

**LAKE COUNTY GENERAL HEALTH DISTRICT  
LAKE COUNTY**

**AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

***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, 2010 through December 31, 2010. 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

May 23, 2011

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**LAKE COUNTY GENERAL HEALTH DISTRICT  
LAKE COUNTY  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Lake County General Health District  
Painesville, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

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, 2010, which collectively comprise the Health District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lake County General Health District, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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


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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake County General Health District, Ohio, as of December 31, 2010, and the respective changes in financial position and the respective budgetary comparison for the General Fund, the Women, Infants, and Children Fund, the Public Health Nursing Fund, the Public Health Infrastructure Fund, and the Help Me Grow Program Fund, thereof for the year then ended in conformity with the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2011, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

March 15, 2011



**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2010**  
**Unaudited**

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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, 2010, 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 2010 are as follows:

- Net assets increased by \$238,123 in 2010. Net assets consist of the cash balance of the twenty two Health District funds.
- The Health District had \$6,132,616 in disbursements during 2010.
- Total cash receipts for the Health District in 2010 were \$6,370,739.
- 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 62 percent of all the monies received into the Health District.
- Property Taxes accounted for 37 percent of all the monies received in 2010.
- State Subsidy made up 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 Assets – Cash Basis and Statement of Activities – Cash Basis (pages 11 & 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, 2010**  
**Unaudited**

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**Basis of Accounting**

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

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

**Reporting the Health District as a Whole**

The Statement of Net Assets and the Statement of Activities – Cash Basis (pages 11 and 12) reflect how the Health District did financially during 2010, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the Health District at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

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

In the Statement of Net Assets – 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.

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2010**  
**Unaudited**

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**Reporting the Health District's Most Significant Funds**

*Fund Financial Statements*

Fund financial statements provide detailed information about the Health District's major funds – not the Health District as a whole. The Health District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the Health District are governmental.

*Governmental Funds* - The Health District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Health District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Health District's health programs. The Health District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Health District's major governmental funds are the General (Board of Health) Fund, the Women, Infants, and Children Fund (WIC), the Public Health Nursing Fund, Public Health Infrastructure Fund, and the Help Me Grow Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Health District as a Whole**

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

<b>Table 1</b>		
<b>Net Assets - Cash Basis</b>		
	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>		
Equity in Pooled Cash and Cash Equivalents	\$ 2,127,206	\$ 1,889,083
<b>Total Assets</b>	<b><u>\$ 2,127,206</u></b>	<b><u>\$ 1,889,083</u></b>
<b><u>Net Assets</u></b>		
Restricted for:		
Other Purposes	\$ 525,236	\$ 521,428
Unrestricted	<u>1,601,970</u>	<u>1,367,655</u>
<b>Total Net Assets</b>	<b><u>\$ 2,127,206</u></b>	<b><u>\$ 1,889,083</u></b>

As mentioned previously, net assets increased by \$238,123.

Table 2 on the following page reflects the changes in net assets in 2010 and 2009:

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2010**  
**Unaudited**

**Table 2**  
**Changes in Net Assets**

	Governmental Activities	
	2010	2009
<b><u>Receipts</u></b>		
Program Cash Receipts		
Charges for Services	\$ 1,401,371	\$ 1,352,091
Operating Grants and Contributions	2,595,662	2,338,301
Total Program Cash Receipts	<u>3,997,033</u>	<u>3,690,392</u>
General Receipts		
Property Taxes Levied for General Health District Purposes	2,333,865	2,283,505
Grants and Entitlements Not Restricted to Specific Programs	39,841	65,296
Total General Receipts	<u>2,373,706</u>	<u>2,348,801</u>
<b>Total Receipts</b>	<u><u>6,370,739</u></u>	<u><u>6,039,193</u></u>
<b><u>Disbursements</u></b>		
Environmental Health		
General Environmental Health Services	1,136,572	1,254,406
Air Pollution Control	254,237	264,585
Mosquito Control	89,702	130,341
Plumbing	77,789	107,719
Solid Waste	57,500	115,000
Stormwater	54,531	55,259
Food Service	35,249	36,515
Other Environmental Health	28,380	29,157
Community Health Services		
General Community Health Services	523,949	494,276
WIC	647,244	593,628
Help Me Grow	686,859	762,678
Flu	34,645	21,438
Immunizations	129,923	134,176
Child and Family Health Services	74,415	101,225
Communicable Diseases	4,780	6,843
HIV/AIDS Education and Case Mgmt	86,834	60,536
Health Promotion and Planning	367,443	527,144
Public Health Infrastructure	740,116	362,049
Vital Statistics	247,842	219,841
Administration	513,117	578,974
General Health District	<u>341,489</u>	<u>313,406</u>
<b>Total Disbursements</b>	<u><u>6,132,616</u></u>	<u><u>6,169,196</u></u>
Change In Net Assets	238,123	(130,003)
Net Assets - Beginning of Year	1,889,083	2,019,086
<b>Net Assets - End of Year</b>	<u><u>\$ 2,127,206</u></u>	<u><u>\$ 1,889,083</u></u>

