

**LAKE COUNTY
GENERAL HEALTH DISTRICT
LAKE COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2013**

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Health
Lake County General Health District
33 Mill Street
Painesville, Ohio 44077

We have reviewed the *Independent Auditor's Report* of the Lake County General Health District, Lake County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 13, 2014

This page intentionally left blank.

**LAKE COUNTY GENERAL HEALTH DISTRICT
LAKE COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements:	
Statement of Net Position– Cash Basis	10
Statement of Activities – Cash Basis	11
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	12
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds	13
Statement of Receipts, Disbursements, and Changes in Fund Balances - Budget and Actual – Budget Basis –	
General Fund	14
Women, Infants, and Children (WIC) Fund	15
Health Promotion Fund	16
Public Health Nursing Fund	17
Air Pollution Control Fund	18
Help Me Grow Program Fund	19
Notes to the Basic Financial Statements	20-30
Schedule of Expenditures of Federal Awards	31-32
Note to the Schedule of Expenditures of Federal Awards	33
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34-35
Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	36-37
Schedule of Findings and Questioned Costs	38
Schedule of Prior Audit Findings and Recommendations	39

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 – 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR’S REPORT

Board of Trustees
Lake County General Health District
Painesville, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake County General Health District, Lake County, Ohio (the Health District), as of and for the year ended December 31, 2013, 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 cash basis of accounting described in Note 2; this includes determining that the 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 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 Lake County General Health District, Ohio’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 Lake County General Health District, Ohio’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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake County General Health District, Ohio, as of December 31, 2013, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, the Women, Infants, and Children Fund (WIC), the Health Promotion Fund, the Public Health Nursing Fund, the Air Pollution Control Fund, and the Help Me Grow Program Fund, thereof for the year then ended in accordance with the basis of accounting described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the 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.

Other Matters

Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lake County General Health District, Ohio's basic financial statements. The Management's Discussion and Analysis includes tables of net position, changes in net position, and governmental activities. The Schedule of Expenditures of Federal Awards (the Schedule) is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These tables and the Schedule provide additional analysis and are not a required part of the basic financial statements.

These tables and the Schedule are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements. We also applied certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and the Schedule are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion and Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2014, on our consideration of the Lake County General Health District, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lake County General Health District, Ohio's internal control over financial reporting and compliance.

James G. Zupka,
CPA, President
James G. Zupka, CPA, Inc.
Certified Public Accountants

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President, o=James
G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2014.05.30 14:38:41 -04'00'

April 22, 2014

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

The discussion and analysis of the Lake County General Health District's, Lake County, Ohio (the "Health District") financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2013, 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 2013 are as follows:

- Net position decreased by \$470,623 in 2013. Net position consists of the cash balance of the twenty-four Health District funds.
- The Health District had disbursements totaling \$5,950,163 during 2013.
- Cash receipts for the Health District during 2013 totaled \$5,479,540.
- Program specific receipts in the form of charges for services and operating grants comprise the largest percentage of the Health District's receipts, making up 63 percent of all the monies received into the Health District.
- Property taxes accounted for 36 percent of all the monies received in 2013.
- State Subsidy made up less than 1 percent of all dollars received.

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 District Board of Health 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 Position – Cash Basis and Statement of Activities – Cash Basis (pages 11 and 12) 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.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
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 Position and the Statement of Activities – Cash Basis (pages 11 and 12) reflect how the Health District did financially during 2013, within the limitations of the cash basis of accounting. The Statement of Net Position – 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, the reader 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, the reader 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.

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

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.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

Reporting the Health District's Most Significant Funds (Continued)

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 in 2013 were the General (Board of Health) Fund, the Women, Infants, and Children Fund (WIC), the Health Promotion Fund, the Public Health Nursing Fund, the Air Pollution Control Fund, and the Help Me Grow Program 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 position for 2013 compared to 2012 on a cash basis.

Table 1 - Net Position - Cash Basis

	Governmental Activities	
	2013	2012
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 1,953,953	\$ 2,424,576
Total Assets	\$ 1,953,953	\$ 2,424,576
<u>Net Position</u>		
Restricted for:		
Women, Infants, and Children	\$ 19,066	\$ 9,128
Health Promotion	85,173	30,425
Public Health Nursing	106,435	44,684
Air Pollution Control	64,792	61,894
Help Me Grow Program	25,737	112,066
Public Health Infrastructure	80,756	40,947
Child and Family Health Services	19,425	3,416
HIV Prevention	22,069	16,017
Other Grant Purposes	84,173	31,647
Unrestricted	1,446,327	2,074,352
Total Net Position	\$ 1,953,953	\$ 2,424,576

As mentioned previously, net position decreased by \$470,623.

