

SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT

SUMMIT COUNTY

Single Audit

For the Year Ended December 31, 2019



OHIO AUDITOR OF STATE
KEITH FABER



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Board of Health
Summit County Combined General Health District
1867 Market Street
Akron, Ohio 44322

We have reviewed the *Independent Auditor's Report* of the Summit County Combined General Health District, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The Auditor of State is conducting an investigation. As of the date of this report, the investigation is ongoing. Dependent on the results of the investigation, results may be reported on a later date.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Summit County Combined General Health District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 14, 2020

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SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT
SUMMIT COUNTY
For the Year Ending December 31, 2019
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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Summit County Combined General Health District
Summit County
1867 Market Street
Akron, Ohio 44322

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County Combined General Health District, Summit County, Ohio (the Health District), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Health District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit County Combined General Health District, Summit County, Ohio, as of December 31, 2019, and the respective changes in modified cash basis financial position and the respective budgetary comparison for the General and Alzheimers' Disease funds thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the Health District had a restatement in its fund balances due to revenues that were applied to the General Fund that were intended for the ADM Counseling Special Revenue Fund. We did not modify our opinion regarding this matter.

As discussed in Note 17 to the financial statements, the financial impact of COVID-19 and ensuring emergency measures will impact subsequent periods of the Health District. We did not modify our opinion regarding this matter.

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Summit County Combined General Health District, Summit County, Ohio's basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

The management's discussion and analysis on pages 4-9, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2020, on our consideration of the Summit County Combined General 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. The purpose of that report is solely 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 effectiveness of the Health District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.

June 19, 2020

Summit County Combined General Health District

Management's Discussion and Analysis

For the Year Ended December 31, 2019

Unaudited

The discussion and analysis of the Summit County Combined General Health District's (the Health District's) financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2019, 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 2019 are as follows:

- Net Position of the Health District at the close of the year ended December 31, 2019 was \$10,819,694.
- The Health District's total net position increased \$354,190. This increase is mainly attributable to a net increase in receipts from charges for services and licenses, permits and fees and an offset of increases in disbursements for public health services.
- Excluding extraordinary items, program specific receipts in the form of charges for services and operating grants and contributions comprise 84 percent of the Health District's receipts. General receipts in the form of property taxes and unrestricted grants make up the other 16 percent.
- The Health District had \$25.9 million in expenses related to governmental activities in 2019; only \$21.0 million of these expenses were offset by program specific charges and operating grants and contributions. General Revenues (primarily taxes) of \$5.3 million together with assets on hand at the beginning of the year were adequate to provide for these programs.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$8.5 million or 62 percent of total General Fund expenditures.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Health District's modified cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Health District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a modified cash basis of accounting.

The Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis provide information about the activities of the whole Health District, presenting both an aggregate view of the Health District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health District as

Summit County Combined General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Health District has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Health District's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the Health District as a Whole

The Statement of Net Position and the Statement of Activities reflect how the Health District did financially during 2019, within the limitations of the modified cash basis of accounting. The Statement of Net Position – Modified Cash Basis presents the cash balances of the governmental activities of the Health District at year end. The Statement of Activities – Modified Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

These statements report the Health District's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Health District's financial health. Over time, increases or decreases in the Health District's cash position is one indicator of whether the Health District's financial health is improving or deteriorating. When evaluating the Health District's financial condition, you should also consider other nonfinancial factors as well, such as the Health District's property tax base, the condition of the Health District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

In the Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis, the Health District's major funds are reported. Charges for services and state and federal grants finance most of these activities. To a significant extent, benefits provided through the governmental activities are being paid for by the people receiving them.

Summit County Combined General Health District
 Management's Discussion and Analysis
 For the Year Ended December 31, 2019
 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 and the Alzheimer's Disease Fund.

The Health District as a Whole

Table 1 provides a summary of the Health District's net position for 2019 compared to 2018 on a modified cash basis:

Table 1: Net Position – Modified Cash Basis

	Governmental Activities	
	2019	2018
		(restated)
Assets		
Equity in Pooled Cash and Cash Equivalents	\$10,816,915	\$10,461,961
<i>Total Assets</i>	<u>\$10,816,915</u>	<u>\$10,461,961</u>
Liabilities		
Fiscal Agent Payable	764	0
Net Position		
Restricted for Other Purposes	2,833,660	3,558,967
Unrestricted	7,982,491	6,902,994
<i>Total Net Position</i>	<u>10,816,151</u>	<u>10,461,961</u>
Total Net Position and Liabilities	<u>\$10,816,915</u>	<u>\$10,461,961</u>

Summit County Combined General Health District

Management's Discussion and Analysis

For the Year Ended December 31, 2019

Unaudited

As mentioned previously, net position increased \$354,190. This increase is mainly attributable to a net increase in receipts from charges for services and licenses, permits and fees and an offset of increases in disbursements for public health services. Table 2 reflects the changes in net position in 2019.