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2010**  
**Unaudited**

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**The Health District as a Whole (Continued)**

In 2010, 38 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 62 percent of the Health District's total receipts in year 2010. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, manufactured homes, swimming pools and spas, and water system permits and state and federal operating grants.

**Governmental Activities**

If you look at the Statement of Activities – Cash Basis (page 12), you will see that the first column lists the major services provided by the Health District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general environmental health and Public Health Infrastructure, which account for 19 percent and 12 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 on the next page.

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2010**  
**Unaudited**

**Table 3**

<b>Governmental Activities</b>				
	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>
<b><u>Governmental Activities</u></b>				
<b>Environmental Health</b>				
General Environmental Health Services	\$ 1,136,572	\$ (1,136,572)	\$ 1,254,406	\$ (1,254,406)
Air Pollution Control	254,237	(55,471)	264,585	5,907
Mosquito Control	89,702	(75,442)	130,341	(124,898)
Plumbing	77,789	36,271	107,719	216
Solid Waste	57,500	81,979	115,000	28,801
Stormwater	54,531	35,244	55,259	(55,259)
Food Service	35,249	297,126	36,515	301,443
Other Environmental Health	28,380	220,543	29,157	290,461
<b>Community Health Services</b>				
General Community Health Services	523,949	(506,802)	494,276	(459,556)
WIC	647,244	20,366	593,628	(286,074)
Help Me Grow	686,859	(89,453)	762,678	(11,612)
Flu	34,645	3,712	21,438	42,749
Immunizations	129,923	19,920	134,176	(10,805)
Child and Family Health Services	74,415	12,850	101,225	(20,126)
Communicable Diseases	4,780	9,040	6,843	8,946
HIV/AIDS Education and Case Mgmt	86,834	17,456	60,536	4,805
<b>Health Promotion and Planning</b>				
Health Promotion and Planning	367,443	(214,752)	527,144	(252,807)
Public Health Infrastructure	740,116	(111,287)	362,049	83,252
Vital Statistics	247,842	41,017	219,841	49,131
Administration	513,117	(513,117)	578,974	(578,974)
General Health District	341,489	(228,211)	313,406	(239,998)
<b>Total Governmental Activities</b>	<u>\$ 6,132,616</u>	<u>\$ (2,135,583)</u>	<u>\$ 6,196,196</u>	<u>\$ (2,478,804)</u>

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 2010, 39 percent of health costs were supported through property taxes, and unrestricted grants.

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2010**  
**Unaudited**

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**The Health District's Funds**

The governmental funds, excluding transfers and advances had total receipts of \$6,370,739 and disbursements of \$6,132,616. The governmental funds had an increase in the cash balance of \$238,123.

The fund balance of the General Fund (Board of Health Fund) increased by \$231,547, to \$1,596,407 dollars at year-end. The Health District maintains a capital budget to help fund future expenditures for the building, equipment, automobiles, and sick & 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 \$63,563. The cash balance of this fund was \$99,188 on December 31, 2010. The WIC program is managed on a fiscal year which ends September 30 each year.

The Public Health Nursing Fund had an increase of \$8,646 in cash balance. Most of the expenditures from this fund were paid with transfers from the General Health Fund.

The fund balance of the Help Me Grow fund was \$62,194 on December 31, 2010, a decrease of \$3,453 compared to the balance on December 31, 2009.

The Public Health Infrastructure Fund was considered a major fund. The reason for this is the increase in cash receipts. Funding for the planning and implementation of H1N1 Flu vaccines were funded from the Public Health Infrastructure grant. Receipts totaled \$590,458 in 2010. The cash balance at years' end was \$73,978.

**Budgeting Highlights**

The Health District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2010, the Health District amended its appropriations, and the budgetary statement reflects both the original and final appropriated amounts. The most significant change was an increase in appropriations for the Public Health Infrastructure Fund. This was due to additional grant funding for emergency preparedness. The remaining funds had no other 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.