Table 2 on the next page reflects the changes in net position in 2013 and 2012:

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

Table 2 - Changes in Net Position

	Governmental Activities	
	2013	2012
<u>Receipts</u>		
Program Cash Receipts:		
Charges for Services	\$ 1,458,780	\$ 1,478,781
Operating Grants and Contributions	1,984,805	2,365,407
Total Program Cash Receipts	<u>3,443,585</u>	<u>3,844,188</u>
General Receipts:		
Property Taxes Levied for General Health District Purposes	1,992,983	2,111,002
Grants and Entitlements not Restricted to Specific Programs	42,972	43,018
Total General Receipts	<u>2,035,955</u>	<u>2,154,020</u>
Total Receipts	<u>5,479,540</u>	<u>5,998,208</u>
<u>Disbursements</u>		
Environmental Health:		
General Environmental Health Services	1,160,733	1,127,930
Air Pollution Control	275,669	308,275
Mosquito Control	148,675	137,358
Plumbing	92,399	91,314
Solid Waste	62,667	0
Stormwater	50,322	48,374
Food Service	46,002	44,517
Other Environmental Health	24,368	36,560
Community Health Services:		
General Community Health Services	521,880	543,786
WIC	642,956	692,623
Help Me Grow Program	389,417	619,866
Flu	30,483	21,999
Immunizations	111,255	97,476
Child and Family Health Services	75,609	73,169
Communicable Diseases	4,147	4,057
HIV/AIDS Education and Case Management	112,766	109,989
Health Promotion and Planning	704,767	611,455
Public Health Infrastructure	148,636	138,965
Vital Statistics	301,290	269,538
Administration	566,320	563,573
General Health District	479,802	357,414
Total Disbursements	<u>5,950,163</u>	<u>5,898,238</u>
Change in Net Position	(470,623)	99,970
Net Position at Beginning of Year, as Restated	2,424,576	2,324,606
Net Position at End of Year	<u>\$ 1,953,953</u>	<u>\$ 2,424,576</u>

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

The Health District as a Whole (Continued)

In 2013, 37 percent 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 63 percent of the Health District's total receipts in year 2013. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, manufactured homes, swimming pools and spas, water system permits, and state and federal operating grants.

Governmental Activities

If the reader looks at the Statement of Activities – Cash Basis (page 12), the reader 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 General Environmental Health Services and WIC, which account for 20 percent and 11 percent of all governmental disbursements, respectively. 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 (Disbursement) Receipts column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers, and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

A comparison between the total cost of services and the net cost is presented in Table 3 below.

Table 3- Governmental Activities

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
Governmental Activities				
General Environmental Health Services	\$ 1,160,733	\$ (1,160,733)	\$ 1,127,930	\$ (1,140,035)
Air Pollution Control	275,669	(57,102)	308,275	(14,333)
Mosquito Control	148,675	(137,162)	137,358	(124,287)
Plumbing	92,399	32,931	91,314	55,251
Solid Waste	62,667	227	0	141,708
Stormwater	50,322	58,048	48,374	39,744
Food Service	46,002	309,281	44,517	295,329
Other Environmental Health	24,368	226,216	36,560	222,741
General Community Health Services	521,880	(458,100)	543,786	(494,279)
WIC	642,956	9,938	692,623	(79,447)
Help Me Grow Program	389,417	(115,945)	619,866	10,263
Flu	30,483	16,591	21,999	34,668
Immunizations	111,255	42,457	97,476	15,203
Child and Family Health Services	75,609	15,691	73,169	(18,389)
Communicable Diseases	4,147	7,111	4,057	6,377
HIV/AIDS Education and Case Management	112,766	51,967	109,989	41,911
Health Promotion and Planning	704,767	(536,032)	611,455	(374,017)
Public Health Infrastructure	148,636	41,984	138,965	89,659
Vital Statistics	301,290	78,630	269,538	60,370
Administration	566,320	(566,320)	563,573	(563,573)
General Health District	479,802	(366,256)	357,414	(258,914)
Total Governmental Activities	<u>\$ 5,950,163</u>	<u>\$ (2,506,578)</u>	<u>\$ 5,898,238</u>	<u>\$ (2,054,050)</u>

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

The Health District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing grants and charging rates for services that are closely related to costs. For 2013, 34 percent of health costs were supported through property taxes, and unrestricted grants.

The Health District's Funds

The governmental funds, excluding transfers and advances, had total receipts of \$5,479,540 and disbursements of \$5,950,163. The governmental funds had a decrease in the cash balance of \$470,623.

The fund balance of the General Fund (Board of Health Fund) decreased by \$628,025, to \$1,446,327 at year-end. The Health District maintains a capital budget to help fund future expenditures for the building, equipment, automobiles, and sick and vacation pay due upon employees' retirement. The Capital Budget funds are part of the General Fund.

The Women, Infants, and Children (WIC) Fund increased by \$9,938. The cash balance of this fund was \$19,066 on December 31, 2013. The WIC Program is managed on a fiscal year which ends September 30 each year.

The Health Promotion Fund had receipts that totaled \$159,077 in 2013. Disbursements totaled \$646,427. \$542,098 was transferred from the General Fund to the Health Promotion Fund during 2013. The cash balance at year end was \$85,173.

The Public Health Nursing Fund had an increase of \$61,751 in cash balance. Most of the expenditures from this fund were paid with transfers from the General Health Fund. The balance at year-end was \$106,435.

The fund balance of the Air Pollution Control Fund was \$64,792 on December 31, 2013, an increase of \$2,898 compared to the balance on December 31, 2012.