Table 2: Changes in Net Positions

	<u>Governmental Activities</u>	
	2019	<u>2018</u>
Receipts		
Program Cash Receipts		
Charges for Services	\$ 5,684,522	\$ 5,584,849
Operating Grants and Contributions	15,306,275	15,109,103
Total Program Cash Receipts	<u>20,990,797</u>	<u>20,693,952</u>
General Receipts		
Property Taxes	3,230,675	3,230,675
State Subsidy	226,544	271,841
Miscellaneous	434,923	310,507
Sale of Capital Asset	1,414,837	0
Total General Receipts	<u>5,306,979</u>	<u>3,813,023</u>
Total Receipts	<u>26,297,776</u>	<u>24,506,975</u>
Disbursements		
Public Health Services	24,174,748	22,116,239
Debt Service	1,768,838	911,586
Total Disbursements	<u>25,943,586</u>	<u>23,027,825</u>
Increase / (Decrease) in Net Position	354,190	1,479,150
Net Position January 1	<u>10,461,961</u>	<u>8,982,811</u>
Net Position December 31	<u>\$ 10,816,151</u>	<u>\$ 10,461,961</u>

In 2019, 20 percent of the Health District's total receipts were from general receipts, consisting mainly of property taxes. Program receipts accounted for 80 percent of the Health District's total receipts in year 2019. 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

Summit County Combined General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

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 below, in Table 3.

Table 3: Governmental Activities

	Total Cost of Services 2019	Net Cost of Services 2019
Public Health Services	\$ 24,174,748	\$ (3,183,951)
Debt Service	1,768,838	(1,768,838)
Total Governmental Activities	\$ 25,943,586	\$ (4,952,789)

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

The Health District's Funds

The sum of governmental funds had total receipts of \$24,882,939 and total disbursements of \$25,943,586. These governmental funds increased cash balances by \$354,190 in 2019.

The fund balance of the General Fund increased from \$8,766,144 to \$10,023,269 at year-end. This increase is due primarily to an increase in license, permit and fees receipts and Intergovernmental receipts from new funding sources as well as the offset of the proceeds from the sale of one of our facilities that was used towards principal retirement payments.

The Alzheimer's Disease Fund was a new program to the Health District in 2019 and therefore the negative fund balance of \$(15,764) can be attributed to the timing of expenditures and reimbursements. The Grant operates in a fiscal year other than January through December 2019.

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 2019, the Health District amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts. The overall decrease between the original budgeted and the actual receipts is due to a reduction of the estimated revenues for local grants and fees for services received during the year.

Summit County Combined General Health District
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The decrease of actual disbursements from the final budgeted amount is the result of a reduction in costs associated with public health services.

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 Angela Burgess, Fiscal Officer, Summit County Combined General Health District, 1867 West Market Street, Akron, Ohio 44313.

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Summit County Combined General Health District
Statement of Net Position - Modified Cash Basis
December 31, 2019

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 10,816,915
<i>Total Assets</i>	10,816,915
 Liabilities	
Fiscal Agent Payable	764
 Net Position	
Restricted for Other Purposes	2,833,660
Unrestricted	7,982,491
<i>Total Net Position</i>	10,816,151
 Total Net Position and Liabilities	 \$ 10,816,915

See accompanying notes to the basic financial statements

Summit County Combined General Health District
Statement of Activities - Modified Cash Basis
 December 31, 2019

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities				
Current:				
Health:				
Public Health Services	\$ 24,174,748	\$ 5,684,522	\$ 15,306,275	\$ (3,183,951)
Debt Service:				
Principal Retirement	1,734,870			(1,734,870)
Interest and Fiscal Charges	33,968	-	-	(33,968)
Total Governmental Activities	<u>\$ 25,943,586</u>	<u>\$ 5,684,522</u>	<u>\$ 15,306,275</u>	<u>\$ (4,952,789)</u>
General Receipts				
Property Taxes				3,230,675
State Subsidy				226,544
Miscellaneous				434,923
Sale of Capital Asset - Note 14				1,414,837
Total General Receipts				<u>5,306,979</u>
Change in Net Position				354,190
<i>Net Position Beginning of Year</i>				<u>10,461,961</u>
<i>Net Position End of Year</i>				<u>\$ 10,816,151</u>

See accompanying notes to the basic financial statements

Summit County Combined General Health District
Statement of Modified Cash Basis Assets and Fund Balances
 December 31, 2019

