



Dave Yost • Auditor of State

**SUMMIT COUNTY FAMILY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County General Health District, Summit County, Ohio (the Health District), as of and for the year ended December 31, 2010, which collectively comprise the Health District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Health District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis 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 respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Summit County General Health District, Summit County, Ohio, as of December 31, 2010, and the respective changes in modified cash financial position, thereof and the respective budgetary comparison for the General Fund, the Women, Infant and Children Fund, the Child and Family Services Fund, the Quality of Life Fund, and the Medical Reserve Corp Fund, thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and *required budgetary comparison schedules* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Health District's basic financial statements taken as a whole. The Federal Awards Receipts and Disbursement Schedule provides additional information required by the 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 basic financial statements. The Federal Awards Receipts and Disbursement Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

June 30, 2011

Summit County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

The discussion and analysis of the Summit County 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, 2010, 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 2010 are as follows:

- The assets of the Health District exceeded liabilities at the close of the year ended December 31, 2010 by \$3,169,605 (net assets). Of this amount, \$2,538,907 may be used to meet the Health District's ongoing obligations to citizens and creditors.
- The Health District's total net assets increased \$1,468,562. This increase is mainly attributable to improved timing of various grant reimbursements.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise 71 percent of the Health District's receipts. General receipts in the form of property taxes and unrestricted grants make up the other 29 percent.
- The Health District had \$9.4 million in expenses related to governmental activities in 2010; only \$7.7 million of these expenses were offset by program specific charges and operating grants and contributions. General Revenues (primarily taxes) of \$3.2 million together with assets on hand at the beginning of the year were adequate to provide for these programs.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was 2.5 million or 42 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 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 Assets – 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 General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2010
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 Assets and the Statement of Activities reflect how the Health District did financially during 2010, within the limitations of the modified cash basis of accounting. The Statement of Net Assets – 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 Assets – Modified Cash Basis and the Statement of Activities – Modified Cash Basis, the Health District's major programs 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 General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2010
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 Child and Family Health Services Fund, the Quality of Life Fund and the Medical Reserve Corp Fund.

The Health District as a Whole

Table 1 provides a summary of the Health District's net assets for 2010 compared to 2009 on a modified cash basis:

Table 1: Net Assets – Modified Cash Basis

	<u>Governmental Activities</u>	
	2010	2009
Assets		
Equity in Pooled Cash and Cash Equivalents	\$3,172,531	\$1,701,043
Liabilities		
Fiscal Agent Payable	2,926	0
Net Assets		
Restricted for Other Purposes	630,698	359,936
Unrestricted	2,538,907	1,341,107
Total Net Assets	\$3,169,605	\$1,701,043

As mentioned previously, net assets increased \$1,468,562. The increase is related primarily to improved timing of reimbursement for various federal grants.

Summit County General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2010
Unaudited

Table 2 reflects the changes in net assets in 2010.

	Governmental Activities	
	2010	2009
Receipts		
Program Cash Receipts		
Charges for Services	\$ 3,047,829	\$ 2,903,685
Operating Grants and Contributions	4,653,257	2,866,815
Total Program Cash Receipts	7,701,086	5,770,500
General Receipts		
Property Taxes	3,128,607	3,049,993
State Subsidy	52,376	82,532
Miscellaneous	31,087	1,414
Total General Receipts	3,212,070	3,133,939
Total Receipts	10,913,156	8,904,439
Disbursements		
Public Health Services	9,444,594	8,986,324
Total Disbursements	9,444,594	8,986,324
Increase / (Decrease) in net Assets	1,468,562	(81,885)
Net Assets January 1, 2010	1,701,043	1,782,928
Net Assets December 31, 2010	\$ 3,169,605	\$ 1,701,043

In 2010, 29 percent of the Health District's total receipts were from general receipts, consisting mainly of property taxes. Program receipts accounted for 71 percent of the Health District's total receipts in year 2010. 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 in Table 3.