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**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Statement of Net Assets – Cash Basis**  
**December 31, 2010**

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	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,127,206</u>
<b>Total Assets</b>	<b><u><u>\$ 2,127,206</u></u></b>
<b><u>Net Assets</u></b>	
Restricted for:	
Other Purposes	\$ 525,236
Unrestricted	<u>1,601,970</u>
<b>Total Net Assets</b>	<b><u><u>\$ 2,127,206</u></u></b>

*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, 2010**

		Program Receipts		Net (Disbursements)
		Charges for Services and Sales	Operating Grants and Contributions	Receipts and Changes in Net Assets
	Disbursements			Governmental Activities
<b><u>Governmental Activities</u></b>				
Environmental Health				
General Environmental Health Services	\$ 1,136,572	\$ 0	\$ 0	\$ (1,136,572)
Air Pollution Control	254,237	4,908	193,858	(55,471)
Mosquito Control	89,702	14,260	0	(75,442)
Plumbing	77,789	114,060	0	36,271
Solid Waste	57,500	139,479	0	81,979
Stormwater	54,531	89,775	0	35,244
Food Service	35,249	332,375	0	297,126
Other Environmental Health	28,380	171,082	77,841	220,543
Community Health Services				
General Community Health Services	523,949	17,147	0	(506,802)
WIC	647,244	0	667,610	20,366
Help Me Grow	686,859	15	597,391	(89,453)
Flu	34,645	38,357	0	3,712
Immunizations	129,923	62,167	87,676	19,920
Child and Family Health Services	74,415	0	87,265	12,850
Communicable Diseases	4,780	10,820	3,000	9,040
HIV/AIDS Education and Case Mgmt	86,834	0	104,290	17,456
Health Promotion and Planning				
Health Promotion and Planning	367,443	4,789	147,902	(214,752)
Public Health Infrastructure	740,116	0	628,829	(111,287)
Vital Statistics	247,842	288,859	0	41,017
Administration	513,117	0	0	(513,117)
General Health District	341,489	113,278	0	(228,211)
<b>Total Governmental Activities</b>	<b>\$ 6,132,616</b>	<b>\$ 1,401,371</b>	<b>\$ 2,595,662</b>	<b>(2,135,583)</b>
<b><u>General Receipts</u></b>				
Property Taxes Levied for				
General Health District Purposes			\$ 2,333,865	
Grants and Entitlements not				
Restricted to Specific Programs			39,841	
<b>Total General Receipts</b>			<b>2,373,706</b>	
Change in Net Assets				
			238,123	
Net Assets - Beginning of Year				
			1,889,083	
Net Assets - End of Year				
			<b>\$ 2,127,206</b>	

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, 2010**

	General	Women, Infants, and Children	Public Health Nursing	Public Health Infrastructure	Help Me Grow Program	Other Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>							
Equity in Pooled Cash and Cash Equivalents	\$ 1,596,407	\$ 99,188	\$ 73,112	\$ 73,978	\$ 62,194	\$ 222,327	\$ 2,127,206
<b>Total Assets</b>	<b><u>\$ 1,596,407</u></b>	<b><u>\$ 99,188</u></b>	<b><u>\$ 73,112</u></b>	<b><u>\$ 73,978</u></b>	<b><u>\$ 62,194</u></b>	<b><u>\$ 222,327</u></b>	<b><u>\$ 2,127,206</u></b>
<b><u>Fund Balances</u></b>							
Reserved:							
Reserved for Encumbrances	\$ 10,788	\$ 0	\$ 2,121	\$ 450	\$ 125	\$ 2,867	\$ 16,351
Unreserved:							
Undesignated, Reported in:							
General Fund	1,585,619	0	0	0	0	0	1,585,619
Special Revenue Funds	0	99,188	70,991	73,528	62,069	219,460	525,236
<b>Total Fund Balances</b>	<b><u>\$ 1,596,407</u></b>	<b><u>\$ 99,188</u></b>	<b><u>\$ 73,112</u></b>	<b><u>\$ 73,978</u></b>	<b><u>\$ 62,194</u></b>	<b><u>\$ 222,327</u></b>	<b><u>\$ 2,127,206</u></b>