	General	Alzheimers Disease	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 7,601,986	\$ -	\$ 3,214,929	\$ 10,816,915
Interfund Receivable	2,421,283	-	-	2,421,283
<i>Total Assets</i>	<u>\$ 10,023,269</u>	<u>\$ -</u>	<u>\$ 3,214,929</u>	<u>\$ 13,238,198</u>
Liabilities				
Fiscal Agent Payable	-	764	-	764
Interfund Payable	-	15,000	2,406,283	2,421,283
	<u>\$ -</u>	<u>\$ 15,764</u>	<u>\$ 2,406,283</u>	<u>\$ 2,422,047</u>
Fund Balances				
Restricted	-	-	2,833,660	2,833,660
Assigned	1,569,590	-	-	1,569,590
Unassigned	8,453,679	(15,764)	(2,025,014)	6,412,901
<i>Total Fund Balances</i>	<u>10,023,269</u>	<u>(15,764)</u>	<u>808,646</u>	<u>10,816,151</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 10,023,269</u>	<u>\$ -</u>	<u>\$ 3,214,929</u>	<u>\$ 13,238,198</u>

See accompanying notes to the basic financial statements

Summit County Combined General Health District
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances
For the Year Ended December 31, 2019

	General	Alzheimers Disease	Other Governmental Funds	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$ 3,230,675	\$ -	\$ -	\$ 3,230,675
Charges for Services	1,590,744	-	307,300	1,898,044
Licenses, Permits and Fees	3,542,437	-	193,159	3,735,596
Intergovernmental	4,776,733	-	10,852,877	15,629,610
Other	355,848	-	33,166	389,014
<i>Total Receipts</i>	13,496,437	-	11,386,502	24,882,939
Disbursements				
Current:				
Public Health Services	11,885,310	15,764	12,273,675	24,174,749
Debt Service				
Principal Retirement	1,734,870	-	-	1,734,870
Interest and Fiscal Charges	33,968	-	-	33,968
<i>Total Disbursements</i>	13,654,148	15,764	12,273,675	25,943,586
<i>Excess of Receipts Over (Under) Disbursements</i>	(157,711)	(15,764)	(887,173)	(1,060,647)
Other Financing Sources				
Sale of Capital Asset - Note 14	1,414,837	-	-	1,414,837
<i>Total Other Financing Sources (Uses)</i>	1,414,837	-	-	1,414,837
<i>Net Change in Fund Balances</i>	1,257,126	(15,764)	(887,173)	354,190
<i>Fund Balances Beginning of Year (Restated, Note 3)</i>	8,766,144	-	1,695,817	10,461,961
<i>Fund Balances End of Year</i>	<u>\$ 10,023,269</u>	<u>\$ (15,764)</u>	<u>\$ 808,646</u>	<u>\$ 10,816,151</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$3,230,675	\$3,230,675	\$3,230,675	\$ -
Charges for Services	1,100,000	1,170,296	1,590,744	420,448
Licenses, Permits and Fees	3,920,000	3,920,000	3,542,437	(377,563)
Intergovernmental	4,139,344	4,139,344	4,776,733	637,389
Other	285,200	285,914	355,848	69,934
<i>Total receipts</i>	<u>\$12,675,219</u>	<u>12,746,229</u>	<u>13,496,437</u>	<u>750,209</u>
Disbursements				
Current:				
Public Health Services	16,970,219	15,259,382	13,454,900	1,804,482
Debt Service:				
Principal Retirement		1,734,870	1,734,870	-
Interest and Fiscal Charges	405,000	33,968	33,968	-
<i>Total Disbursements</i>	<u>17,375,219</u>	<u>17,028,220</u>	<u>15,223,738</u>	<u>1,804,482</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,700,000)</u>	<u>(4,281,992)</u>	<u>(1,727,301)</u>	<u>2,554,691</u>
Other Financing Sources (Uses)				
Advances In	-	2,472,800	2,472,800	-
Advances Out	-	(2,472,800)	(2,421,283)	51,517
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>51,517</u>	<u>51,517</u>
Other Financing Sources				
Sale of Capital Asset - See Note 14	-	1,414,837	1,414,837	-
<i>Net Change in Fund Balance</i>	<u>(4,700,000)</u>	<u>(2,867,155)</u>	<u>(260,947)</u>	<u>2,606,208</u>
<i>Fund Balance Beginning of Year</i>	<u>6,157,137</u>	<u>6,157,137</u>	<u>6,157,137</u>	<u>-</u>
Prior Year Encumbrances Appropriated	153,566	153,566	153,566	-
<i>Fund Balance End of Year</i>	<u>\$ 1,610,703</u>	<u>\$ 3,443,548</u>	<u>\$ 6,049,756</u>	<u>\$ 2,606,208</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
 Alzheimer's Disease Program
 For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 319,470	\$ 319,470	\$ -	\$ (319,470)
<i>Total receipts</i>	319,470	319,470	-	(319,470)
Disbursements				
Current:				
Public Health Services	319,470	319,470	15,764	303,706
<i>Total Disbursements</i>	319,470	319,470	15,764	303,706
<i>Excess of Receipts Over (Under) Disbursements</i>	-	-	(15,764)	(15,764)
Other Financing Sources (Uses)				
Advances In	-	15,000	15,000	-
<i>Total Other Financing Sources (Uses)</i>	-	15,000	15,000	-
<i>Net Change in Fund Balance</i>	-	15,000	(764)	(15,764)
<i>Fund Balance Beginning of Year</i>	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ (764)</u>	<u>\$ (15,764)</u>

See accompanying notes to the basic financial statements

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Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Summit County Combined General Health District (the Health District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District' services include all public health services provided in the county.

