health services	377,694	-	377,694
School health programs	732,796	-	732,796
Federal, state and local grants and reimbursements	182,094	1,415,478	1,597,572
State fees	197,688	-	197,688
Miscellaneous	5,663	-	5,663
Total cash receipts	5,497,508	1,415,478	6,912,986
Cash Disbursements:			
Salaries	3,248,494	877,018	4,125,512
PERS/Workers Comp/Medicare	531,800	140,656	672,456
Health benefits	480,201	110,784	590,985
Travel	100,213	16,674	116,887
Supplies	228,503	36,370	264,873
Contractual services	433,842	317,131	750,973
Building rental	42,591	14,586	57,177
Advertising and printing	9,504	11,107	20,611
Other expenses	55,731	-	55,731
Equipment	94,207	33,272	127,479
State remittances	194,960	-	194,960
Debt service - building	21,330	-	21,330
Total cash disbursements	5,441,376	1,557,598	6,998,974
Total cash receipts over (under) cash disbursements	56,132	(142,120)	(85,988)
Other financing receipts (disbursements):			
Advances - in	283,199	282,187	565,386
Advances - out	(282,187)	(283,199)	(565,386)
Total other financing receipts (disbursements)	1,012	(1,012)	-
Total cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements	57,144	(143,132)	(85,988)
Fund cash balances, January 1, 2004	608,342	258,526	866,868
Fund cash balances, December 31, 2004	\$ 665,486	\$ 115,394	\$ 780,880
Reserve for encumbrances, December 31, 2004	\$ 2,818	\$ 751	\$ 3,569
Reserve for contingencies, December 31, 2004	\$ -	\$ 50,000	\$ 50,000

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

SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Description of the Entity**

The Summit County General Health District (the Health District) serves as a policy-making body with authority to adopt rules and regulations. The Health District was organized under provisions of Chapter 3709, Ohio Revised Code. The Health District is directed by an appointed fourteen-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.

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

B. **Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipt and disbursement basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. **Cash**

All Health District cash is maintained and invested by the Summit County Fiscal Officer.

D. **Fund Accounting**

The Health District uses fund accounting to segregate cash that is restricted as to use.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

The Health District classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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 had the following significant 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.

Early Intervention Fund - This fund receives proceeds from a federal grant to provide parents of children with illness or disability information regarding available public assistance.

Child and Family Health Services Fund - This fund receives proceeds from a federal grant directed at improving and maintaining the health status of women and children by providing support for development of health services standards and guidelines, training, data and planning systems.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations

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

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

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

A summary of 2004 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Health District.

2. CASH

The Summit County Fiscal Officer is the statutory fiscal officer for the Health District. The Summit County Fiscal Officer maintains a cash pool used by all funds. Refer to the December 31, 2004, Summit County Financial Condition Report for a description of the County's cash and investment balances and policies.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2004, was as follows:

Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$5,665,175	\$5,497,508	\$(167,667)
Special Revenue	<u>2,007,425</u>	<u>1,415,478</u>	<u>(591,947)</u>
Total	<u>\$7,672,600</u>	<u>\$6,912,986</u>	<u>\$(759,614)</u>

Appropriated vs. Budgeted Expenditures

<u>Fund Type</u>	<u>Appropriated Expenditures</u>	<u>Budgeted Expenditures</u>	<u>Variance</u>
General	\$6,007,317	\$5,444,194	\$563,123
Special Revenue	<u>1,964,016</u>	<u>1,558,349</u>	<u>405,667</u>
Total	<u>\$7,971,333</u>	<u>\$7,002,543</u>	<u>\$968,790</u>

4. DEBT

Debt outstanding at December 31, 2004:

	<u>Principal</u>	<u>Interest Rate</u>
Health District Obligation for Roof Repair	\$90,000	5.5725%

The Health District has an agreement with Summit County whereby the Health District is required to pay the county's building bond debt obligations pertaining to the repair of the roof in exchange for the Health District's use of the county-owned building.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31</u>	<u>Roof Repair Debt</u>
2005	\$ 20,490
2006	19,627
2007	23,750
2008	22,560
2009	<u>21,280</u>
	<u>\$107,707</u>

5. RETIREMENT SYSTEMS

The Health District's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Health District contributed an amount equal to 13.55% of participants' gross salaries. The Health District has paid all contributions required through December 31, 2004.

6. RISK MANAGEMENT

The Health District participates in the Public Entities Pool of Ohio (the Pool). The Pool is a risk-sharing pool available to Ohio local governments. The Pool assumes the risk of loss up to the limits of the Health District's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Legal Liability-Third Party Claims
- Medical Malpractice Liability
- Automobile Liability
- Wrongful Acts

6. RISK MANAGEMENT (Continued)

By maintaining comprehensive insurance coverage with the Pool and private carriers, the Health District has addressed these various types of risk.

The Health District also provides health insurance and dental and vision coverage to full-time employees. The Health District has elected to provide benefits through a participatory agreement with Summit County. Employees can choose from a variety of plans such as a Health Maintenance Organization (HMO) or traditional coverage.

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

8. LEASES

The Health District leases computer property under a three year capital lease agreement. Monthly payments of \$2,517 began March, 2004 and continue through February, 2007. Future minimum payments are as follows:

2005	\$	30,204
2006		30,204
2007		5,034
	\$	<u>65,442</u>

Additionally, the Health District leases various clinic facilities under operating leases for up to three years in length.