*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, 2010**

	General	Women, Infants, and Children	Public Health Nursing	Public Health Infrastructure	Help Me Grow Program	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 2,333,865	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,333,865
Subsidy	39,841	0	0	0	0	0	39,841
Operating Grants	83,841	667,610	3,000	590,458	597,391	653,362	2,595,662
Charges for Services	1,263,168	0	128,491	0	15	9,697	1,401,371
<b>Total Receipts</b>	<b>3,720,715</b>	<b>667,610</b>	<b>131,491</b>	<b>590,458</b>	<b>597,406</b>	<b>663,059</b>	<b>6,370,739</b>
<b>Disbursements</b>							
Current:							
Environmental Health							
General Environmental Health Services	1,136,572	0	0	0	0	0	1,136,572
Air Pollution Control	0	0	0	0	0	254,237	254,237
Mosquito Control	89,702	0	0	0	0	0	89,702
Plumbing	77,789	0	0	0	0	0	77,789
Solid Waste	57,500	0	0	0	0	0	57,500
Stormwater	54,531	0	0	0	0	0	54,531
Food Service	35,249	0	0	0	0	0	35,249
Other Environmental Health	28,380	0	0	0	0	0	28,380
Community Health Service							
General Community Health Services	0	0	523,949	0	0	0	523,949
WIC	0	647,244	0	0	0	0	647,244
Help Me Grow	0	0	0	0	686,859	0	686,859
Flu	0	0	34,645	0	0	0	34,645
Immunizations	0	0	42,487	0	0	87,436	129,923
Child and Family Health Services	0	0	1,445	0	0	72,970	74,415
Communicable Diseases	0	0	4,780	0	0	0	4,780
HIV/AIDS Education and Case Mgmt	0	0	0	0	0	86,834	86,834
Health Promotion and Planning							
Health Promotion and Planning	5,083	0	0	0	0	362,360	367,443
Public Health Infrastructure	34,426	0	0	658,502	0	47,188	740,116
Vital Statistics	247,842	0	0	0	0	0	247,842
Administration	513,117	0	0	0	0	0	513,117
General Health District	341,489	0	0	0	0	0	341,489
<b>Total Disbursements</b>	<b>2,621,680</b>	<b>647,244</b>	<b>607,306</b>	<b>658,502</b>	<b>686,859</b>	<b>911,025</b>	<b>6,132,616</b>
Excess of Receipts Over (Under) Disbursements	1,099,035	20,366	(475,815)	(68,044)	(89,453)	(247,966)	238,123
<b>Other Financing Sources (Uses)</b>							
Transfers In	9,803	53,000	484,461	0	86,000	253,830	887,094
Transfers Out	(877,291)	(9,803)	0	0	0	0	(887,094)
Advances In	20,000	0	0	0	20,000	0	40,000
Advances Out	(20,000)	0	0	0	(20,000)	0	(40,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(867,488)</b>	<b>43,197</b>	<b>484,461</b>	<b>0</b>	<b>86,000</b>	<b>253,830</b>	<b>0</b>
Net Change in Fund Balances	231,547	63,563	8,646	(68,044)	(3,453)	5,864	238,123
Fund Balances - Beginning of Year	1,364,860	35,625	64,466	142,022	65,647	216,463	1,889,083
<b>Fund Balances - End of Year</b>	<b>\$ 1,596,407</b>	<b>\$ 99,188</b>	<b>\$ 73,112</b>	<b>\$ 73,978</b>	<b>\$ 62,194</b>	<b>\$ 222,327</b>	<b>\$ 2,127,206</b>