Public Entity Risk Pools

The Health District participates in a public entity risk pool. Note 9 to the financial statements provides additional information for this entity.

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

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The Health District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The statement of net position presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health District is responsible.

Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Alzheimer's Disease Program Fund - This fund accounts for and reports federal grant monies restricted to the Alzheimer's Disease program for the purpose of expanding services within a home and community-based system to both targeted special populations as well as provide training at the community level.

Other Governmental Funds - The other governmental funds of the Health District account for and report grants and other resources whose use is restricted, committed or assigned to a particular purpose.

C. Basis of Accounting

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

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

D. Budgetary Process

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

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenues with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county Fiscal Officer cannot allocate property taxes from the municipalities and townships within the Health District if the filing has not been made.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health District must adopt an itemized appropriation measure. The appropriation measure, and an itemized estimate of revenues to be collected during the next fiscal year, is certified by the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications are certified by approval of the county budget commission.

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

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

E. Cash and Investments / Fiscal Agent Payable

The Summit County Fiscal Officer is the custodian for the Health District's cash and investments. The Health District utilizes a financial institution to service bonded debt as principal and interest payments come due. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Fiscal Officer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County by contacting Christina Balliet, Deputy Fiscal Officer of Finance, County of Summit, 175 South Main Street, 44308-1306, (330) 643-2674.

Amounts at year-end due to the County are recorded as Fiscal Agent Payable.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

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.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

The fund financial statements report outstanding interfund loans as “interfund receivables/payables.” Interfund loans which do not represent available expendable resources are classified as nonspendable fund balance. Interfund balances are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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 Note 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Health District’s modified cash basis financial statements do not report liabilities for long-term obligations. Proceeds of loans are reported as cash when received and principal and interest are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Position

Net Position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for federal, state and local grants.

The Health District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

N. Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Health Board or a Health District official delegated that authority by resolution or by State Statute. The Health District may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget in the General Fund.

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

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

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

O. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

Note 3 – Restatement of Prior Year’s Fund Balances

The following is a restatement to December 31, 2018 fund balances:

	General	Other Governmental Funds
Fund Balance, December 31, 2018	\$8,783,504	\$786,949
Restatement:		
Reassignment of ADM Counseling revenues	(17,360)	17,360
Fund Balance, December 31, 2018, Restated	\$8,766,144	\$804,309

In 2018, revenues were applied to the General Fund that were intended for the ADM Counseling special revenue fund. Revenues totaling \$17,360 were reported within Charges for Services in the General Fund total receipts for 2018. In 2019, a transfer was completed and 2018 General Fund and Other Governmental Funds balances are restated to include this correction.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Accountability and Compliance

Accountability

Fund Balances at December 31, 2019 included the following individual fund deficits:

<u>Fund</u>	<u>Deficit</u>
Major Governmental Funds:	
Alzheimer’s Disease Program	\$ (15,764)
	(15,764)
Other Governmental Funds:	
HMG Part C FY20	\$(222,373)
Get Vaccinated Ohio FY20	(30,878)
WIC FY20	(395,948)
Creating Healthy Communities FY19	(48,360)
Maternal & Child Health FY20	(4,525)
Moms & Babies First FY20	(1,173)
Quality of Life FY19	(83,205)
Moms Quit for Two FY20	(13,090)
Ohio Equity Institute FY20	(31,866)
PHEP FY20	(101,259)
Regional PHEP FY20	(19,964)
HIV Prevention FY19	(149,125)
STI FY19	(16,423)
HealthChek Data FY20	(8,621)
HIV CBI FY20	(11,416)
HUD Lead FY19	(22,767)
HUD Heathy Homes FY19	(615)
ADM Counseling FY20	(210,285)
ADM Counseling FY19	(79,124)
Naloxone Program FY20	(3,503)
APS FY20	(6,382)
Integrated Naloxone FY21	(11,815)
Community MATS FY20	(69,587)
PDOP FY19	(440,645)
PDOP FY20	(33,057)
ADM MAT Expansion FY20	(9,009)
	\$(2,025,014)
Total	\$(2,020,778)

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

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 5 - 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 are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (*modified* cash basis).
2. Outstanding year end advances are treated as another financing source or use (budgetary basis) rather than as an interfund receivable or payable (*modified* cash basis).
3. Unreported interest is reported on the statement of modified receipts, disbursements, and changes in fund balances (cash basis), but not on the budgetary basis.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Alzheimer's Disease
Cash Basis	\$ 1,257,126	\$ (15,764)
Advances In	2,472,800	15,000
Advances Out	(2,421,283)	0
Encumbrances	(1,569,590)	0
Budget Basis	\$ (260,947)	\$ (764)

Note 6 - Deposits and Investments

As required by the Ohio Revised Code, the Summit County Fiscal Officer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Fiscal Officer's reported carrying amount.