Summit County General Health District
 Management's Discussion and Analysis
 For the Year Ended December 31, 2010
 Unaudited

Table 3: Governmental Activities

	Total Cost of Services 2010	Net Cost of Services 2010
Public Health Services	<u>\$ 9,444,594</u>	<u>\$ 1,743,508</u>

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 18 percent of health costs are supported through property taxes, unrestricted grants and other general receipts.

The Health District's Funds

The governmental funds had total receipts of \$10,913,156 and disbursements of \$9,444,594. The governmental funds had a increase in the cash balance of \$1,468,562.

The fund balance of the General Fund increased \$252,954 to \$2,538,907 at year-end. Combined, federal and state grant fund balances increased a total of \$1,215,608 due to improved timing of reimbursement from various grantors.

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 2010, the Health District amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts. The slight increase between the original and the final estimated receipts is attributable to the addition of several small local grants and contracts that were awarded during the year. Negative variances seen between budgeted and actual receipts are primarily due to less than anticipated volume in fee based programs and charges for services during the latter part of the year and reimbursement delays in local intergovernmental contracts. The favorable variance seen between the final budgeted disbursements and actual disbursements is the result of decreased reliance on general receipts for various grant programs and savings in staffing costs as several staff vacancies were left unfilled pending consolidation with the Akron Health District.

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 Heather Pierce, Director of Administrative Services, Summit County General Health District, 1100 Graham Road Circle, Stow, Ohio 44224.

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Summit County Combined General Health District

Statement of Net Assets - Modified Cash Basis

December 31, 2010

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 3,172,531</u>
Liabilities	
Fiscal Agent Payable	<u>2,926</u>
Net Assets	
Restricted for:	
Other Purposes	630,698
Unrestricted	<u>2,538,907</u>
Total Net Assets	<u>\$ 3,169,605</u>

See accompanying notes to the basic financial statements

Summit County Combined General Health District

Statement of Activities - Modified Cash Basis

For the Year Ended December 31, 2010

	<u>Program Cash Receipts</u>		Net (Disbursements) Receipts and Changes in Net Assets
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
			<u>Total Governmental Activities</u>
Governmental Activities			
Public Health Services	<u>\$ 9,444,594</u>	<u>\$ 3,047,829</u>	<u>\$ 4,653,257</u>
			<u>\$ (1,743,508)</u>
General Receipts			
Property Taxes			3,128,607
State Subsidy			52,376
Miscellaneous			<u>31,087</u>
Total General Receipts			<u>3,212,070</u>
Change in Net Assets			1,468,562
<i>Net Assets Beginning of Year</i>			<u>1,701,043</u>
<i>Net Assets End of Year</i>			<u>\$ 3,169,605</u>

See accompanying notes to the basic financial statements

Summit County Combined General Health District
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General	Women, Infants and Children	Child and Family Health Services	Quality of Life	Medical Reserve Corp	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 2,091,956	\$ 378,401	\$ 7,228	\$ 38,963	\$ 875	\$ 655,108	\$ 3,172,531
Interfund Receivable	446,951	-	-	-	-	-	446,951
<i>Total Assets</i>	<u>\$ 2,538,907</u>	<u>\$ 378,401</u>	<u>\$ 7,228</u>	<u>\$ 38,963</u>	<u>\$ 875</u>	<u>\$ 655,108</u>	<u>\$ 3,619,482</u>
Liabilities							
Fiscal Agent Payable	-	-	-	-	-	2,926	2,926
Interfund Payable	-	112,101	58,000	75,000	54,000	147,850	446,951
	<u>\$ -</u>	<u>\$ 112,101</u>	<u>\$ 58,000</u>	<u>\$ 75,000</u>	<u>\$ 54,000</u>	<u>\$ 150,776</u>	<u>\$ 449,877</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	9,356	-	-	-	-	-	9,356
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	2,529,551	-	-	-	-	-	2,529,551
Special Revenue Funds	-	266,300	(50,772)	(36,037)	(53,125)	504,332	630,698
<i>Total Fund Balances</i>	<u>2,538,907</u>	<u>266,300</u>	<u>(50,772)</u>	<u>(36,037)</u>	<u>(53,125)</u>	<u>504,332</u>	<u>3,169,605</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 2,538,907</u>	<u>\$ 378,401</u>	<u>\$ 7,228</u>	<u>\$ 38,963</u>	<u>\$ 875</u>	<u>\$ 655,108</u>	<u>\$ 3,619,482</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
Governmental Funds
For the Year Ended December 31, 2010

