



Dave Yost • Auditor of State



**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Cuyahoga County District Board of Health  
Cuyahoga County  
5550 Venture Drive  
Parma, Ohio 44130

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio, (the District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2C describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

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 Cuyahoga County District Board of Health, Cuyahoga County, Ohio, as of December 31, 2017, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, HIV Emergency Relief Project Grants Fund and the Solid Waste Material Management Fund thereof for the year then ended in accordance with the accounting basis described in Note 2C.

***Accounting Basis***

We draw attention to Note 2C of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash-basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

*Supplemental Information*

Our audit was conducted to opine on the financial statements taken as a whole.

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

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

*Other Information*

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, 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 October 26, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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 District's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 26, 2018

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**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

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This discussion and analysis of the Cuyahoga County District Board of Health (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2017 within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Highlights**

Key highlights for 2017 are as follows:

- Net position of governmental activities increased \$1,764,660 or 25 percent from 2016 to 2017.
- The District's general receipts are primarily property taxes and grants.

**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 District's cash basis of accounting.

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the District as a whole. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the 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 basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on the cash basis of accounting per Auditor of State Bulletin 2006-002 and GASB Statement No. 34. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the 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.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
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**Reporting the District as a Whole**

The statement of net position and the statement of activities reflect how the District did financially during 2017, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental activities of the District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. 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 cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the 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 District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well, such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property tax and local government support.

In the statement of net position and the statement of activities, the District reports:

All of the District's programs and basic services are reported as governmental activities including Administration, Environmental Public Health, Prevention & Wellness, Epidemiology, Surveillance and Informatics, and capital outlay. Grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The 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. Most of the District's activities are reported in the governmental funds which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods.

**Governmental Funds** - Most of the District's activities are reported in governmental funds. The governmental funds financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor 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 District's major governmental funds are the General, HIV Emergency Relief Project Grants funds and Solid Waste Material Management. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
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**The District as a Whole**

Table 1 provides a comparison of the District's net position for 2017 compared to 2016 on a cash basis:

**TABLE 1**  
**Statement of Net Position**

	Governmental Activities	
	2017	2016
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$8,883,903	\$7,119,243
 <b>Net Position</b>		
Restricted for:		
Other Purposes	3,359,500	701,129
Unrestricted	5,524,403	6,418,114
 Total Net Position	\$8,883,903	\$7,119,243

As mentioned previously, net position of governmental activities increased \$1,764,660 or 25 percent during 2017. This increase is due primarily to the timing of reimbursement for various grants and fluctuation in grant funding, mainly the award of the Solid Waste Material Management funding.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
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Table 2 reflects the change in net position in 2017 and 2016. A comparative analysis of government-wide data has been presented for years 2017 and 2016.

**TABLE 2**  
**Change in Net Position**

	Governmental Activities		
	2017	2016	Difference
<b>Receipts</b>			
Program Receipts:			
Charges for Services and Sales	\$5,132,793	\$4,883,695	\$249,098
Operating Grants and Contributions	18,436,974	11,345,752	7,091,222
<i>Total Program Receipts</i>	<u>23,569,767</u>	<u>16,229,447</u>	<u>7,340,320</u>
General Receipts:			
Property Taxes	3,371,323	3,351,049	20,274
Grants and Entitlements not Restricted to Specific Programs	1,140,022	969,788	170,234
Other	351,042	254,267	96,775
<i>Total General Receipts</i>	<u>4,862,387</u>	<u>4,575,104</u>	<u>287,283</u>
<i>Total Receipts</i>	<u>28,432,154</u>	<u>20,804,551</u>	<u>7,627,603</u>
<b>Disbursements</b>			
Administration	2,076,269	1,865,293	210,976
Environmental Public Health	9,924,081	5,242,274	4,681,807
Prevention & Wellness	12,665,796	12,030,068	635,728
Epidemiology, Surveillance and Informatics	1,695,393	1,617,051	78,342
Capital Outlay	305,955	199,699	106,256
<i>Total Disbursements</i>	<u>26,667,494</u>	<u>20,954,385</u>	<u>5,713,109</u>
Change in Net Position	1,764,660	(149,834)	1,914,494
Net Position, Beginning of Year	7,119,243	7,269,077	(149,834)
Net Position, End of Year	<u>\$8,883,903</u>	<u>\$7,119,243</u>	<u>\$1,764,660</u>

Program receipts of \$23,569,767 in 2017 and \$16,229,447 in 2016 are primarily comprised of grants, environmental permits, fees and licenses, and charges for immunizations, lead testing, health assessments and health education or promotion and seminars. The increase of \$7,340,320 in program receipts is primarily due to the receipt of funds in Solid Waste Material Management and Healthy Homes & Lead Prevention.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

General receipts represent 17.10 percent of total receipts in 2017 and 21.99 percent of 2016 receipts. Property taxes make up 11.86 and 16.11 percent of total receipts in 2017 and 2016, respectively. The majority of disbursements come from prevention & wellness and environmental public health disbursements. These two make up 84.71 percent of disbursements in 2017 and 82.43 percent of disbursements in 2016.

