



**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Lorain County General Health District
Lorain County
9880 South Murray Ridge Road
Elyria, Ohio 44035

We have audited the accompanying financial statements of the Lorain County General Health District, Lorain County, Ohio, (the District) as of and for the year ended December 31, 2001. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 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 opinion.

As described Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Lorain County General Health District, Lorain County, Ohio, as of December 31, 2001, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the financial statements of the District taken as a whole. The accompanying schedule of federal awards expenditures is presented for 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 not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 7, 2002

**LORAIN COUNTY GENERAL HEALTH DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2001**

	General	Special Revenue	Total (Memorandum) Only)
	<u> </u>	<u> </u>	<u> </u>
Receipts:			
Taxes	\$2,326,207	\$0	\$2,326,207
Intergovernmental - Federal	0	670,933	670,933
Intergovernmental - State	0	129,736	129,736
Immunizations	52,629	0	52,629
Inspection Fees	98,308	0	98,308
Other Receipts	159,898	0	159,898
Other Fees	25,344	62,742	88,086
Contractual Services	64,527	0	64,527
State - Subsidy	219,347	0	219,347
Licenses	48,271	60,000	108,271
Refunds	80,311	252,348	332,659
Solid Waste Fees	76,754	44	76,798
Total Receipts	<u>3,151,596</u>	<u>1,175,803</u>	<u>4,327,399</u>
Disbursements:			
Salaries and Benefits	1,894,577	1,031,126	2,925,703
Travel	64,736	3,673	68,409
Office Supplies	22,239	9,114	31,353
Medical Supplies	77,604	7,993	85,597
Equipment	110,788	4,904	115,692
Contracts - Repair/Services	74,784	8,033	82,817
Distribution to State	18,953	82,798	101,751
Other Expenditures	200,109	32,153	232,262
Total Disbursements	<u>2,463,790</u>	<u>1,179,794</u>	<u>3,643,584</u>
Total Receipts Over/(Under)			
Total Disbursements	<u>687,806</u>	<u>(3,991)</u>	<u>683,815</u>
Other Financing Sources and (Uses):			
Advances - In	92,797	150	92,947
Advances - (Out)	<u>0</u>	<u>(92,947)</u>	<u>(92,947)</u>
Total Other Financing Sources and (Uses)	<u>92,797</u>	<u>(92,797)</u>	<u>0</u>
Total Excess of Receipts and Other Sources Over (Under) Disbursements and Other Uses	<u>780,603</u>	<u>(96,788)</u>	<u>683,815</u>
Fund Cash Balances, January 1, 2001	873,872	449,956	1,323,828
Fund Cash Balances, December 31, 2001	<u>\$1,654,475</u>	<u>\$353,168</u>	<u>\$2,007,643</u>
Reserve for Encumbrances	<u>\$20,397</u>	<u>\$996</u>	<u>\$21,393</u>

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**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Lorain County General Health District, Lorain 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 is directed by a seven-member board and a Health Commissioner. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Ohio Auditor of State, which is similar to the cash receipts and disbursement basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment of funds is made (i.e. when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Ohio Auditor of State.

C. Cash

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.

D. Fund Accounting

The District uses fund accounting to segregate cash that is restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditures for specific purposes. The District had the following significant special revenue funds:

Food Service License Fund - This fund is used to account for activity related to the issuance of licenses and inspections of food service operations as well as vending machine licenses.

**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Solid Waste Grant Fund - The Solid Waste Program serves as liaison to facilitate the County's master plan to regulate and monitor solid waste disposal.

Early Start Grant Fund - This grant is to provide assistance for infants and children through the age of three who are at risk due to environmental factors.

WIC Fund - This fund is a Federal grant fund used to account for the Special Supplemental Nutrition Program.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

E. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budget receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2001 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's basis of accounting.

**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2001 was as follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,074,000	\$3,244,393	\$170,393
Special Revenue	1,131,945	1,175,953	44,008
Total	\$4,205,945	\$4,420,346	\$214,401

2001 Budgeted vs. Actual Expenditures			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,876,000	\$2,484,187	\$391,813
Special Revenue	1,349,342	1,273,737	75,605
Total	\$4,225,342	\$3,757,924	\$467,418

3. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over other estimated receipts to the townships and municipalities comprising the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are included in Taxes in the District's financial statements. The District is comprised of the townships of Amherst, Brighton, Brownhelm, Camden, Carlisle, Columbia, Eaton, Elyria, Grafton, Henrietta, Huntington, LaGrange, New Russia, Penfield, Pittsfield, Rochester, Sheffield and Wellington; the cities of Amherst, Avon, North Ridgeville, Oberlin and Sheffield Lake; and the villages of Grafton, Kipton, LaGrange, Rochester, Sheffield, South Amherst and Wellington.

4. RETIREMENT SYSTEMS

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2001. The District has paid all contributions required through December 31, 2001.

**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive general liability;
- Automobile liability;
- Certain property insurance; and
- Errors and omissions liability.

Full-time District employees are provided health, dental and vision insurance coverage through Lorain County.

LORAIN COUNTY GENERAL HEALTH DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2001

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Number	Expenditures
U.S. Department of Agriculture			
<i>Passed Through the Ohio Department of Health</i>			
Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	4710011CL01	\$367,325
	10.557	4710011CL02	119,488
Total CFDA			<u>486,813</u>
Total U.S. Department of Agriculture			486,813
U.S. Department of Education			
<i>Passed Through the Ohio Department of Health</i>			
Special Education Grants for Infants and Families with Disabilities	84.181	47601FAN392567-F	<u>66,000</u>
Total U.S. Department of Education			66,000
U.S. Department of Health and Human Services			
<i>Passed Through the Ohio Department of Health</i>			
Immunization Grants Services Block Grant	93.268	4710012AZ01	<u>63,028</u>
Total U.S. Department of Education			63,028
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through the Office of the Governor's Highway Safety Representative</i>			
Traffic Safety Grant	20.600	47000HD0-1436	24,106
	20.600	47000HD0-1703	4,574
Total CFDA			<u>28,680</u>
Total U.S. Department of Transportation			28,680
Total Federal Awards Expenditures			<u><u>\$644,521</u></u>

The accompanying notes are an integral part of this Schedule.

**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2001**

NOTE A - SIGNIFICANT ACCOUNTING POLICES

The accompany Schedule of Federal Awards Expenditures is a summary of the activity of the Health District's federal award programs. This schedule has been prepared on the cash basis of accounting.

NOTE B - RETURN OF GRANT MONEYS

During the year the Health District returned to the following granting agencies moneys that were not expended from the grant's program remittances:

Immunization Grant	CFDA No 93.268	Program Year 2000	\$6,202
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Moneys returned to granting agencies are not federal expenditures under OMB Circular A-133 and are not included in the Schedule of Federal Awards Expenditures.

CFDA - Catalog of Federal Domestic Assistance



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Lorain County General Health District
Lorain County
9880 South Murray Ridge Road
Elyria, Ohio 44035

We have audited the financial statements of the Lorain County General Health District, Lorain County, Ohio, (the District) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 7, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated June 7, 2002.

This report is intended for the information and use of the management, the Board, 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

June 7, 2002



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Lorain County General Health District
Lorain County
9880 South Murray Ridge Road
Elyria, Ohio 44035

Compliance

We have audited the compliance of the Lorain County General Health District, Lorain County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, the Board, 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

June 7, 2002

**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505**

DECEMBER 31, 2001

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



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LORAIN COUNTY GENERAL HEALTH DISTRICT

LORAIN 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
JULY 30, 2002**