The fund balance of the Help Me Grow Program Fund was \$25,737 on December 31, 2013. The Help Me Grow Program Fund was discontinued in 2013. The unobligated cash will be transferred to the General Fund. Some of the monies will be used to fund unemployment of staff laid off from the Program.

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 2013, the Health District amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts. The Women, Infants, and Children (WIC) fund had an increase in appropriations due to an increase in grant funding. The Public Health Nursing Fund decreased appropriations due to funding cuts. Appropriations in the Air Pollution Control Fund decreased with no change in funding. The Health Promotion Fund appropriations increased due to additional funding. The remaining funds had no significant changes from the original and final budgeted amounts.

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 Jeffrey Campbell CPA, Senior Manager, Lake County General Health District, 33 Mill Street, Painesville, Ohio 44077.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Net Position – Cash Basis
December 31, 2013

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,953,953
Total Assets	\$ 1,953,953
<u>Net Position</u>	
Restricted for:	
Women, Infants, and Children	\$ 19,066
Health Promotion	85,173
Public Health Nursing	106,435
Air Pollution Control	64,792
Help Me Grow Program	25,737
Public Health Infrastructure	80,756
Child and Family Health Services	19,425
HIV Prevention	22,069
Other Grant Purposes	84,173
Unrestricted	1,446,327
Total Net Position	\$ 1,953,953

See accompanying notes to the basic financial statements.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Activities – Cash Basis
For the Year Ended December 31, 2013

	Disbursements	Program Receipts		Net
		Charges for Services and Sales	Operating Grants and Contributions	(Disbursements)
				Receipts and Changes in Net Position
				Governmental Activities
<u>Governmental Activities</u>				
<i>Environmental Health:</i>				
General Environmental Health Services	\$ 1,160,733	\$ 0	\$ 0	\$ (1,160,733)
Air Pollution Control	275,669	4,752	213,815	(57,102)
Mosquito Control	148,675	11,513	0	(137,162)
Plumbing	92,399	125,330	0	32,931
Solid Waste	62,667	62,894	0	227
Stormwater	50,322	108,370	0	58,048
Food Service	46,002	355,283	0	309,281
Other Environmental Health	24,368	154,923	95,661	226,216
General Community Health Services	521,880	32,530	31,250	(458,100)
WIC	642,956	0	652,894	9,938
Help Me Grow Program	389,417	25,129	248,343	(115,945)
Flu	30,483	47,074	0	16,591
Immunizations	111,255	60,976	92,736	42,457
Child and Family Health Services	75,609	0	91,300	15,691
Communicable Diseases	4,147	8,258	3,000	7,111
HIV/AIDS Education and Case Management	112,766	0	164,733	51,967
Health Promotion and Planning	704,767	7,719	161,016	(536,032)
Public Health Infrastructure	148,636	0	190,620	41,984
Vital Statistics	301,290	340,483	39,437	78,630
Administration	566,320	0	0	(566,320)
General Health District	479,802	113,546	0	(366,256)
Total Governmental Activities	\$ 5,950,163	\$ 1,458,780	\$ 1,984,805	(2,506,578)
<u>General Receipts</u>				
Property Taxes Levied for:				
				1,992,983
Grants and Entitlements not Restricted				
				42,972
				<u>2,035,955</u>
				(470,623)
				<u>2,424,576</u>
				<u>\$ 1,953,953</u>

See accompanying notes to the basic financial statements

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2013

	General	Women, Infants, and Children	Health Promotion	Public Health Nursing	Air Pollution Control	Help Me Grow Program	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>								
Equity in Pooled Cash and Cash Equivalents	\$ 1,446,327	\$ 19,066	\$ 85,173	\$ 106,435	\$ 64,792	\$ 25,737	\$ 206,423	\$ 1,953,953
Total Assets	\$ 1,446,327	\$ 19,066	\$ 85,173	\$ 106,435	\$ 64,792	\$ 25,737	\$ 206,423	\$ 1,953,953
<u>Fund Balances</u>								
Restricted:								
Women, Infants, and Children	\$ 0	\$ 19,066	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,066
Health Promotion	0	0	85,173	0	0	0	0	85,173
Public Health Nursing	0	0	0	106,435	0	0	0	106,435
Air Pollution Control	0	0	0	0	64,792	0	0	64,792
Help Me Grow Program	0	0	0	0	0	25,737	0	25,737
Public Health Infrastructure	0	0	0	0	0	0	80,756	80,756
Child and Family Health Services	0	0	0	0	0	0	19,425	19,425
HIV Prevention	0	0	0	0	0	0	22,069	22,069
Other Grant Purposes	0	0	0	0	0	0	84,173	84,173
Assigned	23,144	0	0	0	0	0	0	23,144
Unassigned	1,423,183	0	0	0	0	0	0	1,423,183
Total Fund Balances	\$ 1,446,327	\$ 19,066	\$ 85,173	\$ 106,435	\$ 64,792	\$ 25,737	\$ 206,423	\$ 1,953,953