**Governmental Activities**

If you look at the Statement of Activities on page 12, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for District health programs. 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 District that must be used to provide a specific service. The Net Receipts (Disbursements) and Change in Net Position column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

A comparison between the total cost of services and the net cost for both the current and prior years is presented in Table 3.

**TABLE 3**  
**Governmental Activities**

	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Administration	\$2,076,269	\$2,076,269	\$1,865,293	\$1,865,293
Environmental Public Health	9,924,081	(2,327,070)	5,242,274	368,341
Prevention & Wellness	12,665,796	2,230,855	12,030,068	1,636,759
Epidemiology, Surveillance and Informatics	1,695,393	811,718	1,617,051	654,846
Capital Outlay	305,955	305,955	199,699	199,699
<i>Total</i>	<u>26,667,494</u>	<u>3,097,727</u>	<u>20,954,385</u>	<u>4,724,938</u>

The 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. Only 18.23 percent of the District's costs are supported through property taxes, unrestricted grants and other general receipts.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

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**The District's Funds**

Total governmental funds had receipts of \$28,432,154, and disbursements of \$26,667,494, for 2017 and receipts of \$20,804,551, and disbursements of \$20,954,385 for 2016. From 2016 to 2017, the fund balance of the General fund decreased \$303,586. The decrease in the fund balance of the General fund was due to increased expenditures exceeding total receipts.

**Budgeting Highlights**

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

General fund original receipts were budgeted at \$8,914,649 and final receipts were budgeted at \$9,511,247 while actual receipts were \$9,845,832 for 2017. Original disbursements and other financing uses were budgeted at \$10,158,451, and final disbursements and other financing uses were budgeted at \$10,903,938 while actual disbursements and other financing uses were \$10,149,418 for 2017. Actual receipts were higher than the final budgeted receipts mainly due to increases in fines, licenses and permits and gifts receipts. Actual disbursements were lower than final budgeted disbursements due to less expenditures than planned, namely Administration, Environmental Public Health, Prevention & Wellness and Epidemiology, Surveillance and Informatics.

**Debt and Capital Assets**

The District currently has no outstanding debt. The District has chosen not to present capital assets as part of its financial statements. The District does, however, track their capital assets even though they are not presented.

**Current Issues**

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Judy Wirsching, Chief Financial Officer, Cuyahoga County District Board of Health, 5550 Venture Drive, Parma, Ohio 44130.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2017*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$8,883,903</u>
<b>Net Position</b>	
Restricted for:	
Other Purposes	\$3,359,500
Unrestricted	<u>5,524,403</u>
<i>Total Net Position</i>	<u>\$8,883,903</u>

See accompanying notes to the basic financial statements

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2017*

	Program Receipts			Net Receipts (Disbursements) and Change in Net Position
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Administration	\$2,076,269	\$0	\$0	(\$2,076,269)
Environmental Public Health	9,924,081	4,122,880	8,128,271	2,327,070
Prevention & Wellness	12,665,796	1,009,913	9,425,028	(2,230,855)
Epidemiology, Surveillance and Informatics	1,695,393	0	883,675	(811,718)
Capital Outlay	305,955	0	0	(305,955)
<i>Total Governmental Activities</i>	<u>\$26,667,494</u>	<u>\$5,132,793</u>	<u>\$18,436,974</u>	<u>(\$3,097,727)</u>
		<b>General Receipts</b>		
		Property Taxes Levied for General Health District Purposes		3,371,323
		Grants and Entitlements not Restricted to Specific Programs		1,140,022
		Other		351,042
		<i>Total General Receipts and Transfers</i>		<u>4,862,387</u>
		Change in Net Position		1,764,660
		<i>Net Position, Beginning of Year</i>		<u>7,119,243</u>
		<i>Net Position, End of Year</i>		<u><u>\$8,883,903</u></u>