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, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Receipts</u></b>				
Property and Other Local Taxes	\$ 2,259,117	\$ 2,333,869	\$ 2,333,865	\$ (4)
Subsidy	38,677	38,677	39,841	1,164
Operating Grants	56,103	53,585	83,841	30,256
Charges for Services	1,101,018	1,276,947	1,263,168	(13,779)
<b>Total Receipts</b>	<u>3,454,915</u>	<u>3,703,078</u>	<u>3,720,715</u>	<u>17,637</u>
<b><u>Disbursements</u></b>				
Current:				
Environmental Health				
General Environmental Health Services	1,314,599	1,220,414	1,147,360	73,054
Mosquito Control	239,882	142,799	89,702	53,097
Plumbing	182,888	82,117	77,789	4,328
Solid Waste	215,630	75,429	57,500	17,929
Stormwater	169,992	69,159	54,531	14,628
Food Service	138,790	47,933	35,249	12,684
Other Environmental Health	137,247	48,996	28,380	20,616
WIC	103,136	2,011	0	2,011
Health Promotion and Planning	104,832	8,752	5,083	3,669
Public Health Infrastructure	107,537	34,623	34,426	197
Vital Statistics	298,617	269,564	247,842	21,722
Administration	715,202	583,667	513,117	70,550
General Health District	319,707	1,551,186	341,489	1,209,697
<b>Total Disbursements</b>	<u>4,048,059</u>	<u>4,136,650</u>	<u>2,632,468</u>	<u>1,504,182</u>
Excess of Receipts Over (Under) Disbursements	<u>(593,144)</u>	<u>(433,572)</u>	<u>1,088,247</u>	<u>1,521,819</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	0	0	9,803	9,803
Transfers Out	(942,233)	(926,581)	(877,291)	49,290
Advances In	0	20,000	20,000	0
Advances Out	0	(20,000)	(20,000)	0
<b>Total Other Financing Sources (Uses)</b>	<u>(942,233)</u>	<u>(926,581)</u>	<u>(867,488)</u>	<u>59,093</u>
Net Change in Fund Balances	<u>(1,535,377)</u>	<u>(1,360,153)</u>	<u>220,759</u>	<u>1,580,912</u>
Prior Year Encumbrances Appropriated	4,708	4,708	4,708	0
Fund Balances - Beginning of Year	<u>1,360,152</u>	<u>1,360,152</u>	<u>1,360,152</u>	<u>0</u>
<b>Fund Balances - End of Year</b>	<u>\$ (170,517)</u>	<u>\$ 4,707</u>	<u>\$ 1,585,619</u>	<u>\$ 1,580,912</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, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Receipts</u></b>				
Operating Grants	\$ 563,093	\$ 644,582	\$ 667,610	\$ 23,028
<b>Total Receipts</b>	<u>563,093</u>	<u>644,582</u>	<u>667,610</u>	<u>23,028</u>
<b><u>Disbursements</u></b>				
Current:				
WIC	<u>637,799</u>	<u>669,817</u>	<u>647,244</u>	<u>22,573</u>
<b>Total Disbursements</b>	<u>637,799</u>	<u>669,817</u>	<u>647,244</u>	<u>22,573</u>
Excess of Receipts Over (Under) Disbursements	<u>(74,706)</u>	<u>(25,235)</u>	<u>20,366</u>	<u>45,601</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	40,567	0	53,000	53,000
Transfers Out	<u>(3,239)</u>	<u>(9,803)</u>	<u>(9,803)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>37,328</u>	<u>(9,803)</u>	<u>43,197</u>	<u>53,000</u>
Net Change in Fund Balances	<u>(37,378)</u>	<u>(35,038)</u>	<u>63,563</u>	<u>98,601</u>
Prior Year Encumbrances Appropriated	597	597	597	0
Fund Balances - Beginning of Year	<u>35,028</u>	<u>35,028</u>	<u>35,028</u>	<u>0</u>
<b>Fund Balances - End of Year</b>	<u>\$ (1,753)</u>	<u>\$ 587</u>	<u>\$ 99,188</u>	<u>\$ 98,601</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, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Receipts</u></b>				
Operating Grants	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0
Charges for Services	690,440	172,872	128,491	(44,381)
<b>Total Receipts</b>	<u>693,440</u>	<u>175,872</u>	<u>131,491</u>	<u>(44,381)</u>
<b><u>Disbursements</u></b>				
Current:				
General Community Health Services	646,792	667,607	526,070	141,537
Flu	28,930	34,645	34,645	0
Immunizations	24,043	42,487	42,487	0
Child and Family Health Services	5,069	1,445	1,445	0
Communicable Diseases	11,449	6,380	4,780	1,600
<b>Total Disbursements</b>	<u>716,283</u>	<u>752,564</u>	<u>609,427</u>	<u>143,137</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(22,843)</u>	<u>(576,692)</u>	<u>(477,936)</u>	<u>98,756</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	0	518,713	484,461	(34,252)
Transfers Out	(6,247)	(6,247)	0	6,247
<b>Total Other Financing Sources (Uses)</b>	<u>(6,247)</u>	<u>512,466</u>	<u>484,461</u>	<u>(28,005)</u>
Net Change in Fund Balances	(29,090)	(64,226)	6,525	70,751
Prior Year Encumbrances Appropriated	239	239	239	0
Fund Balances - Beginning of Year	<u>64,227</u>	<u>64,227</u>	<u>64,227</u>	<u>0</u>
<b>Fund Balances - End of Year</b>	<u>\$ 35,376</u>	<u>\$ 240</u>	<u>\$ 70,991</u>	<u>\$ 70,751</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**  
**Public Health Infrastructure Fund**  
**For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Receipts</u></b>				
Operating Grants	\$ 646,980	\$ 716,272	\$ 590,458	\$ (125,814)
<b>Total Receipts</b>	<u>646,980</u>	<u>716,272</u>	<u>590,458</u>	<u>(125,814)</u>
<b><u>Disbursements</u></b>				
Current:				
Public Health Infrastructure	831,994	932,709	658,952	273,757
<b>Total Disbursements</b>	<u>831,994</u>	<u>932,709</u>	<u>658,952</u>	<u>273,757</u>
Excess of Receipts Over (Under) Disbursements	<u>(185,014)</u>	<u>(216,437)</u>	<u>(68,494)</u>	<u>147,943</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	27,611	76,449	0	(76,449)
<b>Total Other Financing Sources (Uses)</b>	<u>27,611</u>	<u>76,449</u>	<u>0</u>	<u>(76,449)</u>
Net Change in Fund Balances	(157,403)	(139,988)	(68,494)	71,494
Prior Year Encumbrances Appropriated	1,420	1,420	1,420	0
Fund Balances - Beginning of Year	<u>140,602</u>	<u>140,602</u>	<u>140,602</u>	<u>0</u>
<b>Fund Balances - End of Year</b>	<u>\$ (15,381)</u>	<u>\$ 2,034</u>	<u>\$ 73,528</u>	<u>\$ 71,494</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 Fund**  
**For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b><u>Receipts</u></b>				
Operating Grants	\$ 523,624	\$ 524,134	\$ 597,391	\$ 73,257
Charges for Services	0	59,398	15	(59,383)
<b>Total Receipts</b>	<u>523,624</u>	<u>583,532</u>	<u>597,406</u>	<u>13,874</u>
<b><u>Disbursements</u></b>				
Current:				
Help Me Grow	781,496	835,583	686,984	148,599
<b>Total Disbursements</b>	<u>781,496</u>	<u>835,583</u>	<u>686,984</u>	<u>148,599</u>
Excess of Receipts Over (Under) Disbursements	<u>(257,872)</u>	<u>(252,051)</u>	<u>(89,578)</u>	<u>162,473</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Advances In	20,000	20,000	20,000	0
Advances Out	(20,000)	(20,000)	(20,000)	0
Transfers In	117,569	186,943	86,000	(100,943)
<b>Total Other Financing Sources (Uses)</b>	<u>117,569</u>	<u>186,943</u>	<u>86,000</u>	<u>(100,943)</u>
Net Change in Fund Balances	(140,303)	(65,108)	(3,578)	61,530
Prior Year Encumbrances Appropriated	539	539	539	0
Fund Balances - Beginning of Year	<u>65,108</u>	<u>65,108</u>	<u>65,108</u>	<u>0</u>
<b>Fund Balances - End of Year</b>	<u>\$ (74,656)</u>	<u>\$ 539</u>	<u>\$ 62,069</u>	<u>\$ 61,530</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, 2010**