See accompanying notes to the basic financial statements.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General	Women, Infants, and Children	Health Promotion	Public Health Nursing	Air Pollution Control	Help Me Grow Program	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$ 1,992,983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,992,983
Subsidy	42,972	0	0	0	0	0	0	42,972
Operating Grants	116,915	652,894	151,358	36,750	213,815	273,472	564,730	2,009,934
Charges for Services	1,272,342	0	7,719	148,838	4,752	0	0	1,433,651
Total Receipts	3,425,212	652,894	159,077	185,588	218,567	273,472	564,730	5,479,540
Disbursements								
Current:								
Environmental Health:								
General Environmental Health Services	1,160,733	0	0	0	0	0	0	1,160,733
Air Pollution Control	0	0	0	0	275,669	0	0	275,669
Mosquito Control	148,675	0	0	0	0	0	0	148,675
Plumbing	92,399	0	0	0	0	0	0	92,399
Solid Waste	62,667	0	0	0	0	0	0	62,667
Stormwater	50,322	0	0	0	0	0	0	50,322
Food Service	46,002	0	0	0	0	0	0	46,002
Other Environmental Health	24,368	0	0	0	0	0	0	24,368
Community Health Services:								
General Community Health Services	0	0	0	521,880	0	0	0	521,880
WIC	0	642,956	0	0	0	0	0	642,956
Help Me Grow	29,616	0	0	0	0	359,801	0	389,417
Flu	0	0	0	30,483	0	0	0	30,483
Immunizations	0	0	0	32,656	0	0	78,599	111,255
Child and Family Health Services	0	0	0	319	0	0	75,290	75,609
Communicable Diseases	0	0	0	4,147	0	0	0	4,147
HIV/AIDS Education and Case Management	0	0	0	0	0	0	112,766	112,766
Health Promotion and Planning:								
Health Promotion and Planning	23,297	0	637,600	0	0	0	43,870	704,767
Public Health Infrastructure	0	0	8,827	0	0	0	139,809	148,636
Vital Statistics	301,290	0	0	0	0	0	0	301,290
Administration	566,320	0	0	0	0	0	0	566,320
General Health District	479,802	0	0	0	0	0	0	479,802
Total Disbursements	2,985,491	642,956	646,427	589,485	275,669	359,801	450,334	5,950,163
Excess of Receipts Over (Under) Disbursements	439,721	9,938	(487,350)	(403,897)	(57,102)	(86,329)	114,396	(470,623)
Other Financing Sources (Uses)								
Transfers In	0	0	542,098	465,648	60,000	0	0	1,067,746
Transfers Out	(1,067,746)	0	0	0	0	0	0	(1,067,746)
Advance In	28,000	28,000	0	0	0	0	0	56,000
Advance Out	(28,000)	(28,000)	0	0	0	0	0	(56,000)
Total Other Financing Sources (Uses)	(1,067,746)	0	542,098	465,648	60,000	0	0	0
Net Change in Fund Balances	(628,025)	9,938	54,748	61,751	2,898	(86,329)	114,396	(470,623)
Fund Balances at Beginning of Year, as Restated	2,074,352	9,128	30,425	44,684	61,894	112,066	92,027	2,424,576
Fund Balances at End of Year	\$ 1,446,327	\$ 19,066	\$ 85,173	\$ 106,435	\$ 64,792	\$ 25,737	\$ 206,423	\$ 1,953,953

See accompanying notes to the basic financial statements

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Receipts, Disbursements, and Changes in Fund Balances –
Budget and Actual – Budget Basis
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Receipts</u>				
Property and Other Local Taxes	\$ 1,992,985	\$ 1,992,983	\$ 1,992,983	\$ 0
Subsidy	43,000	42,972	42,972	0
Operating Grants	146,700	129,605	116,915	(12,690)
Charges for Services	1,324,871	1,352,956	1,272,342	(80,614)
Total Receipts	<u>3,507,556</u>	<u>3,518,516</u>	<u>3,425,212</u>	<u>(93,304)</u>
<u>Disbursements</u>				
Current:				
Environmental Health:				
General Environmental Health Services	1,210,157	1,262,841	1,160,733	102,108
Mosquito Control	127,525	115,146	148,675	(33,529)
Plumbing	97,266	112,832	92,399	20,433
Solid Waste	118,300	120,467	62,667	57,800
Stormwater	82,779	51,953	50,322	1,631
Food Service	49,470	50,288	46,002	4,286
Other Environmental Health	34,699	35,873	24,368	11,505
Health Promotion and Planning	7,324	21,707	23,297	(1,590)
Vital Statistics	294,861	328,618	301,290	27,328
Help Me Grow Program	5,800	35,159	29,616	5,543
Administration	658,930	627,462	566,320	61,142
General Health District	1,503,685	1,484,157	479,802	1,004,355
Total Disbursements	<u>4,190,796</u>	<u>4,246,503</u>	<u>2,985,491</u>	<u>1,261,012</u>
Excess of Receipts Over (Under) Disbursements	<u>(683,240)</u>	<u>(727,987)</u>	<u>439,721</u>	<u>1,167,708</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	2,110	2,110
Transfers Out	0	0	(1,069,856)	(1,069,856)
Advances In	0	0	28,000	28,000
Advances Out	0	0	(28,000)	(28,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(1,067,746)</u>	<u>(1,067,746)</u>
Net Change in Fund Balances	<u>(683,240)</u>	<u>(727,987)</u>	<u>(628,025)</u>	<u>99,962</u>
Fund Balances at Beginning of Year	<u>2,074,352</u>	<u>2,074,352</u>	<u>2,074,352</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 1,391,112</u>	<u>\$ 1,346,365</u>	<u>\$ 1,446,327</u>	<u>\$ 99,962</u>