See accompanying notes to the basic financial statements



**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2017

	<u>General</u>	<u>HIV Emergency Relief Project Grants</u>	<u>Solid Waste Material Management</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	<u>\$7,729,106</u>	<u>(\$1,012,284)</u>	<u>\$2,682,470</u>	<u>(\$515,389)</u>	<u>\$8,883,903</u>
<b>Fund Balances</b>					
Restricted	\$0	\$0	\$2,682,470	\$677,030	\$3,359,500
Unassigned (Deficit)	<u>7,729,106</u>	<u>(1,012,284)</u>	<u>0</u>	<u>(1,192,419)</u>	<u>5,524,403</u>
<b>Total Fund Balances</b>	<u>\$7,729,106</u>	<u>(\$1,012,284)</u>	<u>\$2,682,470</u>	<u>(\$515,389)</u>	<u>\$8,883,903</u>

See accompanying notes to the basic financial statements.

**Cuyahoga County District Board of Health  
Cuyahoga County**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2017*

	General	HIV Emergency Relief Project Grants	Solid Waste Material Management	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Property Taxes	\$3,371,323	\$0	\$0	\$0	\$3,371,323
Intergovernmental	1,140,022	4,920,901	6,000,000	7,416,073	19,476,996
Fines, Licenses and Permits	3,904,502	0	0	0	3,904,502
Charges for Services	1,177,772	0	0	50,519	1,228,291
Gifts and Contributions	100,000	0	0	0	100,000
Other	152,213	0	0	198,829	351,042
<i>Total Receipts</i>	<u>9,845,832</u>	<u>4,920,901</u>	<u>6,000,000</u>	<u>7,665,421</u>	<u>28,432,154</u>
<b>Disbursements</b>					
Administration	2,076,269	0	0	0	2,076,269
Environmental Public Health	4,594,203	0	3,317,530	2,012,348	9,924,081
Prevention & Wellness	2,490,901	5,076,861	0	5,098,034	12,665,796
Epidemiology, Surveillance and Informatics	544,655	0	0	1,150,738	1,695,393
Capital Outlay	264,609	16,612	0	24,734	305,955
<i>Total Disbursements</i>	<u>9,970,637</u>	<u>5,093,473</u>	<u>3,317,530</u>	<u>8,285,854</u>	<u>26,667,494</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(124,805)</u>	<u>(172,572)</u>	<u>2,682,470</u>	<u>(620,433)</u>	<u>1,764,660</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	178,781	178,781
Transfers Out	(178,781)	0	0	0	(178,781)
<i>Total Other Financing Sources (Uses)</i>	<u>(178,781)</u>	<u>0</u>	<u>0</u>	<u>178,781</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(303,586)	(172,572)	2,682,470	(441,652)	1,764,660
<i>Fund Balance (Deficit), Beginning of Year</i>	8,032,692	(839,712)	0	(73,737)	7,119,243
<i>Fund Balance (Deficit), End of Year</i>	<u>\$7,729,106</u>	<u>(\$1,012,284)</u>	<u>\$2,682,470</u>	<u>(\$515,389)</u>	<u>\$8,883,903</u>

See accompanying notes to the basic financial statements.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property Taxes	\$3,351,047	\$3,522,020	\$3,371,323	(\$150,697)
Intergovernmental	930,625	1,142,526	1,140,022	(2,504)
Fines, Licenses and Permits	2,966,395	3,145,315	3,904,502	759,187
Charges for Services	1,452,582	1,454,925	1,177,772	(277,153)
Gifts and Contributions	0	0	100,000	100,000
Other	214,000	246,461	152,213	(94,248)
<i>Total Receipts</i>	<u>8,914,649</u>	<u>9,511,247</u>	<u>9,845,832</u>	<u>334,585</u>
<b>Disbursements</b>				
Administration	2,080,800	2,282,924	2,076,269	206,655
Environmental Public Health	4,462,300	4,693,034	4,594,203	98,831
Prevention & Wellness	2,852,432	2,715,573	2,490,901	224,672
Epidemiology, Surveillance and Informatics	526,193	749,450	544,655	204,795
Capital Outlay	189,162	285,543	264,609	20,934
<i>Total Disbursements</i>	<u>10,110,887</u>	<u>10,726,524</u>	<u>9,970,637</u>	<u>755,887</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,196,238)</u>	<u>(1,215,277)</u>	<u>(124,805)</u>	<u>1,090,472</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(47,564)</u>	<u>(177,414)</u>	<u>(178,781)</u>	<u>(1,367)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(47,564)</u>	<u>(177,414)</u>	<u>(178,781)</u>	<u>(1,367)</u>
<i>Net Change in Fund Balances</i>	(1,243,802)	(1,392,691)	(303,586)	1,089,105
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance, Beginning of Year</i>	<u>8,032,692</u>	<u>8,032,692</u>	<u>8,032,692</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$6,788,890</u>	<u>\$6,640,001</u>	<u>\$7,729,106</u>	<u>\$1,089,105</u>