Total rent expense for these leases in 2004 was \$57,177.

9. CONTINGENCY RESERVE FOR SPECIAL REVENUE FUND

The Board of Health has established a contingency reserve for the Special Revenue Fund in accordance with Section 5705.13 of the Ohio Revised Code. The purpose of the fund is to provide a reserve for payment of unexpected future termination benefits. No more than 5% of preceding year General Fund local assessments can be reserved at any one time. Accordingly, the Health District had a contingency reserve balance at December 31, 2004, of \$50,000, which was approximately 2.0% of 2003's General Fund local assessments.

SUPPLEMENTAL DATA

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES

DECEMBER 31, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non- Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Special Supplemental Nutrition Program for Women, Infants and Children						
<i>Passed Through the City of Akron</i>	FY0493714	10.557	\$ 322,596	\$ -	\$ 302,579	\$ -
	FY0593715	10.557	-	-	74,557	-
Total Special Supplemental Nutrition for Women, Infants and Children			<u>322,596</u>	<u>-</u>	<u>377,136</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>322,596</u>	<u>-</u>	<u>377,136</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Health Promotion Block Grant						
<i>Passed Through Ohio Department of Health</i>	FY0393723	93.991	6,783	-	12,007	-
	FY0493724	93.991	92,337	-	93,146	-
Total Health Promotional Block Grant			<u>99,120</u>	<u>-</u>	<u>105,153</u>	<u>-</u>
Child and Family Services Block Grant <i>Passed Through the City of Akron</i>						
	FY0493734	93.944	108,876	-	80,571	-
	FY0593735	93.944	28,489	-	60,867	-
Total Child and Family Services Block Grant			<u>137,365</u>	<u>-</u>	<u>141,438</u>	<u>-</u>
OIMRI						
<i>Passed Through Ohio Department of Health</i>	FY0493824	93.994	110,257	-	136,072	-
	FY0593825	93.994	37,500	-	12,789	-
Total OIMRI			<u>147,757</u>	<u>-</u>	<u>148,861</u>	<u>-</u>
BCCP						
<i>Passed Through Ohio Department of Health</i>	FY0493765	93.919	76,750	-	67,748	-
Total BCCP			<u>76,750</u>	<u>-</u>	<u>67,748</u>	<u>-</u>
HCAP						
	FY0593975	93.252	-	-	15,203	-
Total HCAP			<u>-</u>	<u>-</u>	<u>15,203</u>	<u>-</u>

The note to the Schedule of Federal Awards Expenditures is an integral part of this schedule.

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES

DECEMBER 31, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non- Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
Immunization Action Plan - Infant Immunizations						
<i>Passed Through Ohio Department of Health</i>	FY0393703	93.268	8,672	-	44,230	-
	FY0493704	93.268	135,857	-	148,220	-
Total Immunization Action Plan - Infant Immunizations			144,529	-	192,450	-
Public Health Infrastructure						
<i>Passed Through Ohio Department of Health</i>	FY0493954	93.283	189,890	-	183,132	-
	FY0493964	98.283	81,648	-	82,936	-
	FY0593965	93.283	45,000	-	29,342	-
<i>Passed Through City of Akron</i>	FY0593955	98.283	-	-	60,977	-
Total Public Health Infrastructure			316,538	-	356,387	-
Total U.S. Department of Health and Human Services			922,059	-	1,027,240	-
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>						
Disaster Assistance	FY0493601	83.544	-	-	2,455	-
Total Federal Emergency Management Agency			-	-	2,455	-
Total Federal Financial Assistance			\$ 1,244,655	\$ -	\$ 1,406,831	\$ -

The note to the Schedule of Federal Awards Expenditures is an integral part of this schedule.

SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY

NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

DECEMBER 31, 2004

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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



BROTT MARDIS & CO.

Certified Public Accountants

222 South Main Street, Suite 210, Akron, Ohio 44308-1538
tel: 330-762-5022 fax: 330-762-2727 www.brottgardis.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Health
Summit County General Health District
Summit County
1100 Graham Circle
Stow, Ohio 44224

We have audited the financial statements of the Summit County General Health District (the Health District) as of and for the year ended December 31, 2004, and have issued our report thereon dated March 4, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.


Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Health District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Health District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Health, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


Brett Mardis & Co.
Certified Public Accountants
March 4, 2005



BROTT MARDIS & CO.

Certified Public Accountants

222 South Main Street, Suite 210, Akron, Ohio 44308-1538
tel: 330-762-5022 fax: 330-762-2727 www.brottmardis.com

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Health
Summit County General Health District
Summit County
1100 Graham Circle
Stow, Ohio 44224

Compliance

We have audited the compliance of Summit County General Health District (the Health District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2004. The Health District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Health District's management. Our responsibility is to express an opinion on the Health District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Health District's compliance with those requirements.

In our opinion, the Health District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2004.

Internal Control Over Compliance

The management of the Health District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Health District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Health, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants
March 4, 2005

SUMMIT COUNTY GENERAL HEALTH DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2004

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Health District.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Health District were disclosed during the audit.
4. No reportable conditions in internal control were disclosed during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award program for the Health District expresses an unqualified opinion on the major federal program.
6. No audit findings relative to the major federal award program for the Health District are reported in this schedule.
7. The program tested as the major program was Special Supplemental Nutrition Program for Women, Infants, and Children-CFDA #10.557.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Health District was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS

None



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

SUMMIT COUNTY 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
MAY 5, 2005**