	General	Women, Infants and Children	Child and Family Health	Quality of Life	Medical Reserve Corp	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 3,128,607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,128,607
Charges for Services	1,498,699	-	-	-	-	132,484	1,631,183
Licenses, Permits and Fees	1,455,888	-	-	-	-	1,764	1,457,652
Intergovernmental	62,376	1,388,040	336,228	146,649	48,019	2,589,644	4,570,956
Other	124,758	-	-	-	-	-	124,758
<i>Total Receipts</i>	<u>6,270,328</u>	<u>1,388,040</u>	<u>336,228</u>	<u>146,649</u>	<u>48,019</u>	<u>2,723,892</u>	<u>10,913,156</u>
Disbursements							
Public Health Services	6,017,374	960,032	464,783	133,053	53,125	1,816,227	9,444,594
<i>Total Disbursements</i>	<u>6,017,374</u>	<u>960,032</u>	<u>464,783</u>	<u>133,053</u>	<u>53,125</u>	<u>1,816,227</u>	<u>9,444,594</u>
<i>Net Change in Fund Balances</i>	252,954	428,008	(128,555)	13,596	(5,106)	907,665	1,468,562
<i>Fund Balances Beginning of Year</i>	<u>2,285,953</u>	<u>(161,708)</u>	<u>77,783</u>	<u>(49,633)</u>	<u>(48,019)</u>	<u>(403,333)</u>	<u>1,701,043</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,538,907</u>	<u>\$ 266,300</u>	<u>\$ (50,772)</u>	<u>\$ (36,037)</u>	<u>\$ (53,125)</u>	<u>\$ 504,332</u>	<u>\$ 3,169,605</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, 2010

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 3,094,875	\$ 3,094,875	\$ 3,128,607	\$ 33,732
Charges for Services	1,581,381	1,586,381	1,498,699	(87,682)
Licenses, Permits and Fees	1,778,400	1,778,400	1,455,888	(322,512)
Intergovernmental	100,500	160,300	62,376	(97,924)
Other	10,200	10,200	124,758	114,558
<i>Total receipts</i>	<u>6,565,356</u>	<u>6,630,156</u>	<u>6,270,328</u>	<u>(359,828)</u>
Disbursements				
Current:				
Public Health Services	<u>6,577,373</u>	<u>7,075,002</u>	<u>6,026,730</u>	<u>1,048,272</u>
<i>Total Disbursements</i>	<u>6,577,373</u>	<u>7,075,002</u>	<u>6,026,730</u>	<u>1,048,272</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(12,017)</u>	<u>(444,846)</u>	<u>243,598</u>	<u>688,444</u>
Other Financing Sources (Uses)				
Advances In	0	944,846	944,846	0
Advances Out	<u>0</u>	<u>(500,000)</u>	<u>(446,951)</u>	<u>53,049</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>444,846</u>	<u>497,895</u>	<u>53,049</u>
<i>Net Change in Fund Balance</i>	(12,017)	0	741,493	741,493
<i>Fund Balance Beginning of Year</i>	1,329,090	1,329,090	1,329,090	0
Prior Year Encumbrances Appropriated	<u>12,017</u>	<u>12,017</u>	<u>12,017</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,329,090</u>	<u>\$ 1,341,107</u>	<u>\$ 2,082,600</u>	<u>\$ 741,493</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, 2010