See accompanying notes to the basic financial statements

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*HIV Emergency Relief Project Grants Fund*  
*For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$5,068,333	\$7,581,959	\$4,920,901	(\$2,661,058)
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Receipts</i>	<u>5,068,333</u>	<u>7,581,959</u>	<u>4,920,901</u>	<u>(2,661,058)</u>
<b>Disbursements</b>				
Prevention & Wellness	4,212,641	6,706,358	5,076,861	1,629,497
Capital Outlay	<u>16,185</u>	<u>36,094</u>	<u>16,612</u>	<u>19,482</u>
<i>Total Disbursements</i>	<u>4,228,826</u>	<u>6,742,452</u>	<u>5,093,473</u>	<u>1,648,979</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>839,507</u>	<u>839,507</u>	<u>(172,572)</u>	<u>(1,012,079)</u>
<i>Net Change in Fund Balances</i>	839,507	839,507	(172,572)	(1,012,079)
<i>Fund Balance (Deficit), Beginning of Year</i>	<u>(839,712)</u>	<u>(839,712)</u>	<u>(839,712)</u>	<u>0</u>
<i>Fund Balance (Deficit), End of Year</i>	<u><u>(\$205)</u></u>	<u><u>(\$205)</u></u>	<u><u>(\$1,012,284)</u></u>	<u><u>(\$1,012,079)</u></u>

See accompanying notes to the basic financial statements

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Solid Waste Material Management Fund*  
*For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$1,050,000	\$6,000,000	\$6,000,000	\$0
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Receipts</i>	<u>1,050,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>0</u>
<b>Disbursements</b>				
Environmental Public Health	1,050,000	6,000,000	3,317,530	2,682,470
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Disbursements</i>	<u>1,050,000</u>	<u>6,000,000</u>	<u>3,317,530</u>	<u>2,682,470</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>0</u>	<u>2,682,470</u>	<u>2,682,470</u>
<i>Net Change in Fund Balances</i>	0	0	2,682,470	2,682,470
<i>Fund Balance (Deficit), Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit), End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,682,470</u></u>	<u><u>\$2,682,470</u></u>

See accompanying notes to the basic financial statements

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Statement of Fiduciary Net Position - Cash Basis*  
*Agency Funds*  
*December 31, 2017*

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	<u>Agency</u>
<b>Assets</b>	
Cash and Cash Equivalents in Segregated Accounts	<u><u>\$572,425</u></u>
<b>Liabilities</b>	
Deposits Held Due to Others	<u><u>\$572,425</u></u>

See accompanying notes to the basic financial statements.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 1 – Description of the District and Reporting Entity**

The Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District (general health) administers and enforces, within its jurisdiction, all public health and sanitation laws of the State of Ohio. The District provides public health services for the prevention or restriction of disease. In addition to the required programs, the District adopts regulations and provides programs to enable residents of the District to live in a healthy and environmentally safe community. The District is comprised of 36 cities, 19 villages and two townships within Cuyahoga County representing over 850,000 residents. The five-member Board of Trustees is appointed by the District Advisory Council which consists of the President of the Board of County Council, the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of trustees of each township. The Board appoints a Health Commissioner and can hire and fix compensation of employees. The District is dependent upon the County to provide facilities and legal counsel and act as custodian for its funds. The budget is approved by the District which is responsible for fiscal management through its authority to enter into contracts and prepare financial reports. The District is not part of the reporting entity of the County of Cuyahoga.

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

The District participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. This organization is presented in Note 8 to the basic financial statements.

The District's management believes these financial statements present all activities for which the 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 District's accounting policies.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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A. Basis of Presentation

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

The statement of net position presents the cash balances of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each of the 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 District is responsible. 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the District's general receipts.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the 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 aggregated and presented in a single column.

B. Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the District are divided into two categories, governmental and fiduciary.



**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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**Governmental Funds**

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the District's major governmental funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

HIV Emergency Relief Project Grants Fund - This fund receives federal grant funding to provide HIV- related services to those living with HIV who do not have sufficient health care coverage or financial resources for coping with HIV disease. Program goals include reducing new HIV infections, increasing access to care and improving health outcomes for people living with HIV, and reducing HIV-related health disparities and health inequities. Program services include core medical as well as support services.

