



**LORAIN COUNTY GENERAL HEALTH DISTRICT
LORAIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Health:

We have audited the accompanying financial statements of the Lorain County General Health District, Lorain County, Ohio, (the Health District) as of and for the year ended December 31, 1999. These financial statements are the responsibility of the Health 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 generally accepted auditing standards 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 discussed in Note 1, the Health 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 fund cash balances and reserves for encumbrances of the Lorain County General Health District, Lorain County, Ohio, as of December 31, 1999, and its combined cash receipts and cash 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 February 23, 2000, on our consideration of the Health District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Health District, taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected 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 of Health 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.

Jim Petro
Auditor of State

February 23, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General	Special Revenue	Total (Memorandum Only)
Receipts:			
Taxes	\$1,981,832	\$0	\$1,981,832
Intergovernmental - Federal	0	798,880	798,880
Intergovernmental - State	190,846	283,125	473,971
Medicare	10,049	0	10,049
Home Health Services	43,240	0	43,240
Home Living Services	46,472	0	46,472
Immunizations	92,364	0	92,364
Inspection Fees	140,940	0	140,940
Other Receipts	102,762	29,540	132,302
Other Fees	77,488	0	77,488
Contractual Services	162,148	0	162,148
State - Subsidy	47,067	0	47,067
Licenses	66,400	114,160	180,560
Refunds	3,674	0	3,674
Solid Waste Fees	0	65,731	65,731
Total Receipts	2,965,282	1,291,436	4,256,718
Disbursements:			
Salaries and Benefits	2,148,712	953,317	3,102,029
Early Start Assistance	0	134,315	134,315
Travel	66,622	8,270	74,892
Office Supplies	22,368	5,554	27,922
Medical Supplies	43,336	16,498	59,834
Equipment	70,518	4,138	74,656
Contracts - Repair/Services	25,150	0	25,150
Distribution to State	31,565	67,000	98,565
Other Expenditures	178,887	142,050	320,937
Total Disbursements	2,587,158	1,331,142	3,918,300
Total Receipts Over/(Under)			
Total Disbursements	378,124	(39,706)	338,418
Other Financing Sources and (Uses):			
Advances-In	89,425	14,389	103,814
Advances-Out	(14,389)	(89,425)	(103,814)
Total Other Financing Sources and (Uses)	75,036	(75,036)	0
Total Excess of Receipts and Other Sources Over (Under) Disbursements and Other Uses	453,160	(114,742)	338,418
Fund Cash Balances, January 1, 1999	(51,532)	400,445	348,913
Fund Cash Balances, December 31, 1999	\$401,628	\$285,703	\$687,331
Reserve for Encumbrances	\$15,783	\$9,890	\$25,673

The notes to the financial statements are an integral part of this statement.

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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Lorain County General Health District, Lorain County, Ohio, (the Health 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 Health District is a general health district as defined by Ohio Revised Code Section 3709.07. The Health District is governed by an appointed seven member Board of Health. The Health District is responsible to the community for health education and prevention of disease.

The Health District's management believes these financial statements present all activities for which the Health 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. FUND ACCOUNTING

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

General Fund

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

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 Health District had the following significant special revenue funds:

WIC Fund - This fund is a federal grant program used to account for the Special Supplemental Nutrition Program for Women, Infants, and Children.

Early Start Grant Fund - This fund is a state grant program used to account for the assistance to children and families in identifying health risks.

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.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETARY PROCESS

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) should not exceed appropriations at the fund, function or object level of control, and appropriations should not exceed estimated resources. The Board of Health annually approves appropriation measures and subsequent amendments. The County Budget Commission also approves the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

Estimated resources include estimates of cash to be received (budget receipts) plus unencumbered cash as of January 1. The County Budget Commission also approves estimated resources.

Encumbrances

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

A summary of 1999 budgetary activity appears in Note 3.

E. 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.

F. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Health District.

