



**DISTRICT BOARD OF HEALTH
SENECA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SENECA DISTRICT BOARD OF HEALTH
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	3
Notes to the Financial Statements	5
Schedule of Federal Awards Expenditures	9
Notes to Schedule of Federal Awards Expenditures	10
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Report of Independent Accountants on Compliance with Requirements Applicable to the Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	13
Schedule of Findings	15

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Seneca District Board of Health
Seneca County
71 South Washington Street
Suite B, 2nd Floor
Tiffin, Ohio 44883-2351

To the Board of Health:

We have audited the accompanying financial statements of the Seneca District Board of Health (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 combined fund cash balances and reserves for encumbrances of the Health District as of December 31, 1999, 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 August 16, 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 the audit committee, management, the Board of Health, and other officials authorized to receive this report under § 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", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

August 16, 2000

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$23,207	\$901,988	\$925,195
Taxes	314,611		314,611
Fees	242,194	200,766	442,960
Charges for Services		306,279	306,279
Other Revenue	6,881	8,996	15,877
Total Cash Receipts	<u>586,893</u>	<u>1,418,029</u>	<u>2,004,922</u>
Cash Disbursements:			
Current:			
Salaries-Employees	387,729	777,116	1,164,845
Supplies	36,653	160,889	197,542
Equipment	28,299	20,080	48,379
Contract Services	38,482	349,940	388,422
Rentals	190		190
Travel	26,545	32,380	58,925
Advertising and Printing	5,474	20,863	26,337
Public Employee's Retirement	49,837	103,104	152,941
Worker's Compensation	5,261	12,750	18,011
Hospitalization	41,122	85,921	127,043
Other Expenses	26,677	69,406	96,083
Total Disbursements	<u>646,269</u>	<u>1,632,449</u>	<u>2,278,718</u>
Total Disbursements Over Receipts	<u>(59,376)</u>	<u>(214,420)</u>	<u>(273,796)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		2,134	2,134
Advance-In	135,500	153,500	289,000
Transfers-Out	(2,134)		(2,134)
Advance-Out	(153,500)	(135,500)	(289,000)
Other Financing Receipts		10,000	10,000
Total Other Financing Receipts/(Disbursements)	<u>(20,134)</u>	<u>30,134</u>	<u>10,000</u>
Excess of Cash Disbursements and Other Financing Disbursements Over Cash Receipts and Other Financing Receipts	(79,510)	(184,286)	(263,796)
Fund Cash Balances, January 1	<u>267,490</u>	<u>556,553</u>	<u>824,043</u>
Fund Cash Balances, December 31	<u>\$187,980</u>	<u>\$372,267</u>	<u>\$560,247</u>
Reserve for Encumbrances, December 31	<u>\$44,892</u>	<u>\$170,709</u>	<u>\$215,601</u>

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

This page intentionally left blank.

**SENECA DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Seneca District Board of Health (the Health District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Health District is a union of the Boards of Health of the Cities of Tiffin and Fostoria and operates under the control of a nine-member board made up of members from various cities, townships and villages of Seneca County.

The Health District services include medical assistance and public health and safety. By statute, the County Auditor of Seneca County is the fiscal agent responsible for fiscal control of the Health District's funds and financial report preparation.

The Health District 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 Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Fund Accounting

The Health District uses fund accounting to segregate cash and investments that are restricted as to use. The Health 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 required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Health District had the following significant Special Revenue Funds:

Home Health Fund - This fund receives money from fees collected for health and medical services provided to home bound patients.

Rural Health Outreach Fund - This fund receives federal funds to provide essential health services including preventive and emergency services.

**SENECA DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

D. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

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, compensatory time, and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation, compensatory time, and sick leave are not reflected as liabilities under the basis of accounting used by the Health District.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Seneca County Auditor acts as the District Board of Health's fiscal agent. All monies are deposited with the Seneca County Treasurer and all warrants are written by the Seneca County Auditor. These funds are included as part of the pooled cash maintained by the Treasurer. As of December 31, 1999, the carrying amount of the Board's deposits was \$560,247. These deposits are covered by collateral obtained by the Seneca County Treasurer as presented in the Seneca County financial statements for 1999.

**SENECA DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 1999 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$307,510	\$586,893	\$279,383
Special Revenue	1,099,103	1,430,163	331,060
Total	\$1,406,613	\$2,017,056	\$610,443

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$975,709	\$693,295	\$282,414
Special Revenue	2,166,232	1,803,158	363,074
Total	\$3,141,941	\$2,496,453	\$645,488

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Health. The State 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, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual 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 tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

The Health District's officials and 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.