Solid Waste Material Management Fund - This fund receives funding to aid in the proper management of waste materials including, but not limited to, solid waste, construction and demolition debris, and scrap tires. Proper management may include the cleanup, transport and disposal of waste materials.

The other governmental funds of the District account for the proceeds of all other grants whose uses are restricted to expenditures for specific health related purposes.

**Fiduciary Funds**

The fiduciary funds category is split into four classifications: pension trust funds, investments trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has the following agency funds:

Employee Benefits Fund - Deposits held for an employee flexible benefit account, and for deposits held from payroll deductions to cover the portion of the Health Insurance premiums that are paid by the CCBH employees.

Lead Abatement Fund - Deposits held as matching funds to be used toward the total construction costs relative to lead hazard control interventions. Funds are paid by homeowners and/or city funded programs, and released to contractor upon completion of remediation.

Household Sewage Fund - Deposits held as matching funds to be used toward the total replacement costs of household sewage systems. Funds are paid by homeowners, and released to contractor upon completion of system installation.

Silver Oak Landfill Fund – Financial Assurance funds, required per Ohio Administrative Code 3745-400-13, held from Evanston Insurance Company as a result of enforcement action taken against the facility owner. Funds are to be used for the proper closure of the landfill.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the 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 District are described in the appropriate section in this note.

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

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the district may appropriate. The appropriations resolution is the District Board's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control set by statute. The legal level of control has been established at the object level for all funds. The County Budget Commission must also approve the annual appropriation measure. Grant funds are appropriated one time and the appropriations carryover from year to year until the grant is closed. For the general fund, unencumbered appropriations lapse at year-end.

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

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

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts submitted to the County Budget Commission when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the changes to the grant awards in effect at the time final appropriations were passed by the District Board.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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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 District Board during the year.

**E. Cash and Investments**

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets, are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. Individual fund integrity is maintained through the District's records. Deposits and investments disclosures for the County as a whole may be obtained from the County. Questions related to cash and investments should be directed to the Office of the Cuyahoga County Treasurer, 2079 East 9<sup>th</sup> Street, Cleveland, Ohio 44115 or (216) 443-7400.

**F. Restricted Assets**

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

**G. Inventory and Prepaid Items**

The District reports disbursements for inventories 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. 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 District's cash basis of accounting.

**J. Employer Contributions to Cost-Sharing Pension Plans**

The District recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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K. Long- Term Obligations

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

L. Net Position

Net position 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. The government-wide statement of net position reports \$3,359,500 of restricted net position, none of which is restricted by enabling legislation. Net position restricted for other purposes include resources restricted for special District programs. The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the 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. The District did not have any nonspendable fund balances.

***Restricted-*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed-*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the District. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the 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. The District did not have any committed fund balances.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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**Assigned-** Amounts in the assigned fund balance classification are intended to be used by the 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 District or a District official delegated that authority by resolution, or by State Statute. The District did not have any assigned fund balances.

**Unassigned-** Unassigned fund balance is the residual classification for the general fund and include amounts not contained in the other classifications (restricted, committed, and or assigned). In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amount 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.

The District Fund balance is classified as restricted or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds.

**N. Interfund Transactions**

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

**Note 3 – Change in Accounting Principle**

In 2017, the District did not implement any new Governmental Accounting Standards Board (GASB) Statements because there were no new Statements to disclose.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 4- 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, HIV Emergency Relief Project Grants and Solid Waste Material Management special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 5 – Accountability**

Fund balances at December 31, 2017, included the following individual fund deficits:

<b>Major Fund:</b>	
HIV Emergency Relief Project Grants	\$1,012,284
<b>Non-Major Funds:</b>	
Family Planning Services	7,471
Creating Healthy Communities	132,381
Breast & Cervical Cancer	16,501
Dental Sealant	9,498
Teen Pregnancy Prevention	330,808
Injury Prevention	175,388
Public Health Infrastructure	253,324
West Nile Virus	41,659
Child & Family Health Services	62,288
Watershed Program	4,799
Newborn Home Visiting	158,302

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

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 6 – Deposits and Investments**

As required by Ohio Revised Code, the Cuyahoga County Treasurer is custodian for the District's deposits. The District's cash pool, used by all funds, is deposited with the Cuyahoga County Treasurer. The cash pool is commingled with Cuyahoga County's cash and investment pool and is not identifiable as to demand deposits or investments. All collections are remitted to the Cuyahoga County Treasurer for deposit and all disbursements are made by warrants prepared by the Cuyahoga County Office of the Fiscal Officer drawn on deposits held in the name of Cuyahoga County. Deposits and deposit risk and investments and investment risk are presented in the December 31, 2017 Cuyahoga County Comprehensive Annual Financial Report. The fund balances are expressed in cash equivalents. Cash equivalents are available for immediate expenditure or liquid investments which are immediately marketable, have negligible credit risk, and mature within three months. The carrying amount of cash on deposit with the Cuyahoga County Treasurer at December 31, 2017 was valued at the Treasurer's carrying reported amount.