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 606,703	\$ 3,494,328	\$ 1,388,040	\$ (2,106,288)
<i>Total receipts</i>	<u>606,703</u>	<u>3,494,328</u>	<u>1,388,040</u>	<u>(2,106,288)</u>
Disbursements				
Current:				
Public Health Services	444,995	3,332,620	960,032	2,372,588
<i>Total Disbursements</i>	<u>444,995</u>	<u>3,332,620</u>	<u>960,032</u>	<u>2,372,588</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>161,708</u>	<u>161,708</u>	<u>428,008</u>	<u>266,300</u>
Other Financing Sources (Uses)				
Advances In	0	0	112,101	112,101
Advances Out	(163,369)	(163,369)	(163,369)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(163,369)</u>	<u>(163,369)</u>	<u>(51,268)</u>	<u>112,101</u>
<i>Net Change in Fund Balance</i>	(1,661)	(1,661)	376,740	378,401
<i>Fund Balance Beginning of Year</i>	1,661	1,661	1,661	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 378,401</u>	<u>\$ 378,401</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
Child and Family Health Services Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 224,152	\$ 672,456	\$ 336,228	\$ (336,228)
<i>Total receipts</i>	<u>224,152</u>	<u>672,456</u>	<u>336,228</u>	<u>(336,228)</u>
Disbursements				
Current:				
Public Health Services	<u>301,935</u>	<u>750,239</u>	<u>464,783</u>	<u>285,456</u>
<i>Total Disbursements</i>	<u>301,935</u>	<u>750,239</u>	<u>464,783</u>	<u>285,456</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(77,783)</u>	<u>(77,783)</u>	<u>(128,555)</u>	<u>(50,772)</u>
Other Financing Sources (Uses)				
Advances In	<u>0</u>	<u>0</u>	<u>58,000</u>	<u>58,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>58,000</u>	<u>58,000</u>
<i>Net Change in Fund Balance</i>	(77,783)	(77,783)	(70,555)	7,228
<i>Fund Balance Beginning of Year</i>	77,783	77,783	77,783	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,228</u>	<u>\$ 7,228</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
Quality of Life Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 191,231	\$ 191,231	\$ 146,649	\$ (44,582)
<i>Total receipts</i>	<u>191,231</u>	<u>191,231</u>	<u>146,649</u>	<u>(44,582)</u>
Disbursements				
Current:				
Public Health Services	141,598	141,598	133,053	8,545
<i>Total Disbursements</i>	<u>141,598</u>	<u>141,598</u>	<u>133,053</u>	<u>8,545</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>49,633</u>	<u>49,633</u>	<u>13,596</u>	<u>(36,037)</u>
Other Financing Sources (Uses)				
Advances In	0	0	75,000	75,000
Advances Out	<u>(120,550)</u>	<u>(120,550)</u>	<u>(120,550)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(120,550)</u>	<u>(120,550)</u>	<u>(45,550)</u>	<u>75,000</u>
<i>Net Change in Fund Balance</i>	(70,917)	(70,917)	(31,954)	38,963
<i>Fund Balance Beginning of Year</i>	70,917	70,917	70,917	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 38,963</u>	<u>\$ 38,963</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
Medical Reserve Corp
For the Year Ended December 31, 2010

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 56,293	\$ 56,293	\$ 48,019	\$ (8,274)
<i>Total receipts</i>	<u>56,293</u>	<u>56,293</u>	<u>48,019</u>	<u>(8,274)</u>
Disbursements				
Current:				
Public Health Services	56,774	56,774	53,125	3,649
<i>Total Disbursements</i>	<u>56,774</u>	<u>56,774</u>	<u>53,125</u>	<u>3,649</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(481)</u>	<u>(481)</u>	<u>(5,106)</u>	<u>(4,625)</u>
Other Financing Sources (Uses)				
Advances In	0	0	54,000	54,000
Advances Out	0	0	(48,500)	(48,500)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>5,500</u>	<u>5,500</u>
<i>Net Change in Fund Balance</i>	(481)	(481)	394	875
<i>Fund Balance Beginning of Year</i>	481	481	481	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 875</u>	<u>\$ 875</u>

See accompanying notes to the basic financial statements

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Summit County General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 1 – Reporting 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 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.

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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. 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 assets 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 assets 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 nonexchange 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 assets 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 General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

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. Nonmajor 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.

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.

Quality of Life Fund – This fund receives proceeds from a local grant aimed at improving the quality of life for Summit County residents based on local indicator data.

