



**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2009



Mary Taylor, CPA
Auditor of State

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Medina County Combined General Health District
Medina County
4800 Ledgewood Drive
Medina, Ohio 44256

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Medina County Combined General Health District, Medina County, Ohio, (the District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Medina County Combined General Health District, Medina County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The Federal Awards Expenditures Schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Federal Awards Expenditures Schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

February 5, 2010

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

The discussion and analysis of the Medina County Combined General Health District's financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2009, within the limitations of the Health District's 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 2009 are as follows:

- Net assets increased \$262,080, or 8.8 % from 2008. The increase was mainly due to an increase in grant funding for emergency preparedness, and not having a major project funded in the Capital Outlay expenditures, which decreased \$180,062 from 2008.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise \$3,017,750 of the Health District's receipts, making up almost 49.7 % of all the dollars coming into the District. This is an increase from 2008 of \$122,486. General receipts in the form of property taxes, unrestricted grants, and other revenue make up the other 50.3 %. Overall cash receipts increased \$161,307 or 2.7% from 2008.
- The Health District had \$5,806,280 in disbursements during 2009, a very slight increase of only \$33,420 from 2008. The Health District did not expand significantly any one program during 2009 from 2008. In 2009 we separated Health Promotion as its own division. The Emergency Preparedness Grant was reported under Health Promotion, when in previous years it was part of the Nursing Division. Health Promotion shows a significant increase in expenditures, but an equally decrease in Nursing expenditures offset each other. A decrease of \$180,062 in the Capital Outlay program was a main reason for the decrease in total expenditures during 2009.
- There were no large capital expenditures made to the building in 2009.

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 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 cash basis of accounting.

The Statement of Net Assets – Cash Basis, and Statement of Activities – Cash Basis provide information about the activities of the whole Health District, presenting both an aggregate view of the Health District's finances, and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Health District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the 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 cash basis of accounting.

Reporting the Health District as a Whole

The statement of net assets and the statement of activities reflect how the Health District did financially during 2009, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the Health District at year end. The Statement of Activities – 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 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 non-financial 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.

The Statement of Net Assets – Cash Basis, and the Statement of Activities – Cash Basis present governmental activities, which include all the Health District's services. The Health District has no business-type activities.

Reporting the Health District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Health District's major fund – 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.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

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 fund is the General Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Health District as a Whole

Table 1 provides a summary of the Health District's net assets for 2009 compared to 2008 on a cash basis:

TABLE 1
Net Assets

| | Governmental Activities | | |
|--|-------------------------|---------------------|-------------------|
| | <u>2009</u> | <u>2008</u> | <u>Change</u> |
| Assets | | | |
| Equity in pooled cash and cash equivalents | \$ 3,237,804 | \$ 2,975,724 | \$ 262,080 |
| Net Assets | | | |
| Restricted for special purposes | 862,844 | 911,374 | (48,530) |
| Unrestricted | 2,374,960 | 2,064,350 | 310,610 |
| Total Net Assets | <u>\$ 3,237,804</u> | <u>\$ 2,975,724</u> | <u>\$ 262,080</u> |

Net assets increased \$262,080 from 2008. The increase was due primarily to a decrease in capital outlay expenditures from 2008 to 2009; an increase in the Emergency Preparedness Grant funding; and, receipts and disbursements remaining relatively constant from 2008 to 2009.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

Table 2 reflects the change in net assets in 2009, and provides a comparison to 2008 amounts:

Table 2
Changes in Net Assets

| | Governmental Activities 2009 | Governmental Activities 2008 | Change 2008 to 2009 |
|---|------------------------------------|------------------------------------|------------------------|
| Cash Receipts: | | | |
| <u>Program Cash Receipts</u> | | | |
| Charges for services | \$ 2,009,148 | \$ 2,043,554 | \$ (34,406) |
| Operating grants & contributions | | | |
| | <u>1,008,602</u> | <u>851,710</u> | <u>156,892</u> |
| Total Program Cash Receipts | <u>3,017,750</u> | <u>2,895,264</u> | <u>122,486</u> |
| <u>General Cash Receipts</u> | | | |
| Property & other local taxes | 2,597,087 | 2,521,195 | 75,892 |
| Grants & entitlements | 347,351 | 343,028 | 4,323 |
| Miscellaneous | 106,172 | 147,566 | (41,394) |
| Total General Cash Receipts | <u>3,050,610</u> | <u>3,011,789</u> | <u>38,821</u> |
| Total Cash Receipts | <u>6,068,360</u> | <u>5,907,053</u> | <u>161,307</u> |
| Cash Disbursements | | | |
| Public Health Nursing | 1,797,640 | 1,989,023 | (191,383) |
| Public Health Dental | 678,594 | 620,291 | 58,303 |
| Environmental Health | 1,238,708 | 1,230,564 | 8,144 |
| WIC | 355,002 | 325,571 | 29,431 |
| Health Promotion | 530,908 | 193,127 | 337,781 |
| Capital Outlay | 11,470 | 191,532 | (180,062) |
| Debt Service | 299,678 | 303,702 | (4,024) |
| Administration | 894,280 | 919,050 | (24,770) |
| Total Cash Disbursements | <u>5,806,280</u> | <u>5,772,860</u> | <u>33,420</u> |
| Excess of cash receipts over cash disbursements | 262,080 | 134,193 | 127,887 |
| Net Assets, Beginning of the Year | <u>2,975,724</u> | <u>2,841,531</u> | <u>134,193</u> |
| Net Assets, End of the Year | <u>\$ 3,237,804</u> | <u>\$ 2,975,724</u> | <u>\$ 262,080</u> |

In 2009, 50.3% of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general health district purposes. Program receipts accounted for 49.7% of the Health District's total receipts in year 2009. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, vending, campgrounds, trailer parks, swimming pools and spas, septic and water system permits, dental and nursing services, and state and federal operating grants and donations.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

Governmental Activities

If you look at the Statement of Activities – 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 major program disbursements for governmental activities are for Nursing, Environmental, Dental and Administration which includes Vital Statistics, which account for 31%, 21.3%, 11.7%, and 15.4% respectfully of all governmental disbursements.

The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service, and grants received by the Health District, that must be used to provide a specific service. The net cost 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 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 for both the current and prior years is presented in Table 3.

Table 3

| Governmental Activities | Total Cost of Services 2009 | Net Cost of Services 2009 | Total Cost of Services 2008 | Net Cost of Services 2008 |
|--------------------------------------|--|--------------------------------------|--|--------------------------------------|
| Cash Disbursements: | | | | |
| Public Health Nursing | \$1,797,640 | \$1,174,884 | \$1,989,023 | \$1,066,929 |
| Public Health Dental | 678,594 | 30,506 | 620,291 | 48,736 |
| Environmental Health | 1,238,708 | 472,886 | 1,230,564 | 413,830 |
| WIC | 355,002 | (47,042) | 325,571 | (31,677) |
| Health Promotion | 530,908 | 108,603 | 193,127 | 124,293 |
| Capital Outlay | 11,470 | 11,470 | 191,532 | 191,532 |
| Debt Service | 299,678 | 299,678 | 303,702 | 303,702 |
| Administration | 894,280 | 737,545 | 919,050 | 760,251 |
| Total Governmental Activities | \$5,806,280 | \$2,788,530 | \$5,772,860 | \$2,877,596 |

The Health District has tried to limit its total dependence upon property taxes and local subsidies by actively pursuing Federal and State grants, and charging rates for services that are closely related to costs. Only 50% of the Health District costs are supported through property taxes, unrestricted grants and other general receipts. The District continues to update the charges for all its services, and has updated and added to the billing staff in order to make sure that all reimbursements due to the District from Medicare, Medicaid, private insurance, and fees paid are adequately collected.