**Note 7 – Property Taxes**

The cities, villages and townships that receive services from the District, contribute to the operations of the District. The County Office of the Fiscal Officer assesses each subdivision their share of the operating cost, which is calculated by the District and received through property tax collections. When the County Office of the Fiscal Officer disburses property tax to the subdivision, the appropriate deduction is made on the subdivision settlement and transmitted to the District.

**Note 8 – Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. The Pool provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (YORK) functions as administrator of PEP and provides underwriting, claims loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by YORK. 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's membership increased from 520 members in 2016 to 527 members in 2017.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

**Notes 8 – Risk Management (continued)**

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earning at December 31, 2017 and 2016:

	2017	2016
Assets	\$44,452,326	\$42,182,281
Liabilities	(13,004,011)	(13,396,700)
Net Position	\$31,448,315	\$28,785,581

The casualty Coverage assets and retained earning above include approximately \$11.3 million of unpaid claims to be billed to approximately 527 member governments in the future, as of December 31, 2017. PEP will collect these amounts in future annual contributions billings when PEP's related liabilities are due for payment. The District's share of unpaid claims collectible in future years is approximately \$99,940. This payable includes the subsequent year's contribution due if the District terminates participation.

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, like PEP, is administered by York Risk Pooling Services, Inc. (YORK). 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. (At December 31, 2017 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. As a result of this risk analysis, PEP has elected to increase its retention for casualty and property claims to \$500,000 and \$250,000, respectively, effective January 1, 2018.

Year	Contributions to PEP
2014	\$42,909
2015	49,797
2016	49,606
2017	49,970



**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 9- Defined Benefit Pension Plans**

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

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

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

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

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

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 9- Defined Benefit Pension Plans (continued)**

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

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

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

	State and Local
<b>2017 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2017 Actual Contribution Rates</b>	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$1,125,073 for year 2017.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 10- Postemployment Benefits**

**Ohio Public Employees Retirement System**

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

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

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided 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/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

*Funding Policy* - The Ohio Revised Code provides the statutory authority requiring public employers to fund 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 coverage. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.00 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.00 percent during calendar year 2017. As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0 percent for both plans.

The Board 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 employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0 percent.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 10- Postemployment Benefits (continued)**

The District's contributions allocated to fund postemployment benefits for 2017, 2016 and 2015 were \$86,507, \$168,494 and \$168,849, respectively. The full amount has been contributed for 2017, 2016, and 2015.

**Note 11 – Operating Lease**

The District entered into an operating lease with MailFinance, Inc. in April 2014, for the purpose of leasing a mailing system for 63 months. This is a non-cancelable lease that is paid annually. The District paid total rental cost of \$2,657 in 2017.

**Note 12 – Interfund Transfers**

Interfund transfers for the year ended December 31, 2017, consisted of the following:

Transfers To	Transfers from General
<b><i>Nonmajor Governmental Funds:</i></b>	
Public Health Infrastructure	\$52,410
Healthy Homes/Lead Prevention Program	54,036
Immunization Action Plan	42,059
Breast & Cervical Cancer	7,291
Creating Healthy Communities	22,985
<i>Nonmajor Governmental Funds Subtotal</i>	<b>\$178,781</b>

The transfers from the general fund to the non-major special revenue funds for \$178,781 were made to support programs and projects in those funds.