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**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 their population, the City of Mentor has two representatives. The Health District (township and villages) have 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. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Health District’s accounting policies.

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the Health District as a whole. These statements 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.

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**  
**(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**A. Basis of Presentation** (Continued)

**Government-Wide Financial Statements** (Continued)

The Statement of Net Assets presents the cash balance of the governmental activities of the Health District at year end. The Statement of Activities compares disbursements and program receipts for each program or function of the Health District's governmental activities and business-type 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.

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 or business activity 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. Fiduciary funds are reported by type.

**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.

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

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**  
**(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**B. Fund Accounting** (Continued)

**Governmental Funds** (Continued)

*Public Health Infrastructure Fund* – This fund receives grant dollars to provide planning and response in the event of a public health emergency. Increase in funding elevated the fund to major fund status.

*Help Me Grow Fund* – This fund receives funding for the Help Me Grow (HMG) Program. The primary funding sources are “Part C” grant funds and the State’s General Revenue Fund for HMG.

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

**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, department, or object level for all funds.

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**  
**(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**D. Budgetary Process** (Continued)

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 certificated 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.

**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.

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**  
**(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**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 an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**M. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**N. Fund Balance Reserves**

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

**O. Inter-fund Transactions**

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

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

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**  
**(Continued)**

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**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 – Budget Basis presented for the General Fund and each major Special Revenue Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

General Fund	\$	10,788
Major Special Revenue Funds:		
Public Health Nursing		2,121
Help Me Grow		125
Public Health Infrastructure		450
Other Governmental Funds		2,867

**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 2010 for real and public utility property taxes represents collections of the 2009 taxes.

2010 real property taxes are levied after October 1, 2010 on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes which became a lien on December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

2010 tangible property taxes are levied after October 1, 2010, on the values as of December 31, 2009. Collections are made in 2011. Tangible personal property assessments have been phased out – the assessment percentage for all property including inventory for 2010 is zero percent.

The full tax rate for all Health District operations for the year ended December 31, 2010, was \$.34 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 property tax receipts were based are as follows:

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**  
**(Continued)**

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**Note 4 - Property and Other Local Taxes** (Continued)

Real Property	\$ 6,009,497,102
Public Utility Property	319,179,219
Tangible Personal Property	9,849,971
<b>Total Assessed Value</b>	<b><u><u>\$ 6,338,526,292</u></u></b>

**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, 2009 and 2008 (the latest information available):

	2009	2008
Assets	\$ 36,374,898	\$ 35,769,535
Liabilities	(15,256,862)	(15,310,206)
<b>Net Assets</b>	<b><u><u>\$ 21,118,036</u></u></b>	<b><u><u>\$ 20,459,329</u></u></b>

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.