Most of the Environmental Health programs are self-supporting through charges for services, while the dental services charges for services amounted to 85% of its revenues, and an operating grant made up 15% of dental revenues. Health Promotion with emergency planning costs were 80% funded by local intergovernmental grants and a federal grant. The WIC program is self-supported with a federal grant.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

The Health District's Funds

As noted earlier, the Health District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the Health District's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Health District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Health District's net resources available for spending at the end of the year.

At the end of 2009, the Health District's governmental funds reported total ending fund balances of \$3,237,804. \$2,910,984 of the total is an unreserved fund balance, which is available for spending. The remainder \$326,820 of the fund balance is reserved to indicate it is not available for new spending.

While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets – Cash Basis due to them being restricted for use for a particular purpose mandated by the source of the resources such as the state and federal governments.

The general fund is the chief operating fund of the Health District. At the end of 2009, unreserved fund balance in the general fund was \$2,148,872. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total general fund disbursements. Unreserved fund balance represents 52.9% of the total general fund disbursements.

Receipts exceeded disbursements in the general fund by \$523,650 in 2009. Charges for services including licenses, and permit fees account for 32.4% of receipts in the general fund. Unrestricted Intergovernmental receipts consist of homestead and rollback receipts and payments from other local agencies for services rendered by the Health District and account for 8.6% of general fund receipts. Together charges for services and intergovernmental receipts total 41% of general fund receipts.

The District's non-major funds include, the Women, Infants, and Children (WIC) special revenue fund which accounts for federal grant monies for the WIC program. WIC is a nutrition program for pregnant women, women who recently had a baby, breastfeeding moms, infants and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. In 2009, the WIC program was funded with a total of \$402,044, with an ending balance of \$87,679.

Another non-major fund, the Public Health Emergency Planning and Response (PHEP & PHER) special revenue funds accounts for federal grant monies for public health infrastructure and emergency planning efforts headquartered in the Health Promotion Division. The program is responsible for developing the Health District's emergency operation plan and all supporting documents, training, implementation, and exercise programs. Planning and preparedness are collaborative efforts done on a local level with the involvement of key partners in the Health District as well as regional partners. In 2009, the Bioterrorism Grant funded a total of \$374,533 to partially support the program operations for the Health District.

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 2009, the Health District amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. There were no significant changes between the original and the final estimated receipts and appropriations.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

Debt Administration

The County of Medina issued Health District Facility Bonds, Series 1999, for a principal amount of \$2,300,000, with varying interest rates between 4.90% and 5.375% to acquire the land and building which presently houses the operations of the Health District. The bonds were issued with a term of ten (10) years. At the end of 2009, the loan principal balance was zero! The final payment was made on December 1, 2009, at which time the building became fully owned by the Health Department debt free.

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 Craig A. Holcomb, Director for Business & Fiscal Affairs, 330-723-9511.

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**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

*Statement of Net Assets - Cash Basis
December 31, 2009*

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$3,237,804</u> |
| Net Assets | |
| Restricted for: | |
| Capital Projects | \$239,341 |
| Other Purposes | 623,503 |
| Unrestricted | <u>2,374,960</u> |
| <i>Total Net Assets</i> | <u>\$3,237,804</u> |

See accompanying notes to the basic financial statements

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2009*

| | Disbursements | Program Receipts | | Net (Disbursements) Receipts and Changes in Net Assets |
|--------------------------------------|--------------------|--------------------------------------|--|---|
| | | Charges for Services and Sales | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities | | | | |
| Public Health Nursing | \$1,797,640 | \$535,508 | \$87,248 | (\$1,174,884) |
| Public Health Dental | 678,594 | 551,083 | 97,005 | (30,506) |
| Environmental Health | 1,238,708 | 765,822 | | (472,886) |
| WIC | 355,002 | | 402,044 | 47,042 |
| Health Promotion | 530,908 | | 422,305 | (108,603) |
| Capital Outlay | 11,470 | | | (11,470) |
| Debt Service | 299,678 | | | (299,678) |
| Administration | 894,280 | 156,735 | | (737,545) |
| <i>Total Governmental Activities</i> | <u>\$5,806,280</u> | <u>\$2,009,148</u> | <u>\$1,008,602</u> | <u>(\$2,788,530)</u> |