Note 7 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Health District. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 - Property Taxes (continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2019, was \$0.333852 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

Real Property	\$ 9,825,418,270
Public Utility Personal Property	<u>280,434,550</u>
<i>Total</i>	<u>\$ 10,105,852,820</u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the County. The County Fiscal Officer periodically remits to the Health District its portion of the taxes collected.

Note 8 - Interfund Balances

Interfund balances at December 31, 2019, consisted of \$2,421,283 advanced to other governmental funds to provide working capital for operations or projects. The interfund receivables/payables are expected to be repaid within one year.

Interfund balances at December 31, 2019, consisted of the following fund receivables and payables:

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 8 - Interfund Balances (continued)

	Receivable	Payable
	Advance to Other Funds	Advance to Other Funds
Major Funds		
General Fund	\$2,421,283	
Alzheimer's Disease		\$15,000
Other Governmental Funds		
HMG Part C FY20		367,000
Get Vaccinated Ohio FY20		33,000
WIC FY20		405,000
Creating Healthy Communities FY20		53,000
Maternal & Child Health FY20		6,000
Moms & Babies First FY20		4,000
Quality of Life FY19		90,000
Air Quality EPA FY20		40,000
Moms Quit for Two FY20		14,000
Safe Routes to School FY19		14,283
Ohio Equity Institute FY20		33,000
Minority Health FY20		10,000
PHEP FY20		103,000
Regional PHEP FY20		20,000
HIV Prevention FY19		168,000
STI FY19		18,000
HealthChek FY20		21,000
HIV CBI FY20		29,000
HUD Lead FY19		25,000
HUD Healthy Homes FY19		1,000
ADM Counseling FY20		220,000
ADM Counseling FY19		90,000
Naloxone Clinic FY20		10,000
APS FY20		19,000
Integrated Naloxone FY20		13,000
MIECHV FY20		26,000
Community MATS FY20		70,000
Community MATS FY20		2,000
PDOP FY20		37,000
PDOP FY19		445,000
ADM MAT Expansion FY20		20,000
	\$2,421,283	\$2,421,283
Total Governmental Activities	\$2,421,283	\$2,421,283

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Risk Pool Membership

The Health District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Health District’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$14,705,917

During 2019, the Health District did not exceed the limits of its casualty and property policy.

During 2019, the Health District made significant changes to coverage from prior year by adding professional guardian coverage for a licensed attorney on staff. It did not have changes in its deductibles.

Note 10 - Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Health District employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 - Defined Benefit Pension Plans (continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 - Defined Benefit Pension Plans (continued)

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$1,519,725 for year 2019.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 11 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 11 – Postemployment Benefits (continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was unchanged at 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District’s contractually required contribution was \$0 for the year 2019.

Note 12 – Debt

Loans Payable

In 2014, a “Conduit Bank-Qualified Tax Exempt Bond” was issued by Summit County’s Development Finance Authority (DFA) for which the Health District was the borrower. A local bank is providing the loan to the DFA.

Principal and interest on the debt was paid out of the General fund, including a payment of \$1,400,000, obtained from proceeds on the sale of real property, on the principal in addition to those required of the debt schedule. The Health District’s long-term loan activity for the year ended December 31, 2019, was as follows:

	Interest Rate	Outstanding 12/31/2018	Issued	Retired	Outstanding	Principal Due Within One Year
Governmental Activities						
Loans Payable						
2013 Issue (Facility Renovation) (Original Amount \$5,000,000)	3.41%	\$ 1,834,602	\$ 0	\$ 1,734,870	\$ 99,732	\$ 99,732
Total Governmental Activities		<u>\$ 1,834,602</u>	<u>\$ 0</u>	<u>\$ 1,734,870</u>	<u>\$ 99,732</u>	<u>\$ 99,732</u>

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

Year	Loans	
	Principal	Interest
2020	\$ 99,732	\$ 879
	<u>\$ 99,732</u>	<u>\$ 879</u>

The loan was paid in full on March 9, 2020.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 12 – Debt (continued)

Leases

The Health District entered into a lease for copier equipment in October 2014 under a five year lease. Payments began in November 2014 and continued through October 2019. The Health District entered into a new lease for copier equipment in October of 2019 again under a five year lease. Payments began in November 2019 and will continue through October 2024. The Health District disbursed a total of \$34,133 for these leases for the year ended December 31, 2019. Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$64,524

Additionally, the Health District leases various buildings under operating leases for up to five years in length. The Health District disbursed \$130,412 to pay lease costs for the year ended December 31, 2019.