**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**  
**(Continued)**

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**Note 5 - Risk Management** (Continued)

<b>Contributions to PEP</b>	
2008	\$ 37,022
2009	\$ 36,726
2010	\$ 31,419

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. 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**

**Ohio Public Employees Retirement System**

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2010, members in all three plans were required to contribute 10 percent of covered salaries. The Health District's contribution rate for 2010 was 14.00 percent and was allocated to fund pension benefits for members of the Traditional Plan and the Combined Plan. The pension allocation for the Traditional Plan was 8.50 percent from January 1 through February 28, 2010, and 9.00 percent from March 1 through December 31, 2010. The pension allocation for the Combined Plan was 9.27 percent from January 1 through February 28, 2010, and 9.77 percent from March 1 through December 31, 2010.

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**  
**(Continued)**

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**Note 6 - Defined Benefit Pension Plans** (Continued)

Ohio Public Employees Retirement System (Continued)

The Health District's required contributions for pension obligations to the Traditional and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$229,570, \$219,070, and \$211,436, respectively. The full amount has been contributed for 2010, 2009, and 2008. The Health District made no contributions to the Member-Directed Plan for 2010.

**Note 7 - Post-Employment Benefits**

Ohio Public Employees Retirement System

Plan Description – the Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan is a defined contribution plan; and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan.

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 that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority requiring public employers to fund post-retirement health care 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 benefits. The 2010 local government employer contribution rate was 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 local government employers. Active members do not make contributions to the OPEB Plan.

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2010**  
**(Continued)**

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**Note 7 – Post-Employment Benefits** (Continued)

Ohio Public Employees Retirement System (Continued)

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 health care for members in the Traditional Plan was 5.50 percent from January 1 through February 28, 2010, and 5.00 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Health District's actual contributions for 2010 which were used to fund post-employment benefits were \$229,570. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

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

**Note 8 – Inter-fund Transfers**

During 2010, the following transfers were made:

Transfers from the General Fund to:	
Public Health Nursing Fund	\$ 484,461
Women, Infants, and Children's Fund (WIC)	53,000
Help Me Grow Program Fund	86,000
Other Governmental Funds	253,830
Transfers from the WIC Fund to:	
General Fund	9,803

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

**Note 9 – 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.

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2010**

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Agriculture</u></b>			
<i>Passed through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - 10/01/09-09/30/10	10.557	04310011WA0310	\$ 484,428
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - 10/01/10-09/30/11	10.557	04310011WA0411	162,820
<b>Total U.S. Department of Agriculture</b>			<u>647,248</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Passed through Ohio Department of Health</i>			
Immunization Grants - 01/01/09-12/31/09	93.268	043100121M0209	9,197
Immunization Grants - 01/01/10-12/31/10	93.268	04310012M0301	62,341
<i>Total CFDA #93.268</i>			<u>71,538</u>
Capacity Building Award - 01/18/10-12/31/10	93.008	1MRCSG06100-01	5,434
Cities Readiness Initiative - 01/01/10-12/31/10	93.069	CRI	41,715
Public Health Emergency Preparedness - 08/09/09-08/10/10	93.069	04310012P10110	69,000
Public Health Emergency Preparedness H1N1 I & II - 08/09/09-08/10/10	93.069	04310012PH0110	145,986
Public Health Emergency Preparedness H1N1 I & II - 08/09/09-08/10/10	93.069	04310012PH0110	262,353
Public Health Emergency Preparedness - 08/09/10-08/10/11	93.069	04310012PH0211	65,805
<i>Total CFDA #93.069</i>			<u>584,859</u>
Maternal and Child Health Services Block Grant to States - 07/01/09-06/30/10	93.994	04310011MC0310	33,108
Maternal and Child Health Services Block Grant to States - 07/01/10-06/30/11	93.994	04310011MC0411	20,584
<i>Total CFDA #93.994</i>			<u>53,692</u>
HIV Prevention Activities: Health Department Based - 01/01/10-12/31/10	93.940	263-440-5238-5(09)	1,761
HIV Prevention Activities: Health Department Based - 01/01/10-12/31/10	93.940	263-440-5238-5(10)	22,866
<i>Total CFDA #93.940</i>			<u>24,627</u>
<i>Passed through Cuyahoga County of Ohio</i>			
HIV Emergency Relief Projects Grants - 03/01/09-02/28/10	93.914	CE0800703-01(09)	8,988
HIV Emergency Relief Projects Grants - 03/01/10--02/28/11	93.914	CD0800703-01(10)	66,356
<i>Total CFDA #93.914</i>			<u>75,344</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>815,494</u>