General Receipts

| | |
|--|---------------------------|
| Property Taxes Levied for: | |
| General Health District Purposes | 2,597,087 |
| Grants and Entitlements not Restricted to Specific Programs | 347,351 |
| Miscellaneous | <u>106,172</u> |
| <i>Total General Receipts</i> | <u>3,050,610</u> |
| | |
| Change in Net Assets | 262,080 |
| | |
| <i>Net Assets Beginning of Year</i> | <u>2,975,724</u> |
| | |
| <i>Net Assets End of Year</i> | <u><u>\$3,237,804</u></u> |

See accompanying notes to the basic financial statements

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009*

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|--------------------------------|--------------------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$2,374,960</u> | <u>\$862,844</u> | <u>\$3,237,804</u> |
| Fund Balances | | | |
| Reserved: | | | |
| Reserved for Encumbrances | \$226,088 | \$100,732 | \$326,820 |
| Unreserved: | | | |
| Undesignated, Reported in: | | | |
| General Fund | 2,148,872 | | 2,148,872 |
| Special Revenue Funds | | 523,526 | 523,526 |
| Capital Projects Funds | | 238,586 | 238,586 |
| <i>Total Fund Balances</i> | <u>\$2,374,960</u> | <u>\$862,844</u> | <u>\$3,237,804</u> |

See accompanying notes to the basic financial statements

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes in
Cash Basis Fund Balances - Governmental Funds
For the Year Ended December 31, 2009*

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|--------------------------------|
| Cash Receipts | | | |
| Property and Other Local Taxes | \$2,597,087 | | \$2,597,087 |
| Intergovernmental | 394,783 | \$958,825 | 1,353,608 |
| Charges for Services | 1,488,074 | 521,074 | 2,009,148 |
| Gifts and Contributions | 2,345 | | 2,345 |
| Rent | 96,078 | | 96,078 |
| Miscellaneous | 10,094 | | 10,094 |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Cash Receipts</i> | 4,588,461 | 1,479,899 | 6,068,360 |
| | <hr/> | <hr/> | <hr/> |
| Cash Disbursements | | | |
| Public Health Nursing | 1,673,070 | 124,570 | 1,797,640 |
| Public Health Dental | 583,594 | 95,000 | 678,594 |
| Environmental Health | 648,076 | 590,632 | 1,238,708 |
| WIC | | 355,002 | 355,002 |
| Health Promotion | 265,791 | 265,117 | 530,908 |
| Capital Outlay | | 11,470 | 11,470 |
| Debt Service | | 299,678 | 299,678 |
| Administration | 894,280 | | 894,280 |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Cash Disbursements</i> | 4,064,811 | 1,741,469 | 5,806,280 |
| | <hr/> | <hr/> | <hr/> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | 523,650 | (261,570) | 262,080 |
| | <hr/> | <hr/> | <hr/> |
| Other Financing Sources (Uses) | | | |
| Transfers In | | 218,040 | 218,040 |
| Transfers Out | (218,040) | | (218,040) |
| Advances In | 50,000 | 45,000 | 95,000 |
| Advances Out | (45,000) | (50,000) | (95,000) |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Other Financing Sources (Uses)</i> | (213,040) | 213,040 | |
| | <hr/> | <hr/> | <hr/> |
| <i>Net Change in Fund Balances</i> | 310,610 | (48,530) | 262,080 |
| | <hr/> | <hr/> | <hr/> |
| <i>Fund Balances Beginning of Year</i> | 2,064,350 | 911,374 | 2,975,724 |
| | <hr/> | <hr/> | <hr/> |
| <i>Fund Balances End of Year</i> | <u>\$ 2,374,960</u> | <u>\$ 862,844</u> | <u>\$ 3,237,804</u> |