2. EQUITY IN POOLED CASH

The Health District's cash pool, used by all funds, is deposited with the Lorain County Treasurer. The cash pool is commingled with Lorain County's cash and investment pool and is not identifiable as to demand deposits or investments. The carrying amount of cash on deposit with the Lorain County Treasurer at December 31, 1999 was \$687,331.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 1999 was as follows:

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,931,888	\$3,054,707	\$122,819
Special Revenue	1,307,517	1,305,825	(1,692)
Total	<u>\$4,239,405</u>	<u>\$4,360,532</u>	<u>\$121,127</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,760,556	\$2,617,330	\$143,226
Special Revenue	1,553,361	1,430,457	122,904
Total	<u>\$4,313,917</u>	<u>\$4,047,787</u>	<u>\$266,130</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Health. The Ohio Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State of Ohio, and are reflected in the accompanying financial statements as intergovernmental receipts. Tax payments are due to Lorain County by December 31. If the property owner elects to make semi-annual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Health District. Tangible personal property is assessed by the property owners, who must file a list of such property with Lorain County by each April 30.

Lorain County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Health District.

5. RETIREMENT SYSTEMS

Health District employees belong to the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer plan administered by the Public Employees Retirement System Board. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to members and beneficiaries. Authority to establish and to amend benefits is given by the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)

5. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 1999, PERS members contributed 8.5 percent of their gross salaries. The Health District contributed 13.5 percent of members' covered payroll. The Health District has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Health District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

Full-time Health District employees are provided health, dental and vision insurance coverage through Lorain County through various paid premium plans.

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material to the financial statements.

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through the Ohio Department of Health</i>			
Special Supplemental Food Program for Women, Infants and Children (WIC)	447-H6	10.557	491,422
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through the Ohio Department of Health</i>			
Special Education Grants for Infants and Families with Disabilities	587-F	84.181	41,618
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through the Western Reserve Area Wide Agency on Aging</i>			
Special Programs for Aging - Title III, Part B	N/A	93.044	23,073
<i>Passed Through the Ohio Department of Alcohol and Drug Addiction Services</i>			
Block Grants for Prevention and Treatment of Substance Abuse	N/A	93.959	29,051
<i>Passed Through the Ohio Department of Health</i>			
Immunization Grants	447-M	93.268	59,186
Medical Assistance Program	N/A	93.778	9,411
Preventative Health and Health Services Block Grant	447-G	93.991	0 46,440
Total U.S. Department of Health and Human Services			167,161
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through the Office of the Ohio Environmental Protection Agency</i>			
Nonpoint Source Implementation Grants	N/A	66.460	17,575
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through the Office of the Governor's Highway Safety Representative</i>			
Traffic Safety Grant	GR-1	20.600	27,309
Total			\$745,085

The accompanying notes are an integral part of this Schedule.

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999**

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.

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

To the Board of Health:

We have audited the accompanying financial statements of the Lorain County General Health District, Lorain County, Ohio, (the Health District) as of and for the year ended December 31, 1999, and have issued our report thereon dated February 23, 2000. We conducted our audits in accordance with generally accepted auditing standards 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 Health 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 Health 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 certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Health District in a separate letter dated February 23, 2000.

Lorain County General Health District
Lorain County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of management, the Board of Health and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 23, 2000



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
WITH OMB CIRCULAR A-133**

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

To the Board of Health:

We have audited the accompanying financial statements of the Lorain County General Health District, Lorain County, Ohio (the Health District) as of and for the year ended December 31, 1999.

Compliance

We have audited the compliance of Health 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, 1999. The Health 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 a major federal program is the responsibility of the Health District's management. Our responsibility is to express an opinion on the Health District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Health 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 Health District's compliance with those requirements.

In our opinion, the Health District complied, in all material respects, with the requirements referred to above that are applicable to a major federal program for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the Health District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to its federal program. In planning and performing our audit, we considered the Health 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.

Lorain County General Health District
Lorain County
Report on Compliance With Requirements Applicable to the
Major Federal Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133
Page 2

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 of Health and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 23, 2000

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

DECEMBER 31, 1999

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.



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OFFICE OF THE AUDITOR

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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
MAY 2, 2000**