**SENECA DISTRICT BOARD OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(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 an amount equal to 13.55 percent of participants' gross salaries. The Health District has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Health District participates in the Seneca County Health Insurance Plan. The employees share of the premiums are withheld by voluntary payroll deduction. Health insurance claims are billed by the Seneca County Auditor's Office.

The Health District carries insurance through the Public Entities Pool of Ohio for the following coverages:

- Contents of Building;
- Hardware and Software; and
- Liability.

Seneca County is responsible for the insurance on the building that houses the Health District.

**SENECA DISTRICT BOARD OF HEALTH
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Grant Number	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Passed through the Ohio Department of Health:</i>			
Special Supplement Food Program for Woman, Infants and Children	10.557	74-1-01-F-CL-389	<u>\$228,794</u>
Total U. S. Department of Agriculture			<u>228,794</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through the Ohio Department of Health:</i>			
Rural Health Outreach	93.912	6D03RH	268,642
Maternal and Child Health Services	93.994	74-1-01-F-AI-320	143,816
Rape Prevention	93.991	74-1-01-P-BP-387	32,749
Immunization Action Plan	93.268	74-1-01-P-AZ-392	<u>20,036</u>
Total U.S. Department of Health and Human Services			<u>465,243</u>
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			
<i>Passed through the Ohio Department of Health:</i>			
Ohio EPA Grant	66.459	97-H- EPA-7	73,762
Indoor Radon Grant	66.032	74-1-01-P-BA-392	<u>10,147</u>
<i>Total U.S. Environmental Protection Agency</i>			<u>83,909</u>
TOTAL FEDERAL ASSISTANCE			<u><u>\$777,946</u></u>

The accompanying notes are an integral part of this schedule.

**SENECA DISTRICT BOARD OF HEALTH
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 1999**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

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

Seneca District Board of Health
Seneca County
71 South Washington Street
Suite B, 2nd Floor
Tiffin, Ohio 44883-2351

To the Board of Health:

We have audited the accompanying financial statements of the Seneca District Board of Health (the Health District) as of and for the year ended December 31, 1999, and have issued our report thereon dated August 16, 2000. 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.

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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-60574-001.

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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Board in a separate letter dated August 16, 2000.

This report is intended for the information and use of the audit committee, management, the Board of Health, 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

August 16, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

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

Seneca District Board of Health
Seneca County
71 South Washington Street
Suite B, 2nd Floor
Tiffin, Ohio 44883-2351

To the Board of Health:

Compliance

We have audited the compliance of the Seneca District Board of Health (the 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 each of its major federal programs for the year ended December 31, 1999. The Health District's major federal programs are 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 each of its major federal programs 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 its 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 federal programs. 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.

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. We noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the Health District in a separate letter dated August 16, 2000.

This report is intended for the information and use of the audit committee, management, the Board of Health, 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

August 16, 2000

**SENECA DISTRICT BOARD OF HEALTH
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 1999**

1. SUMMARY OF AUDITOR'S RESULTS

(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 noncompliance at the financial statement level (GAGAS)?	Yes
(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):	Rural Outreach-Rural Network Development Program CFDA # 93.912
(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**

FINDING NUMBER 1999-60574-001

Finding Repaid Under Audit

Based on the Seneca County Board of Health Personnel Policy 7.05 L, the Health Commissioner's 1999 compensation should have been \$5,741.63.

**FINDING NUMBER 1999-60574-001
(Continued)**

Per the 1999 Seneca County Payroll Worksheets submitted to the County Auditor and payroll stubs, the Health Commissioner was compensated \$5,911.08 which resulted in overcompensation of \$169.45. This overcompensation occurred due to sick leave being calculated using the maximum amount of 210 hours rather than calculating her sick leave balance at 25% as required by policy 7.05 L when the Health Commissioner retired.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public money that has been illegally expended is hereby issued against Darlene L. Baney; Auto-Owners Insurance Company, her bonding company; and Larry Beidelschies, County Auditor, jointly and severally, in the amount of one hundred sixty-nine dollars and forty-five cents (\$169.45) and in favor of the Home Health Nursing Fund.

On July 25, 2000 the District Board of Health received a check in the amount of \$169.45 from Darlene L. Baney to repay this finding. The amount was recorded under receipt number 16214.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

SENECA DISTRICT BOARD OF HEALTH

SENECA 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
SEPTEMBER 5, 2000**