See accompanying notes to the basic financial statements

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009*

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|---------------------------|---|
| | Original | Final | Actual | |
| Receipts | | | | |
| Property and Other Local Taxes | \$2,562,872 | \$2,562,872 | \$2,597,087 | \$34,215 |
| Intergovernmental | 389,582 | 389,582 | 394,783 | 5,201 |
| Charges for Services | 1,468,470 | 1,468,470 | 1,488,074 | 19,604 |
| Gifts and Contributions | 2,314 | 2,314 | 2,345 | 31 |
| Rent | 94,812 | 94,812 | 96,078 | 1,266 |
| Miscellaneous | 9,961 | 9,961 | 10,094 | 133 |
| <i>Total Receipts</i> | <u>4,528,011</u> | <u>4,528,011</u> | <u>4,588,461</u> | <u>60,450</u> |
| Disbursements | | | | |
| Public Health Nursing | 1,999,345 | 2,096,845 | 1,735,993 | 360,852 |
| Public Health Dental | 730,604 | 761,604 | 621,001 | 140,603 |
| Environmental Health | 795,145 | 837,645 | 672,128 | 165,517 |
| Health Promotion | 287,265 | 338,765 | 284,373 | 54,392 |
| Administration | 1,634,387 | 1,436,387 | 977,404 | 458,983 |
| Total Cash Disbursements | <u>5,446,746</u> | <u>5,471,246</u> | <u>4,290,899</u> | <u>1,180,347</u> |
| Excess of Receipts Over (Under) Disbursements | <u>(918,735)</u> | <u>(943,235)</u> | <u>297,562</u> | <u>1,240,797</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (435,000) | (535,500) | (218,040) | 317,460 |
| Advances In | 50,000 | 50,000 | 50,000 | |
| Advances Out | | | (45,000) | (45,000) |
| Total Other Financing Sources (Uses) | <u>(385,000)</u> | <u>(485,500)</u> | <u>(213,040)</u> | <u>272,460</u> |
| <i>Net Change in Fund Balance</i> | <u>(1,303,735)</u> | <u>(1,428,735)</u> | <u>84,522</u> | <u>1,513,257</u> |
| Prior Year Encumbrances Appropriated | 154,126 | 154,126 | 154,126 | |
| <i>Fund Balance Beginning of Year</i> | <u>1,910,224</u> | <u>1,910,224</u> | <u>1,910,224</u> | |
| <i>Fund Balance End of Year</i> | <u><u>\$760,615</u></u> | <u><u>\$635,615</u></u> | <u><u>\$2,148,872</u></u> | <u><u>\$1,513,257</u></u> |

See accompanying notes to the basic financial statements

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**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 1 – Reporting Entity

A seven-member appointed Board of Health governs the Health District. Two members are appointed by the District Advisory Council on behalf of the Townships, one member is appointed by the District Advisory Council as a medical representative, one member is appointed by the Licensing Council that represents vendors who are inspected or certified by the District, and one member each is appointed by the Cities of Brunswick, Medina, and Wadsworth. 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.

A. 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's services include certification of birth and death records, communicable disease investigations, immunization clinics, environmental health inspections, public health nursing services, dental services, women-infant-children nutritional education, the issuance of health-related licenses and permits, health education, and emergency response planning.

B. Component Units

Component units are legally separate organizations for which the Health District is financially accountable. The Health District is financially accountable for an organization if the Health District appoints a voting majority of the organization's governing board and (1) the Health District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Health District is legally entitled to or can otherwise access the organization's resources; or the Health District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Health District, are accessible to the Health District and are significant in amount to the Health District. The Health District has no component units.

The Health District's management believes these basic 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 cash basis of accounting. This 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 cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

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

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note 2 - Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

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

The statement of net assets presents the cash and cash equivalent balances 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support 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 program is self-financing on a cash basis or draws from the general receipts of the Health District.