**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 13 – Fund Balances**

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

<u>Fund Balances</u>	<u>General</u>	<u>HIV Emergency Relief Project Grants</u>	<u>Solid Waste Material Management</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted for:					
Solid Waste Material Management	\$0	\$0	\$2,682,470	\$0	\$2,682,470
Preventive Health Block Grant	0	0	0	46,812	46,812
Healthy Homes/Lead Prevention	0	0	0	64,819	64,819
Tobacco Reduction	0	0	0	144,985	144,985
STD Control Program	0	0	0	3,496	3,496
Immunization Action Plan	0	0	0	47,603	47,603
DOD- Mold & Moisture Options Regional Referral Grant	0	0	0	163,769	163,769
Lead Case Mgmt/Blood Testing	0	0	0	27,389	27,389
Starting Point	0	0	0	17,586	17,586
ODNR Coastal Nonpoint Pollution	0	0	0	53,347	53,347
Food Safety	0	0	0	42,302	42,302
Bathing Beaches	0	0	0	39,558	39,558
Engaging Expectant Fathers	0	0	0	6	6
<b>Total Restricted</b>	<u>0</u>	<u>0</u>	<u>2,682,470</u>	<u>677,030</u>	<u>3,359,500</u>
Unassigned (Deficit)	<u>7,729,106</u>	<u>(1,012,284)</u>	<u>0</u>	<u>(1,192,419)</u>	<u>5,524,403</u>
<b>Total Fund Balances</b>	<u><b>\$7,729,106</b></u>	<u><b>(\$1,012,284)</b></u>	<u><b>\$2,682,470</b></u>	<u><b>(\$515,389)</b></u>	<u><b>\$8,883,903</b></u>

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CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY NUMBER</u>	<u>PASSED THROUGH TO SUBRECIPIENTS</u>	<u>EXPENDITURES</u>
<b>U.S. Department of Health and Human Services</b>				
<i>Direct</i>				
Food and Drug Administration Research Grants				
15/16 Innovative Retail Food Defense	93.103	1R18FD005562-01	0	5,641
12/13 FDA Standards	93.103	1U18FD004683-01	0	11,148
Total Food and Drug Administration Research Grants			0	16,789
HIV Emergency Relief Project Grants				
16/17 HIV Emergency Relief Project Grants	93.914	H89HA23812	1,820,918	1,974,182
17/18 HIV Emergency Relief Project Grants	93.914	H89HA23812	2,587,488	3,119,291
Total HIV Emergency Relief Project Grants			4,408,406	5,093,473
Racial and Ethnic Approaches to Community Health				
2016/2017 Racial and Ethnic Approaches to Community Health	93.738	NU58DP005851-03-01	633,827	923,521
2017/2018 Racial and Ethnic Approaches to Community Health	93.738	NU58DP005851-03-04	0	38,171
Total Racial and Ethnic Approaches to Community Health			633,827	961,692
Teenage Pregnancy Prevention Program				
16/17 Teenage Pregnancy Prevention Program	93.297	TP1AH000093-02-01	485,904	759,940
17/18 Teenage Pregnancy Prevention Program	93.297	TP1AH000093-03-01	161,398	291,905
Total Teenage Pregnancy Prevention Program			647,302	1,051,845
<i>Passed Through the State Department of Health:</i>				
Breast & Cervical Cancer Project				
16/17 Breast & Cervical Cancer Project	93.283	01810014BC1017	98,393	410,688
17/18 Breast & Cervical Cancer Project	93.283	01810014BC1118	0	201,791
Total Breast & Cervical Cancer Project			98,393	612,479
Immunization Action Plan				
16/17 Immunization Action Plan	93.268	01810012IM0916	47,681	83,033
17/18 Immunization Action Plan	93.539	01810012IM0917	24,879	81,385
Total Immunization Action Plan			72,560	164,418
Maternal and Child Health Services Block Grant				
16/17 Maternal & Child Health Program	93.994	01810011MP0117	120,000	215,846
17/18 Maternal & Child Health Program	93.994	01810011MP0218	0	50,569
Total Maternal and Child Health Services Block Grant			120,000	266,415
Personal Responsibility Education Program				
15/16 Personal Responsibility Education Program	93.092	01810011PR0516	0	4,478
16/17 Personal Responsibility Education Program	93.092	01810011PR0617	33,680	118,923
Total Personal Responsibility Education Program			33,680	123,401
Preventive Health and Health Services Block Grant				
2017 Creating Healthy Communities	93.305	01810014CC0817	0	4,995
2016 Creating Healthy Communities	93.758	01810014CC0716	0	9,672
2017 Creating Healthy Communities	93.758	01810014CC0817	0	114,891
2016 Injury Prevention	93.758	01810014IP0616	34,349	36,555
2017 Injury Prevention	93.758	01810014IP0717	37,181	146,649
Total Preventive Health and Health Services Block Grant			71,530	312,762
Public Health Emergency Preparedness				
16/17 Public Health Emergency Preparedness	93.074	01810012PH0817	191,566	530,897
17/18 Public Health Emergency Preparedness	93.074	01810012PH0918	0	352,372
15/16 Emergency EBOLA Supplement-PHEP	93.074	01810012EB0116	69,883	124,592
15/16 Active Direct Monitoring-PHEP	93.074	3U90TP00054103S2	0	6,813
Total Public Health Emergency Preparedness			261,449	1,014,674
<i>Passed Through the State Department of Administrative Services</i>				
Personal Responsibility Education Program				
17/19 Personal Responsibility Education Program	93.092	CSP902718-7	10,089	62,757
Total Personal Responsibility Education Program			10,089	62,757
<i>Passed Through the Cleveland Department of Public Health</i>				
Public Health Emergency Preparedness (CRI)				
16/17 Cities Readiness Initiative (CRI)	93.074	CT 5005 SG2016-122	0	95,005
Total Public Health Emergency Preparedness (CRI)			0	95,005
<b>Total U.S. Department of Health and Human Services</b>			<b>6,357,236</b>	<b>9,775,710</b>

CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
 CUYAHOGA COUNTY  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	PASSED THROUGH TO SUBRECIPIENTS	EXPENDITURES
<b>U.S. Department of Housing and Urban Development</b>				
<i>Direct</i>				
Lead-Based Paint Hazard Control In Housing				
15/18 Lead-Based Paint Hazard Control In Housing	14.900	N/A	384,607	1,512,658
Total Lead-Based Paint Hazard Control In Housing			384,607	1,512,658
<b>Total U.S. Department of Housing and Urban Development</b>			<b>384,607</b>	<b>1,512,658</b>
<b>U.S. Department of Agriculture</b>				
<i>Direct</i>				
15/17 Farm to School	10.575	CN-F2S-SS-16-OH-01	15,216	36,717
			15,216	36,717
<b>Total U.S. Department of Agriculture</b>			<b>15,216</b>	<b>36,717</b>
<b>U.S. Environmental Protection Agency</b>				
<i>Passed Through the State Department of Health</i>				
2017 Bathing Beaches Monitoring	66.472	CU-00E52608-0	0	31,176
			0	31,176
<b>Total U.S. Environmental Protection Agency</b>			<b>0</b>	<b>31,176</b>
<b>U.S. Department of Transportation</b>				
<i>Passed through the State Department of Transportation</i>				
Safe Routes to School				
14/15 Safe Routes to School (East Cleveland)	20.205	26643	0	101
16/17 Safe Routes to School (East Cleveland)	20.205	27909	5,512	5,883
15/16 Safe Routes to School (S Euclid/Lyndhurst)	20.205	27317	3,815	4,029
16/17 Safe Routes to School (S Euclid/Lyndhurst)	20.205	27910	0	8,686
Total Safe Routes to School			9,327	18,699
<b>Total U.S. Department of Transportation</b>			<b>9,327</b>	<b>18,699</b>
<b>TOTAL FEDERAL AWARDS EXPENDITURE</b>			<b>\$6,766,386</b>	<b>\$11,374,960</b>

*The accompanying notes are an integral part of this schedule.*



**Cuyahoga County District Board of Health**  
**Cuyahoga County**  
*Notes to the Schedule of Expenditures of Federal Awards*  
*2 CFR 200.510(b)(6)*  
*For the Year Ended December 31, 2017*

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**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Cuyahoga County District Board of Health (the District's) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for state, Local and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3 – Subrecipients**

The District passes certain federal awards received from the U.S. Department of Health and Human Services, the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture, the State Department of Health and the State Department of Transportation to other governments or not-for-profits agencies (subrecipients). As Note 2 describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

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

**Note 4 – Matching Requirements**

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

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# Dave Yost • Auditor of State

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

Cuyahoga County District Board of Health  
Cuyahoga County  
5550 Venture Drive  
Parma, Ohio 44130

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga County District Board of Health, Cuyahoga County, (the District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 26, 2018, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 26, 2018



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Cuyahoga County District Board of Health  
Cuyahoga County  
5550 Venture Drive  
Parma, Ohio 44130

To the Board of Trustees:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Cuyahoga County District Board of Health's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Cuyahoga County District Board of Health's major federal programs for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Cuyahoga County District Board of Health complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2017.

***Report on Internal Control Over Compliance***

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

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

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

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



**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 26, 2018

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2017**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Lead-Based Paint Hazard Control In Housing, CFDA #14.900 Public Health Emergency Preparedness, CFDA #93.074 HIV Emergency Relief Project Grants, CFDA #93.914
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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# Dave Yost • Auditor of State

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH**

**CUYAHOGA 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  
NOVEMBER 8, 2018**