See accompanying notes to the basic financial statements

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Receipts, Disbursements, and Changes in Fund Balances –
Budget and Actual – Budget Basis
Women, Infants, and Children (WIC) Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Receipts</u>				
Operating Grants	\$ 641,854	\$ 649,054	\$ 652,894	\$ 3,840
Total Receipts	<u>641,854</u>	<u>649,054</u>	<u>652,894</u>	<u>3,840</u>
<u>Disbursements</u>				
Current:				
WIC	670,025	657,490	642,956	14,534
Total Disbursements	<u>670,025</u>	<u>657,490</u>	<u>642,956</u>	<u>14,534</u>
Excess of Receipts Over (Under) Disbursements	<u>(28,171)</u>	<u>(8,436)</u>	<u>9,938</u>	<u>18,374</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	19,044	0	0	0
Transfers Out	0	(691)	0	691
Advances In	0	0	28,000	28,000
Advances Out	0	0	(28,000)	(28,000)
Total Other Financing Sources (Uses)	<u>19,044</u>	<u>(691)</u>	<u>0</u>	<u>691</u>
Net Change in Fund Balances	<u>(9,127)</u>	<u>(9,127)</u>	<u>9,938</u>	<u>19,065</u>
Fund Balances at Beginning of Year	<u>9,128</u>	<u>9,128</u>	<u>9,128</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 19,066</u>	<u>\$ 19,065</u>

See accompanying notes to the basic financial statements

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Receipts, Disbursements, and Changes in Fund Balances –
Budget and Actual – Budget Basis
Health Promotion Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Operating Grants	\$ 151,183	\$ 158,383	\$ 151,358	\$ (7,025)
Charges for Services	8,149	3,220	7,719	4,499
Total Receipts	<u>159,332</u>	<u>161,603</u>	<u>159,077</u>	<u>(2,526)</u>
<u>Disbursements</u>				
Health Promotion and Planning	742,938	810,028	637,600	172,428
Public Health Infrastructure	14,823	25,375	8,827	16,548
Total Disbursements	<u>757,761</u>	<u>835,403</u>	<u>646,427</u>	<u>188,976</u>
Excess of Receipts Over (Under) Disbursements	<u>(598,429)</u>	<u>(673,800)</u>	<u>(487,350)</u>	<u>186,450</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	568,001	643,372	542,098	(101,274)
Total Other Financing Sources (Uses)	<u>568,001</u>	<u>643,372</u>	<u>542,098</u>	<u>(101,274)</u>
Net Change in Fund Balances	<u>(30,428)</u>	<u>(30,428)</u>	<u>54,748</u>	<u>85,176</u>
Fund Balances at Beginning of Year	<u>30,425</u>	<u>30,425</u>	<u>30,425</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ 85,173</u>	<u>\$ 85,176</u>

See accompanying notes to the basic financial statements

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Receipts, Disbursements, and Changes in Fund Balances –
Budget and Actual – Budget Basis
Public Health Nursing Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Receipts</u>				
Operating Grants	\$ 44,500	\$ 37,000	\$ 36,750	\$ (250)
Charges for Services	165,800	165,800	148,838	(16,962)
Total Receipts	<u>210,300</u>	<u>202,800</u>	<u>185,588</u>	<u>(17,212)</u>
<u>Disbursements</u>				
General Community Health Services	726,979	628,172	521,880	106,292
Flu	25,196	25,196	30,483	(5,287)
Immunizations	35,311	36,121	32,656	3,465
Child and Family Health Services	0	0	319	(319)
Communicable Diseases	4,034	3,823	4,147	(324)
Total Disbursements	<u>791,520</u>	<u>693,312</u>	<u>589,485</u>	<u>103,827</u>
Excess of Receipts Over (Under) Disbursements	<u>(581,220)</u>	<u>(490,512)</u>	<u>(403,897)</u>	<u>86,615</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	581,220	490,512	471,648	(18,864)
Transfers Out	0	0	(6,000)	(6,000)
Total Other Financing Sources (Uses)	<u>581,220</u>	<u>490,512</u>	<u>465,648</u>	<u>(24,864)</u>
Net Change in Fund Balances	0	0	61,751	61,751
Fund Balances at Beginning of Year	<u>44,684</u>	<u>44,684</u>	<u>44,684</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 44,684</u>	<u>\$ 44,684</u>	<u>\$ 106,435</u>	<u>\$ 61,751</u>