Fund Financial Statements

During the year, the Health District segregates transactions related to certain Health District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Health District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type. The District has no Fiduciary funds.

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. All the funds of the Health District are presented as governmental funds.

Governmental Funds

Governmental funds are those through which the governmental functions of the Health District are financed. The following is the Health District's major governmental 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.

The other governmental funds of the Health District account for grants and other resources whose use is restricted for a particular purpose.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note 2 - Summary of Significant Accounting Policies (continued)

Trust funds are used to account for assets held by the Health District under a trust agreement for individuals, private organizations, or other governments and are not available to support the Health District's own programs. The Health District did not have any trust funds in 2009. Agency funds are purely custodial in nature and are used to account for assets held by the Health District. The Health District did not have any agency funds in 2009.

C. Basis of Accounting

The Health District's financial statements are prepared using the 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 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 liabilities and their related expenses) are not recorded in these financial statements.

D. Budgetary Process

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

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

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

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

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note 2 - Summary of Significant Accounting Policies (continued)

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

E. Cash and Investments

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Medina County Treasurer, John Burke, 144 North Broadway, Medina, Ohio.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. 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.

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.

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 cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note 2 - Summary of Significant Accounting Policies (continued)

L. Long-Term Obligations

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

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include amounts restricted for state and federal grants.

The Health District's policy is to first apply restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted resources are available.

There are no net assets restricted by enabling legislation.

N. Fund Balance Reserves

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

O. Interfund Transactions

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

P. Estimates

The cash basis of accounting used by the Health District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note 3 - Budget Basis of Accounting

The budget 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 – Budget Basis presented for the General Fund is prepared on the budget basis to provide a meaningful comparison of actual results with the budget. The difference between the budget basis and the cash basis is outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budget basis) amounted to:

| | |
|--------------|-----------|
| General Fund | \$226,088 |
|--------------|-----------|

Note 4 - Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Health District. Property tax receipts received in 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed values as of January 1, 2009 the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien on December 31, 2008, are levied after October 1, 2009 and are collected in 2010 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2009 was \$1.00 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2009 property tax receipts were based are as follows:

| | |
|----------------------------|------------------------|
| Real Property | \$4,634,756,590 |
| Public Utility Property | 83,953,130 |
| Tangible Personal Property | <u>7,522,140</u> |
| Total Assessed Values | <u>\$4,726,231,860</u> |

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

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note 5 - Risk Management

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

The Health District insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The Health District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2008 (the latest information available), PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

| | <u>2008</u> | <u>2007</u> |
|-------------|---------------------|---------------------|
| Assets | \$35,769,535 | \$37,560,071 |
| Liabilities | <u>(15,310,206)</u> | <u>(17,340,825)</u> |
| Net Assets | <u>\$20,459,329</u> | <u>\$20,219,246</u> |

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note 5 - Risk Management (continued)

At December 31, 2008 and 2007 (the latest information available), respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Health District's share of these unpaid claims collectible in future years is approximately \$29,936.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

| <u>Contributions to PEP</u> | |
|------------------------------------|----------|
| 2007 | \$34,428 |
| 2008 | \$31,591 |
| 2009 | \$30,862 |

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 6 - Defined Benefit Pension Plans

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note 6 - Defined Benefit Pension Plans (continued)

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10 percent of covered payroll.

The Health District's contribution rate for 2009 was 14 percent of covered payroll. For the period January 1, through March 31, 2009, 7 percent of the Health District's contribution was allocated to fund the post employment healthcare plan. From April 1 through December 31, 2009, 8.5 percent was allocated to fund post employment health care. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Health District of 14 percent.

The Health District's required contributions for pension obligations to OPERS for the employee's traditional, combined, or self-directed plans for the years ended December 31, 2009, 2008, and 2007 were \$297,348, \$225,673, and \$234,839, respectively. The full amount has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan are available upon request.