Medical Reserve Corp Fund – This fund receives proceeds from a federal grant for public health emergency response planning.

Summit County General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

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, except agency 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 revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the 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, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried

Summit County General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

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

The Summit County Fiscal Officer is the custodian for the Health District's cash and investments. 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.

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 assets.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Health District's modified cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Summit County General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

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 a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are 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 assets restricted for other purposes primarily include proceeds from state and federal grants that are to be used for the specific purposes outlined by the grantor. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

N. Fund Balance Reserves

The Health District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

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 funds and after nonoperating receipts/cash disbursements in proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - 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 (are) outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of 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).

Summit County General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 3 - Budgetary Basis of Accounting (continued)

	<u>General Fund</u>	<u>Women Infants and Children</u>	<u>Child and Family Health</u>	<u>Quality Of Life</u>	<u>Medical Reserve Corp</u>
Budgetary Basis	\$ 2,082,600	\$ 378,401	\$ 7,228	\$ 38,963	\$ 875
Net Adjustment Revenue Accruals	446,951				
Net Adjustment Expenditure Accruals		(112,101)	(58,000)	(75,000)	(54,000)
Net Adjustment for Encumbrances	9,356				
GAAP Basis	<u>\$ 2,538,907</u>	<u>\$ 266,300</u>	<u>\$ (50,772)</u>	<u>\$ (36,037)</u>	<u>\$ (53,125)</u>

Note 4 – Accountability

A. Deficit Fund Balances

Fund Balances at December 31, 2010 included the following individual fund deficits:

<u>Fund</u>	<u>Deficit</u>
Major Governmental Funds:	
Child and Family Health Services	\$ (50,772)
Quality of Life	(36,037)
Medical Reserve Corp	<u>(53,125)</u>
Other Governmental Funds:	
Immunization Action Plan	(13,123)
Cardiovascular Health	(14,926)
Access to Care-Medication Assistance	(355)
Pandemic Flu-Tier II	(200)
Komen	(5,637)
Robert Woods Johnson	(2,251)
Access to Care BioInnovations	(29,874)
Citizens Corp	(6,650)
Metropolitan Medical Response System (MMRS)	(38,300)
Access to Care Federal	<u>(5,570)</u>
Total	<u>\$ (256,820)</u>

The fund deficits in the above funds resulted from interfund liabilities due to timing issues with the reimbursement of expenses for various grant programs. The general fund is liable for the deficits in these funds and will provide operating advances when cash is required, not when the liability occurs.

Summit County General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 5 - 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 2010 represent the collection of 2009 taxes. Real property taxes received in 2010 were levied after October 1, 2009, on the assessed values as of January 1, 2009, 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.

Public utility personal property tax received in 2010 represent the collection of 2009 taxes. Public utility tangible personal property taxes received in 2010 became a lien on December 31, 2008, were levied after October 1, 2009, and are collected in 2011 with real property taxes. Public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2010 (other than public utility property) represent the collection of 2010 taxes. Tangible personal property taxes received in 2010 were levied after October 1, 2009, on the true value as of December 31, 2008. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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, 2010, was \$.341314 per \$1,000 of assessed value. The total assessed value upon which 2010 property tax receipts were based was \$9,067,519,049.

Note 6 - Interfund Receivables/Payables

Interfund balances at December 31, 2010, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Women, Infants and Children Fund	\$112,101
Child and Family Health Services Fund	58,000
Quality of Life Fund	75,000
Medical Reserve Corp Fund	54,000
Other Governmental Funds	<u>147,850</u>
Total General Fund	<u>\$446,951</u>

Summit County General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 6 - Interfund Receivables/Payables (continued)

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 7 - Risk Management

Risk Pool Membership

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. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP is a member of a reinsurance pool known as American Public Entities Excess Pool (APEEP). Members of PEP may receive limits of liability up to \$3,000,000 for claims resulting from general, automobile, police, professional or public official's liability. Of this amount, PEP is responsible for the first \$350,000 of the claim payment and expense. Amounts exceeding that are paid by APEEP up to \$2,650,000 in any one loss. Individual arrangements are made with General Reinsurance Corporation, an internationally recognized reinsurer, for Members who require coverage limits in excess of \$3,000,000.