The future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$142,695
2021	116,278
2022	39,936
2023	25,628
2024	6,338
Total	<u><u>\$330,875</u></u>

Note 13 – Construction and Contractual Commitments

In 2019, the Health District entered into a contract with the Cavanaugh Building Corporation in an amount not to exceed \$1,447,000 for the purpose of completing storm and sanitary sewer improvements at the Fairway Center facility. As of December 31, 2019, no payments had been made against this contract although the full amount of these funds has been encumbered. The contracted work is expected to be completed and all payments will be made in full in fiscal year 2020.

Note 14 - Sale of Capital Asset

In 2019, the Health District received \$1,414,837 in proceeds from the sale of the 1100 Graham Road property. These proceeds were applied to the principal balance due on the Fairway facility loan payable.

Summit County Combined General Health District
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 15 – Contingent Liabilities

The Health District discovered the misuse of funds through an audit of one of its subgrantees. Litigation against the subgrantee to recover the lost funds in the amount of \$42,771 will commence in fiscal year 2020. Although management cannot presently determine the outcome of this suit, they believe the resolution of this matter will not materially adversely affect the Health District’s financial condition.

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

Note 16 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Alzheimer’s Disease</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Restricted:</i>				
Public Health Services	\$0	\$0	\$2,862,439	\$2,862,439
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>2,862,439</u>	<u>2,862,439</u>
<i>Assigned:</i>				
Encumbrances	1,569,590	0	0	1,569,590
<i>Total Assigned</i>	1,569,590	0	0	1,569,590
Unassigned	8,453,679	(15,764)	(2,053,793)	6,384,122
Total Fund Balances	<u><u>\$10,023,269</u></u>	<u><u>\$(15,764)</u></u>	<u><u>\$808,646</u></u>	<u><u>\$10,816,151</u></u>

Note 17 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Health District. The Health District’s investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Health District’s future operating costs, revenues, and any recovery from emergency fund, either federal or state, cannot be estimated.

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**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Page 1 of 3)**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed through Ohio Department of Health</i>				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	07710011WA0919	\$ -	\$ 1,448,776
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	07710011WA1020	-	395,948
Total Special Supplemental Nutrition Program for Women, Infants and Children			-	1,844,724
Total U.S. Department of Agriculture			-	1,844,724
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through Ohio Department of Health</i>				
Public Health Emergency Preparedness FY19	93.074	07710012PH1019	-	174,120
Public Health Emergency Preparedness (Regional) FY19	93.074	07710012PH1019	5,335	48,273
Total Hospital and Public Health Emergency Preparedness			5,335	222,393
Public Health Emergency Preparedness FY20	93.069	07710012PH1120	-	122,010
Public Health Emergency Preparedness (Regional) FY20	93.069	07710012PH1120	5,278	31,411
Total Public Health Emergency Preparedness			5,278	153,421
<i>Passed through Ohio Department of Health</i>				
Affordable Care Act-Personal Responsibility Education Program	93.092	07710011PR0617	-	978
<i>Passed through Ohio Department of Youth Services</i>				
Affordable Care Act-Personal Responsibility Education Program	93.092	FY18 94028	-	16,834
Affordable Care Act-Personal Responsibility Education Program	93.092	FY19 94029	-	65,465
Total PREP			-	83,277
<i>Passed through Ohio Department of Health</i>				
Immunization and Vaccines for Children Program:				
Get Vaccinated Ohio-Public Health Initiative	93.268	07710012GV0220	-	56,166
Total Immunization and Vaccines for Children			-	56,166
Prevention and Public Health - Immunization Program:				
Immunization Action Plan	93.539	07710012IM1017	-	20,804
Get Vaccinated Ohio-Public Health Initiative	93.539	07710012GV0119	-	79,556
Total Prevention and Public Health - Immunization Program			-	100,360
<i>Passed through Cuyahoga County Board of Health</i>				
Breast and Cervical Cancer	93.919	FY18 93768	-	9,071
Breast and Cervical Cancer	93.919	FY19 93769	-	47,117
Total Breast and Cervical Cancer			-	56,188
<i>Passed through Ohio Department of Health</i>				
Ohio Maternal Infant and Early Childhood Home Visiting	93.870	07710011MH0618	-	5,331
Ohio Maternal Infant and Early Childhood Home Visiting	93.870	07710011MH0719	73,789	201,387
Ohio Maternal Infant and Early Childhood Home Visiting	93.870	07710011MH0820	-	28,779
Total Ohio Maternal Infant and Early Childhood Home Visiting			73,789	235,497
<i>Passed through Summit County Department of Jobs and Family Services</i>				
Social Services Block Grant (Title XX):				
Adult Protective Services	93.667	FY19 96029	-	145,659
Adult Protective Services	93.667	FY20 96020	-	23,624
HealthCheck Data	93.667	FY13 94003	-	1,233
HealthCheck Data	93.667	FY19 94009	-	84,766
HealthCheck Data	93.667	FY20 94000	-	25,370
Total Social Services Block Grant (Title XX)			-	280,652
<i>Passed through Ohio Department of Health</i>				
Local 1422	93.757	07710014PO0418	-	46,983
Total Local 1422			-	46,983
<i>Passed through Ohio Department of Health</i>				
Medicaid Cluster:				
Medicaid Administrative Claiming	93.778	FY19 93601	-	148,953
Total Medicaid Cluster: Medical Administrative Claiming			-	148,953