Note 7 – Post-employment Benefits

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit post-employment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post employment healthcare plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained 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 post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post employment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding post-employment healthcare benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare was 7 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Note 7 – Post-employment Benefits (continued)

The Health District's contributions allocated to fund post-employment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$192,402, \$225,673, and \$234,839, respectively; 100 percent has been contributed for 2009, 2008 and 2007.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

Note 9 – Bonds Payable

Debt activity for the year ended at December 31, 2009 was as follows:

| | <u>Outstanding 1/1/2009</u> | <u>Additions</u> | <u>Payments</u> | <u>Outstanding 12/31/2009</u> |
|--|---------------------------------|------------------|-----------------|-----------------------------------|
| General Obligation Limited Tax Bonds County of Medina, Ohio Health District Facility Bonds, Series 1999, interest rates range from 4.900% to 5.375% | \$285,000 | \$0 | \$285,000 | \$0 |

General obligation limited tax bonds were issued by Medina County for the purchase of the Health District facility.

Note 10 - Interfund Transfers

During 2009 the following transfers were made:

| | |
|-------------------------------------|------------------|
| Transfers from the General Fund to: | |
| Other Governmental Fund | <u>\$218,040</u> |

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 11 – Contingent Liabilities

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

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

| Federal Grantor/ Pass Through Grantor/ Program Title | Pass Through Entity Number | Federal CFDA Number | Expenditures |
|---|-------------------------------|---------------------------|--------------------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | |
| <i>Passed through Ohio Department of Health</i> | | | |
| Special Supplemental Nutrition Program for Women, Infants and Children | 05210011WA0209 | 10.557 | \$282,610 |
| | 05210011WA0310 | | <u>72,867</u> |
| Total U.S. Department of Agriculture | | | <u>355,477</u> |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | |
| <i>Passed through Ohio Department of Health</i> | | | |
| Maternal and Child Health Services Block Grant to the States | 05210011MC0209 | 93.994 | 27,095 |
| | 05210011MC0310 | | 36,634 |
| | 05210011SC0209 | | <u>75,000</u> |
| Total Maternal and Child Health Services Block Grant to the States | | | 138,729 |
| Immunization Grants | 05210012IM0108 | 93.268 | 466 |
| | 05210012IM0209 | | <u>42,730</u> |
| Total Immunization Grants | | | 43,196 |
| <i>Passed through Ohio Department of Health Center for Disease Control and Prevention</i> | | | |
| Public Health Emergency Preparedness | 05210012PI0209 | 93.069 | 85,131 |
| | 05210012PH0110 | | <u>179,322</u> |
| Total Public Health Emergency Preparedness | | | 264,453 |
| Total U.S. Department of Health and Human Services | | | <u>446,378</u> |
| Total | | | <u><u>\$801,855</u></u> |

The accompanying note to this schedule is an integral part of this schedule.

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

**NOTE TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Medina County Combined General Health District's (the District's) federal award programs' expenditures. The Schedule has been prepared on the cash basis of accounting.



Mary Taylor, CPA

Auditor of State

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

Medina County Combined General Health District
Medina County
4800 Ledgewood Drive
Medina, Ohio 44256

To the Board of Health:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Medina County Combined General Health District, Medina County, Ohio, (the District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 5, 2010, wherein, we noted the District follows the cash basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the Board of Health, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

February 5, 2010



Mary Taylor, CPA

Auditor of State

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

Medina County Combined General Health District
Medina County
4800 Ledgewood Drive
Medina, Ohio 44256

To the Board of Health:

Compliance

We have audited the compliance of the Medina County Combined General Health District, Medina County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Medina County Combined General Health District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Mary Taylor, CPA
Auditor of State

February 5, 2010

**MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT
MEDINA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

MEDINA COUNTY COMBINED GENERAL HEALTH DISTRICT

MEDINA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 16, 2010**