Property Coverage

Property and automobile physical damage losses in excess of \$150,000 are reinsured through APEEP and Traveler's Insurance Company. Limits to \$600,000,000 are available for loss in any one occurrence.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective local 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 (the latest information available):

<u>Public Entities Pool of Ohio</u>	<u>2009</u>	<u>2008</u>
Assets	\$36,374,898	\$35,769,535
Liabilities	<u>(15,256,862)</u>	<u>(15,310,206)</u>
Net Assets-Unrestricted	<u>\$21,118,036</u>	<u>\$20,459,329</u>

Summit County General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Health District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

For the year ended December 31, 2010, members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10 percent of their annual covered salary to fund pension obligations. The Health District's contribution rate for pension benefits for 2010 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Health District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008, were \$390,520, \$369,572, and \$309,919, respectively. The full amount has been contributed for 2010, 2009 and 2008.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-employment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Pension or Combined Plans. Health care coverage for disability recipients and qualified survivor recipients is available. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pension". A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care based on authority granted by State statute. The 2010 employer contribution rate was 14 percent of covered payroll. The portion of employer contributions allocated to health care was 5.5 percent from January - February 2010 and 5 percent from March-December 2010.

Summit County General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 9 - Postemployment Benefits (continued)

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Service Code 401(h).

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September, 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Note 10 – Leases

The Health District entered into a lease for copier equipment for a grant project in December 2009 under a five year capital lease. Monthly payments of \$131 began, December, 2009 and will continue through November, 2014. The Health District disbursed a total of \$1,572 to for this lease for the year ended December 31, 2010. Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$1,572
2012	\$1,572
2013	\$1,572
2014	\$1,441

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 2010 were \$66,396.

Note 11– Contingent Liabilities

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

**FEDERAL AWARDS RECEIPTS AND DISBURSEMENTS SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	Federal CFDA Number	Federal Receipts	Federal Disbursements
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through the City of Akron</i>				
Special Supplemental Nutrition Program for Women, Infants and Children	FY0993719	10.557	\$38,369	-
Special Supplemental Nutrition Program for Women, Infants and Children	FY1093710	10.557	562,299	\$551,061
<i>Passed through the Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants and Children	07710011WA0111	10.557	787,372	408,971
Total Special Supplemental Nutrition Program for Women, Infants and Children			1,388,040	960,032
Total U.S. Department of Agriculture			1,388,040	960,032
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Emergency Management Agency</i>				
Homeland Security Grant Program- Citizens Corp	FY1096080	97.067	-	6,650
<i>Passed through the County of Summit</i>				
Metropolitan Medical Response System	FY1096090	97.067	-	38,300
Total U.S. Department of Homeland Security			-	44,950
Total U.S. Department of Homeland Security			-	44,950
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through the Ohio Department of Health</i>				
Health Promotion Block Grant-Cardiovascular Health	07710014CH0209	93.991	9,929	3,890
Health Promotion Block Grant-Creating Healthy Communities	07710014CC0110	93.991	74,959	89,886
Total Health Promotion Block Grant			84,888	93,776
<i>Passed through the Ohio Department of Health</i>				
Child and Family Health Services Block Grant	07710011MC0310	93.994	224,152	301,935
Child and Family Health Services Block Grant	07710011MC0411	93.994	112,076	162,848
Child and Family Health Services Block Grant-Dental Sealant	07710011DS0209	93.994	6,291	635
Child and Family Health Services Block Grant-Dental Sealant	07710011DS0310	93.994	51,500	51,476
<i>Passed through Akron Children's Hospital Medical Center of Akron</i>				
Child and Family Health Services Block Grant-Perinatal	FY1093601	93.994	5,500	5,444
Total Child and Family Health Services Block Grant			399,519	522,338
<i>Passed through the Ohio Department of Health</i>				
Immunization Grants Cluster:				
Immunization Action Plan	07710012IM0109	93.268	39,498	28,355
Immunization Action Plan	07710012IM0310	93.268	147,737	158,231
ARRA Peer Advocate	07710012IA0111	93.712	50,000	38,128
Total Immunization Action Plan Grants Cluster			237,235	224,714
<i>Passed through the Ohio Department of Health</i>				
Breast and Cervical Cancer Prevention	07710014BC0310	93.283	77,836	72,533
Breast and Cervical Cancer Prevention	07710014BC0411	93.283	93,631	77,155
Total Bureau of Prevention			171,467	149,688
<i>Passed through the Ohio Department of Health</i>				
Public Health Infrastructure (Regional Grant)	0771012PH0110	93.069	42,874	57,030
Public Health Emergency Preparedness Grant	07710012PH0211	93.069	216,532	101,191
<i>Passed Through City of Akron</i>				
Public Health Emergency Preparedness Grant	FY1093950	93.069	174,111	119,633
Public Health Emergency Response	FY1096050	93.069	295,506	117,844
Public Health Emergency Response -Phase III	FY1096070	93.069	423,177	197,085
<i>Passed through Akron Regional Hospital Association</i>				
Pandemic Influenza Tier II	FY1095010	93.069	18,000	18,000
Pandemic Influenza Tier II	FY1195011	93.069	-	167
<i>Passed through Summit County Emergency Management Agency</i>				
Medical Reserve Corp	FY0996049	93.069	48,019	53,125
Total Emergency Preparedness			1,218,219	664,075
<i>Passed through Area Agency on Aging</i>				
Title III B - Aging Outreach	FY1096020	93.044	6,750	8,100
<i>Passed through Summit County Healthy Connections Network</i>				
Mandated Health Care Projects-Access to Care	FY1196131	93.888	22,762	28,332
<i>Passed through Summit County Department of Jobs and Family Services</i>				
Temporary Assistance to Needy Families-PRC	FY1196141	93.558	25,000	-
Total U.S. Department of Health and Human Services			2,165,840	1,691,023
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<i>Passed Through the Ohio Environmental Protection Agency</i>				
Air Pollution Control Program-Air Quality	FY1193791	66.001	200,012	-
Total U.S. Environmental Protection Agency			200,012	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$3,753,892	\$2,696,005

The note to the Federal Awards Receipts and Disbursements Schedule is an integral part of this Schedule

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
NOTES TO THE FEDERAL AWARDS RECEIPTS AND DISBURSEMENTS SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2010**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Disbursements Schedule (the Schedule) 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.

NOTE B: FEDERAL GRANTS COMINGLED WITH STATE GRANTS

Cash receipts from the U.S. Department of Health and Human Services are commingled with State grants for the Immunization Action Plan and the Breast and Cervical Cancer Prevention Grant. The Health District has determined the percentage of federal dollars, in which, constitute the overall grant awards. The Health District has applied these percentages to the Schedule to reflect the federal portion of expenditures disbursed during the fiscal period.

NOTE C: SUBRECIPIENTS

Of the federal disbursements presented in the Schedule, the Health District provided federal awards to sub recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Special Supplemental Nutrition Program	10.557	\$ 155,161
Child and Family Health Services Block Grant	93.994	291,746
Immunization Action Plan	93.268	<u>68,471</u>
		<u><u>\$ 515,378</u></u>



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

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

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County General Health District, Summit County, (the Health District) as of and for the year ended December 31, 2010, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated June 30, 2011, wherein we noted the Council uses a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the 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, providing an opinion 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*.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 30, 2011



Dave Yost • Auditor of State

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

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

To the Board of Health:

Compliance

We have audited the compliance of Summit County General Health District, Summit County, (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 apply to its major federal program for the year ended December 31, 2010. The summary of auditor's results section of the accompanying Schedule of Findings identifies the Health District's major federal program. The Health District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Health District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Health District's compliance with those requirements.

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

Internal Control Over Compliance

The Health District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Health District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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 compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 30, 2011

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants and Children CFDA #10.557 Immunization Grant Cluster CFDA #93.268 and #93.712
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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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
AUGUST 2, 2011**