(Continued)

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2010**  
**(Continued)**

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Environmental Protection Agency</u></b>			
<i>Passed Through the Ohio Environmental Protection Agency</i>			
Air Pollution Control Program Support - FY 09 (10/01/09-09/30/10)	66.001		80,516
Air Pollution Control Program Support - FY 09 (10/01/10-09/30/11)	66.001		34,901
USEPA - Pass-through Funds (04/01/09-03/31/10)	66.001		5,795
USEPA - Pass-through Funds (04/01/10-03/31/11)	66.001		23,788
<b>Total U.S. Department of Environmental Protection Agency</b>			<u>145,000</u>
<b><u>U.S. Department of Transportation</u></b>			
<i>Passed Through the Ohio Department of Public Safety</i>			
State and Community Highway Safety - FY 10 - 10/01/09-09/30/10	20.600	SC-2010-43-00-00-00363-00	18,901
State and Community Highway Safety - FY 11 - 10/01/10-09/30/11	20.600	SC-2011-43-00-00-00558-00	6,319
<b>Total U.S. Department of Transportation</b>			<u>25,220</u>
<b><u>U.S. Department of Education</u></b>			
<i>Passed Through the Ohio Department of Health</i>			
Early Intervention Services (IDEA) Cluster			
ARRA - Special Education Grants for Infants and Families - 2010 - Help Me Grow - 11/01/09-06/30/10	84.393A	04310011HA0110	59,686
ARRA - Special Education Grants for Infants and Families - 2010 - Help Me Grow - 07/01/10-06/30/11	84.393A	04310011HA0211	39,506
Special Education Grants for Infants and Families - 2009 - Help Me Grow - Part C - 07/01/09-06/30/10	84.181	04310011HG0209	48,650
Special Education Grants for Infants and Families - 2010 - Help Me Grow - Part C - 07/01/10-06/30/11	84.181	04310011HG0209	48,095
<i>Total Early Intervention Services (IDEA) Cluster</i>			<u>195,937</u>
<b>Total U.S. Department of Education</b>			<u>195,937</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,828,899</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, 2010**

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**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 98<sup>th</sup> Street*  
*Garfield Hts., Ohio 44125*

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**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

We have audited 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, 2010, which collectively comprise the Lake County General Health District, Ohio's basic financial statements and have issued our report thereon dated March 15, 2011, wherein we noted that the Lake County General Health District, Ohio, uses a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Lake County General Health District, Ohio's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lake County General Health District, Ohio's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

**Compliance and Other Matters**

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

We noted certain matters that we reported to the management of the Lake County General Health District, Ohio, in a separate letter dated March 15, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, the Health District's Audit Committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



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

March 15, 2011



**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
*5240 East 98<sup>th</sup> Street*  
*Garfield Hts., Ohio 44125*

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

Board of Trustees  
Lake County General Health District  
Painesville, Ohio

**Compliance**

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 each of the Lake County General Health District, Ohio's major federal programs for the year ended December 31, 2010. The Lake County General Health District, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Lake County General Health District, Ohio's management. Our responsibility is to express an opinion on the Lake County General Health District, Ohio's compliance based on our audit.

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

In our opinion, the Lake County General Health District, Ohio complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

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

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

We noted certain matters that we reported to the management of the Lake County General Health District, Ohio, in a separate letter dated March 15, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, the Health District's Audit Committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

March 15, 2011

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Schedule of Findings and Questioned Costs**  
**OMB Circular A-133 & §.505**  
**December 31, 2010**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
2010(i)	Type of Financial Statement Opinion	Unqualified
2010(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2010(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2010(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2010(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2010(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2010(v)	Type of Major Programs' Compliance Opinion	Unqualified
2010(vi)	Any there any reportable findings under .510?	No
2010(vii)	Major Programs (list):	
	Special Supplemental Nutrition Program for Women, Infants, and Children - CFDA #10.557	
	Public Health Emergency Preparednes - CFDA #93.069	
	Early Intervention Services (IDEA) Cluster - CFDA #84.393A and CFDA #84.181	
2010(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
2010 (ix)	Low Risk Auditee?	No
<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>		
None.		
<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>		
None.		

**LAKE COUNTY GENERAL HEALTH DISTRICT**  
**Lake County, Ohio**  
**Schedule of Prior Audit Findings and Recommendations**  
**December 31, 2010**

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The prior audit report, as of December 31, 2009, 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 2, 2011