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Page 2 of 3)**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Passed through Ohio Department of Health				
HIV Prevention	93.940	07710012HP0818	22,424	26,712
HIV Prevention	93.940	07710012HP0919	59,553	194,412
Total HIV Prevention			81,977	221,124
Passed through Summit County Alcohol, Drug and Mental Health Board				
Medical Assistance Program-Counseling	93.959	FY13 95953	-	624
Medical Assistance Program-Counseling	93.959	FY19 95959	-	36,754
Medical Assistance Program-Counseling	93.959	FY20 95950	-	32,647
Total Medical Assistance Program-Counseling			-	70,025
Passed through Ohio Department of Health				
Opioid Crisis Response Grant-Integrated Naloxone Access and Infrastructure	93.788	07710014IN0120	-	11,972
Opioid Crisis Response Grant-Integrated Naloxone Access and Infrastructure	93.788	07710014IN0221	-	11,815
Passed through Summit County Alcohol, Drug and Mental Health Board				
Opioid Crisis Response Grant-AOD Outreach	93.788	FY19 97029	16,178	16,954
Opioid Crisis Response Grant-Medication Assisted Treatment	93.788	FY19 97059	-	31,553
Opioid Crisis Response Grant-Medication Assisted Treatment	93.788	FY20 97050	-	17,349
Total Opioid Crisis Response			16,178	89,643
Passed through Ohio Department of Health				
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	07710012ST0718	-	1,259
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	07710012ST0819	-	70,676
Total Preventive Health Services-Sexually Transmitted Diseases Control Grants			-	71,935
Preventive Health and Health Services -Creating Healthy Communities	93.758	07710014CC0918	-	20,211
Total Preventive Health and Health Services - Creating Healthy Communities Grants			-	20,211
Maternal and Child Health Services Block Grant	93.994	07710011MP0218	-	20,336
Maternal and Child Health Services Block Grant	93.994	07710011MP0319	-	53,314
Maternal and Child Health Services Block Grant	93.994	07710011MP0420	-	3,077
Maternal and Child Health Services Block Grant	93.994	07710011OM0218	-	9,150
Maternal and Child Health Services Block Grant	93.994	07710011MB0119	132,916	133,077
Maternal and Child Health Services Block Grant	93.994	07710011MB0220	-	1,173
Maternal and Child Health Services Block Grant	93.994	07710011OE0119	-	76,470
Maternal and Child Health Services Block Grant	93.994	07710011OE0220	-	14,658
Maternal and Child Health Services Block Grant	93.994	07710011RH0220	-	310
Maternal and Child Health Services Block Grant	93.994	FY19 95209	-	2,984
Maternal and Child Health Services Block Grant-Dental Sealant	93.994	07710011DS1118	7,965	18,385
Maternal and Child Health Services Block Grant-Dental Sealant	93.994	07710011DS1219	19,478	45,995
Total Maternal and Child Health Services Block Grant			160,359	378,929
National Tobacco Control Program - Creating Healthy Communities	93.305	07710014CC0918	-	1,521
National Tobacco Control Program - Prevention and Cessation	93.305	07710014TU0318	-	14,675
National Tobacco Control Program - Prevention and Cessation	93.305	07710014TU0520	-	3,154
Total National Tobacco Control Program			-	19,350
Preventive Health and Health Services-CHC	93.991	07710014CC1019	35,776	104,937
Total Preventive Health and Health Services			35,776	104,937
Injury Prevention Grant	93.136	07710014PD0319	81,249	96,870
Injury Prevention Grant	93.136	07710014DR0120	-	40,307
Total Injury Prevention Grant			81,249	137,177
Public Health Crisis Response Grant-HIV Prevention	93.354	07710012HP0919	1,216	3,968
Public Health Crisis Response Grant-Prescription Drug Overdose Prevention	93.354	07710014PD0319	657,376	783,766
Total Public Health Crisis Response Grant			658,592	787,734
Lead Poisoning and Prevention Grant	93.753	FY19 95209	-	2,984
Total Lead Poisoning and Prevention Grant			-	2,984
Family Planning Services	93.217	07710011RH0220	-	1,213
Total Family Planning Services			-	1,213