See accompanying notes to the basic financial statements

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Receipts, Disbursements, and Changes in Fund Balances –
Budget and Actual – Budget Basis
Air Pollution Control Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Operating Grants	\$ 220,695	\$ 220,695	\$ 213,815	\$ (6,880)
Charges for Services	5,000	5,000	4,752	(248)
Total Receipts	<u>225,695</u>	<u>225,695</u>	<u>218,567</u>	<u>(7,128)</u>
<u>Disbursements</u>				
Current:				
Air Pollution Control	297,332	294,848	275,669	19,179
Total Disbursements	<u>297,332</u>	<u>294,848</u>	<u>275,669</u>	<u>19,179</u>
Excess of Receipts Over (Under) Disbursements	<u>(71,637)</u>	<u>(69,153)</u>	<u>(57,102)</u>	<u>12,051</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	9,743	7,259	60,000	52,741
Total Other Financing Sources (Uses)	<u>9,743</u>	<u>7,259</u>	<u>60,000</u>	<u>52,741</u>
Net Change in Fund Balances	<u>(61,894)</u>	<u>(61,894)</u>	<u>2,898</u>	<u>64,792</u>
Fund Balances at Beginning of Year	<u>61,894</u>	<u>61,894</u>	<u>61,894</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64,792</u>	<u>\$ 64,792</u>

See accompanying notes to the basic financial statements

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Statement of Receipts, Disbursements, and Changes in Fund Balances –
Budget and Actual – Budget Basis
Help Me Grow Program Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Operating Grants	\$ 558,128	\$ 273,081	\$ 273,472	\$ 391
Total Receipts	<u>558,128</u>	<u>273,081</u>	<u>273,472</u>	<u>391</u>
<u>Disbursements</u>				
Current:				
Help Me Grow Program	717,383	367,248	359,801	7,447
Total Disbursements	<u>717,383</u>	<u>367,248</u>	<u>359,801</u>	<u>7,447</u>
Excess of Receipts Over (Under) Disbursements	<u>(159,255)</u>	<u>(94,167)</u>	<u>(86,329)</u>	<u>7,838</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	47,191	0	0	0
Transfers Out	0	(17,897)	0	17,897
Total Other Financing Sources (Uses)	<u>47,191</u>	<u>(17,897)</u>	<u>0</u>	<u>17,897</u>
Net Change in Fund Balances	<u>(112,064)</u>	<u>(112,064)</u>	<u>(86,329)</u>	<u>25,735</u>
Fund Balances at Beginning of Year	<u>112,066</u>	<u>112,066</u>	<u>112,066</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 25,737</u>	<u>\$ 25,735</u>

See accompanying notes to the basic financial statements

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013

Note 1 – Reporting Entity

A fourteen-member Board of Health and the Health Commissioner governs the Lake County General Health District (the “Health District”). The Board appoints a Health Commissioner and the two Directors. All other employees of the Health District are hired by the Health Commissioner. With the exception of the City of Mentor, each contracting city has one Board representative. As a result of its population, the City of Mentor has two representatives. The General Health District (township and villages) has three representatives on the Board. There is one Board member representing the licensing council and the licensing council represents various groups that are licensed by the Health District. The Health District’s services include communicable disease investigations, immunization clinics, inspections, public health nursing services, and the issuance of health-related licenses and permits.

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. Following are the more significant of the Health District’s accounting policies.

A. Basis of Presentation

The Health District’s basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Health District as a whole. These Statements 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, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental 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. 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. The funds of the Health District are presented as governmental.

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 funds:

General Fund (Board of Health 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.

Women, Infants, and Children (WIC) Fund – This fund accounts for the WIC grant funds and disbursements. The mission of WIC is to safeguard the health of low-income women with infants and children up to age 5 who are at nutrition risk by providing nutritious foods to supplement diets, information on healthy eating, and referrals to health care.

Health Promotion Fund – This fund receives grant dollars to provide for Health Planning, Health Promotion, and Preventive Health.

Public Health Nursing Fund – This fund receives fees and non-federal grant dollars for providing public health nursing services.

Air Pollution Control Fund – This fund receives federal and state grant dollars to monitor the air quality and investigate complaints. It also receives fees for open burning permits.

Help Me Grow Program Fund – This fund receives funding for the Help Me Grow (HMG) Program. This Program was discontinued effective July 1, 2013.

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

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

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 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 County Board of Health may appropriate. The appropriations resolution is the County 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 Lake County Board of Health. The legal level of control has been established by the Lake County Board of Health at the fund, function, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Health District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources 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 County 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 budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County 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 County. The Lake County Treasurer's office is located in Lake County's Administration Building at 105 Main St., Painesville, Ohio 44077. The phone number is (440) 350-2516.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

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. Inter-fund Receivables/Payables

The Health District reports advances-in and advances-out for inter-fund 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 post-retirement health care benefits.

L. Long-Term Obligations

The Health District's 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 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.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(Continued)

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 are 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 extremely imposed by creditors, grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions.

Enabling legislation authorizes the Health District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Health District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Health District. Those committed amounts cannot be used for any other purposes unless the Health District removes or changes the specified use by taking the same type of action (ordinance or 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 Health District, 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 District or a Health District official delegated that authority by ordinance, or by State Statute.

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

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

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

O. Inter-Fund 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 inter-fund transfers. Inter-fund 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.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and each major special revenue fund is prepared on the cash basis to provide a meaningful comparison of actual results with the budget.

The encumbrances outstanding at year end (budgetary basis) amounted to:

General Fund	\$	23,144
Major Special Revenue Funds:		
WIC		458
Health Promotion		1,525
Public Health Nursing		598
Air Pollution Control		279
Help Me Grow Program		0
Other Governmental Funds		2,977

Note 4 - Property and Other Local 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 2013 for real and public utility property taxes represents collections of the 2012 taxes.

2013 real property taxes are levied after October 1, 2013 on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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 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. 2013 public utility property taxes which became a lien on December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all Health District operations for the year ended December 31, 2013, was \$32 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2013 property tax receipts were based was \$6,138,496,590.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(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. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool ("APEEP"), which is also administered by ARPCO. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. The Board of Directors and ARPCO periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

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, 2012 and 2011 (the latest information available):

	2012	2011
Assets	\$ 34,389,569	\$ 33,362,404
Liabilities	(14,208,353)	(14,187,273)
Net Position	\$ 20,181,216	\$ 19,175,131

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and \$13 million of estimated claims payable. The assets above also include approximately \$12.6 and \$12.1 million of unpaid claims to be billed to approximately 466 member governments in the future, as of December 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the Health District's share of these unpaid claims collectible in future years is approximately \$10,777.

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.

Contributions to PEP		
2011	\$	25,824
2012	\$	34,743
2013	\$	35,490

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(Continued)

Note 5 - Risk Management (Continued)

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 budgetary contribution. Withdrawing members have no other future obligation to the Pool. Additionally, 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 Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Plan - a cost-sharing, multiple-employer defined benefit pension plan.
 2. The Member-Directed Plan - 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.
 3. The Combined Plan - a cost-sharing, multiple-employer defined benefit plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- A. OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- B. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.
- C. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, or by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.
- D. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions (including Lake County General Health District) may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

For 2013, the Health District's member contribution rates were 10 percent of covered payroll. The 2013 employer contribution for the Health District was 14 percent of covered payroll.

- E. The Health District's required contributions for pension obligations to the Traditional and Combined plans for the years ended December 31, 2013, 2012, and 2011, were \$226,046, \$279,081, and \$297,047, respectively.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(Continued)

Note 7 – Post-Employment Benefits

A. Plan Description

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 plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients, and qualified survivor 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 No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, or by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

B. Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 1.00 percent during calendar year 2013. The portion of employer contributions allocated to health care for members of the Combined Plan was 1.00 percent during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to health care was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Health District's actual contributions for 2013 which were used to fund post-employment health care benefits were \$34,744.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(Continued)

Note 7 – Post-Employment Benefits (Continued)

C. OPERS Board of Trustees Adopt Changes to the Health Care Plan

Changes to the Health Care Plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00 percent of the employer contributions toward the Health Care Fund after the end of the transition period.

Note 8 – Inter-fund Transfers

During 2013, the following transfers were made:

Transfers from the General Fund to:	
Air Pollution Control Fund	\$ 60,000
Health Promotion Fund	542,098
Public Health Nursing Fund	465,648

Transfers represent the allocation of receipts collected in the General Fund to finance various programs accounted for in other funds.

An advance was made and repaid from the General Fund to the Women, Infants, and Children's Fund and relates to a working capital loan.

Note 9 – Changes in Accounting Principles and Restatement of Prior Year's Net Position/Fund Balance

Changes in Accounting Principles

The Health District implemented the following Governmental Accounting Standards Board (GASB) Statements in 2013:

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2012 and have been implemented by the Health District.

GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the Health District.

Restatement of Net Position/Fund Balance

In the prior year, the Health District inadvertently recorded the Agency Fund as part of the Health District. As a result, Net Position as of December 31, 2012 is restated from \$2,425,686 to \$2,424,576 and the General Fund balance as of December 31, 2012 is restated from \$2,075,462 to \$2,074,352.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2013
(Continued)

Note 10 – Contingent Liabilities

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

Note 11 – Nonprofit Corporations

On October 18, 1988, the Health District formed a nonprofit corporation in accordance with Chapter 1702 of the Ohio Revised Code, which was recorded with the Ohio Secretary of State on October 19, 1988. The name of the corporation is “Lake County Health District Fund” (the Health District Fund). The Health District Fund receives and maintains funds and applies the income and principal, thereof, for charitable, educational, or scientific purposes within the United States of America; and more particularly, but without limiting the generality of the foregoing, provides financial support to the Health District, its employees, and programs to further the treatment or prevention of injury or disease, and to develop activities designed and carried on to promote health in the general community served by the Health District.

Note 12 – Subsequent Event

On April 17, 2014, the Health District was awarded an Obesity Prevention Initiative grant that will exceed \$1.8 million over the 3 years for which it was awarded.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Grant Period	Federal CFDA Number	Pass-Through Grantor 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 (WIC)	10/01/12-09/30/13	10.557	04310011WA0613	\$ 475,803
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10/01/13-09/30/14	10.557	04310011WA0714	<u>195,153</u>
Total U.S. Department of Agriculture				<u>670,956</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Passed through Ohio Department of Health</i>				
Immunization Grants	01/01/12-12/31/12	93.268	04310011IM0512	18,759
Immunization Grants	01/01/13-12/31/13	93.268	04310011IM0613	<u>59,840</u>
<i>Total CFDA #93.268</i>				<u>78,599</u>
Public Health Emergency Preparedness	08/10/12-06/30/13	93.069	04310013PH0413	<u>122,303</u>
Hospital Preparedness and Public Health Emergency Preparedness	07/01/13-06/30/14	93.074	04310013PH0413	<u>17,506</u>
Maternal and Child Health Services Block Grant to States	07/01/12-06/30/13	93.994	04310011MC0613	26,665
Maternal and Child Health Services Block Grant to States	07/01/13-06/30/14	93.994	04310011MC0714	<u>33,567</u>
<i>Total CFDA #93.994</i>				<u>60,232</u>
<i>Passed through Cuyahoga County of Ohio</i>				
HIV Emergency Relief Projects Grants	03/01/12-02/28/13	93.914	-	31,938
HIV Emergency Relief Projects Grants	03/01/13-02/28/14	93.914	-	<u>67,422</u>
<i>Total CFDA #93.914</i>				<u>99,360</u>
Total U.S. Department of Health and Human Services				<u>378,000</u>
<u>U.S. Department of Environmental Protection Agency</u>				
<i>Passed Through the Ohio Environmental Protection Agency</i>				
Air Pollution Control Program Support	10/01/12-09/30/13	66.001	-	54,590
Air Pollution Control Program Support	10/01/13-06/30/14	66.001	-	<u>23,405</u>
<i>Total CFDA #66.001</i>				<u>77,995</u>
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	04/01/12-03/31/13	66.034	-	28,096
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	04/01/13-03/31/14	66.034	-	<u>10,468</u>
<i>Total CFDA #66.034</i>				<u>38,564</u>
Total U.S. Department of Environmental Protection Agency				<u>116,559</u>

(Continued)

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013
(Continued)

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Grant Period	Federal CFDA Number	Pass-Through Grantor Number	Expenditures
<u>U.S. Department of Transportation</u>				
<i>Passed Through the Ohio Department of Public Safety</i>				
State and Community Highway Safety	10/01/12-09/30/13	20.600	SC-2013-43-00-00-00328-00	28,322
State and Community Highway Safety	10/01/13-09/30/14	20.600	SC-2014-43-00-00-00490-00	15,548
Total U.S. Department of Transportation				<u>43,870</u>
<u>U.S. Department of Education</u>				
<i>Passed Through the Ohio Department of Health</i>				
Early Intervention Services (IDEA) Cluster				
Special Education Grants for Infants and Families - Help Me Grow Program	07/01/12-06/30/13	84.181	04310011HG0413	46,116
<i>Total Early Intervention Services (IDEA) Cluster</i>				<u>46,116</u>
Total U.S. Department of Education				<u>46,116</u>
Total Expenditures of Federal Awards				<u>\$ 1,255,501</u>

See accompanying note to Supplemental Schedule of Expenditures of Federal Awards.

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Note to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

NOTE 1: **SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the Health District's federal award program disbursements. The Schedule has been prepared on the cash basis of accounting.

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Board of Trustees
Lake County General Health District
Painesville, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

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 of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake County General Health District, Lake County, Ohio, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Lake County General Health District, Ohio's basic financial statements, and have issued our report thereon dated April 22, 2014, wherein we noted that the Lake County General Health District, Ohio, uses a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lake County General Health District, Ohio'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lake County General Health District, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lake County General Health District, Ohio'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 Lake County General Health District, Ohio'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 the Lake County General Health District, Ohio'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*.

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 Lake County General Health District, Ohio'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 Lake County General Health District, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka,
CPA, President
James G. Zupka, CPA, Inc.
Certified Public Accountants

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
o=James G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2014.05.30 14:39:21 -04'00'

April 22, 2014

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

Board of Trustees
Lake County General Health District
Painesville, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the Lake County General Health District, Lake County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Lake County General Health District, Ohio's major federal program for the year ended December 31, 2013. The Lake County General Health District, Ohio's major federal program is identified in the *Summary of Auditor's Results* of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Lake County General Health District, Ohio's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lake County General Health District, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the Lake County General Health District, Ohio's compliance.

Opinion on the Major Federal Program

In our opinion, the Lake County General Health District, Ohio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Lake County General Health District, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lake County General Health District, Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Lake County General Health District, Ohio'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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 was not designed to 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

James G. Zupka
CPA, President
James G. Zupka, CPA, Inc.
Certified Public Accountants

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
o=James G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2014.05.30 14:39:43 -04'00'

April 22, 2014

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Schedule of Findings and Questioned Costs
OMB Circular A-133 & §.505
December 31, 2013

1. SUMMARY OF AUDITOR'S RESULTS		
2013(i)	Type of Financial Statement Opinion	Unmodified
2013(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2013(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2013(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2013(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2013(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2013(v)	Type of Major Programs' Compliance Opinion	Unmodified
2013(vi)	Any there any reportable findings under .510?	No
2013(vii)	Major Programs (list):	
	Special Supplemental Nutrition Program for Women, Infants, and Children - CFDA #10.557	
2013(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
2013(ix)	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.		

LAKE COUNTY GENERAL HEALTH DISTRICT
Lake County, Ohio
Schedule of Prior Audit Findings and Recommendations
December 31, 2013

The prior audit report, as of December 31, 2012, included no findings or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



Dave Yost • Auditor of State

LAKE COUNTY GENERAL HEALTH DISTRICT

LAKE 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
JUNE 26, 2014**