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Page 3 of 3)**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Passed through Summit County Family and Children First Council				
TANF Crisis Funding	93.714	FY19 93601	-	8,329
Total TANF Crisis Funding			-	8,329
Passed through Food and Drug Administration				
Retail Program Standards Grant	93.103	FY19 93601	-	1,831
Total Food and Drug Administration			-	1,831
Direct Program				
Substance Abuse and Mental Health:				
HIV CBI	93.243	FY18 94058	2,622	33,704
HIV CBI	93.243	FY19 94059	61,378	212,703
Community MATS Program	93.243	FY19 96449	31,560	328,331
Total Substance Abuse and Mental Health			95,560	574,738
Alzheimer's Disease Program Initiative	93.470	90ADPI0045-01-00	-	15,764
Total Alzheimer's Program Initiative			-	15,764
Total U.S. Department of Health and Human Services			1,214,093	3,889,814
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed through the Ohio Environmental Protection Agency				
Air Pollution Control Program-Air Quality EPA	66.001	FY18 93798	-	264,431
Air Pollution Control Program-Air Quality EPA	66.001	FY19 93799	-	152,530
Air Pollution Control Program-Air Quality EPA	66.001	FY20 93790	-	19,340
Air Pollution Control Program-Air Quality PM 2.5	66.001	FY19 93809	-	34,322
Air Pollution Control Program-Air Quality PM 2.5	66.001	FY29 93800	-	74,725
Total Air Pollution Control Program			-	545,348
Total U.S. Environmental Protection Agency			-	545,348
U.S. DEPARTMENT OF EDUCATION				
Passed through Ohio Department of Developmental Disabilities				
Special Education Grant for Infants and Families -Help Me Grow Part C	84.181	FY19 93579	530,354	538,503
Special Education Grant for Infants and Families -Help Me Grow Part C	84.181	FY20 93570	273,021	279,796
Total Special Education Grant for Infants and Families			803,375	818,299
Total U.S. Department of Education			803,375	818,299
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Program				
Emergency Food and Shelter National Board Program	97.024	FY19 93601	-	5,500
Total U.S. Department of Homeland Security			-	5,500
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Program				
Lead-Based Paint Hazard Control	14.900	FY16 95936	384,439	545,674
Lead-Based Paint Hazard Control	14.900	FY16 95946	75,790	75,790
Total U.S. Department of Housing and Urban Development			460,229	621,464
U.S. FEDERAL HIGHWAY ADMINISTRATION				
Passed through the City of Akron				
Safe Routes to School	20.205	FY19 93849	-	49,800
Total U.S. Federal Highway Administration			-	49,800
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 2,477,697	\$ 7,774,949

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

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of the Summit County Combined General Health District (the Health District) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Health District, it is not intended to and does not present the financial position or changes in net position of the Health District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Health District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

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

As a subrecipient, the Health District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - FEDERAL GRANTS COMMINGLED WITH STATE GRANTS

Cash receipts from the U.S. Department of Health and Human Services, the U.S. Department of Education, the U.S. Environmental Protection Agency and the U.S. Department of Housing and Urban Development are commingled with State grants for the Help Me Grow Part C Grant, STARS Grant, Tobacco Use Prevention and Cessation Grant, Creating Healthy Communities Grant, Immunization Action Plan Grant, HIV Prevention Grant, Counseling Grant, Maternal and Child Health Grant, Air Pollution Control Program and Lead-Based Paint Hazard Control program. 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 of Federal Awards Expenditures to reflect the federal portion of expenditures disbursed during the fiscal period.

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6) – (continued)
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE F - MATCHING REQUIREMENTS

Certain Federal programs require the Health District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Health District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

INDEPENDENT AUDITOR'S 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

Summit County General Health District
Summit County
1867 Market Street
Akron, Ohio 44322

To the Board of Health:

We have audited, in accordance with the 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, the modified cash-basis 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, 2019, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements, and have issued our report thereon dated June 19, 2020, wherein we noted the Health District uses a special purpose framework other than general accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Health District.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Health District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Health District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Health District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

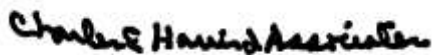
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Health District's financial statements are free from 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*.

We did note certain a matter not requiring inclusion in the report that we reported to the Health District's management in a separate letter dated June 19, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 19, 2020

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Charles E. Harris & Associates, Inc.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Summit County General Health District
Summit County
1867 Market Street
Akron, Ohio 44322

To the Board of Health:

Report on Compliance for Each Major Federal Program

We have audited the Summit County General Health District's (the Health District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the Health District's major federal programs.

Management's Responsibility

The Health District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Health District's compliance for each of the Health District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the Health District's major programs. However, our audit does not provide a legal determination of the Health District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Summit County General Health District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2019.

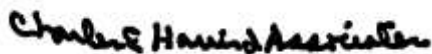
Report on Internal Control Over Compliance

The Health District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Health District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Health District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.

June 19, 2020

**SUMMIT COUNTY GENERAL HEALTH DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control 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 weaknesses in internal control 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	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants and Children (CFDA # 10.557) Help Me Grow Part C (CFDA #84.181) Prescription Drug Overdose Prevention (CFDA# 93.354)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



SUMMIT COUNTY COMBINED GENERAL HEALTH DISTRICT

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/27/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov