



**HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
HENRY COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
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REPORT OF INDEPENDENT ACCOUNTANTS

Henry County/Napoleon City Combined
General Health District
104 East Washington Street, Suite 302
Napoleon, Ohio 43545-1660

To the Board:

We have audited the accompanying financial statements of the Henry County/Napoleon City Combined General Health District (the District) as of and for the year ended December 31, 1999. 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 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 described in 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 of the Henry County/Napoleon City Combined General Health District, as of December 31, 1999, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances, 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 July 25, 2000 on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the personnel/finance/audit committee, management, the Board, 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

July 25, 2000

**HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
COMBINED STATEMENT OF CASH AND
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
AS OF DECEMBER 31, 1999**

POOLED CASH

Cash (Held in Henry County Treasury)	<u><u>\$643,518</u></u>
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CASH BALANCES BY FUND TYPE

Governmental Fund Type:

General Fund	\$223,004
Special Revenue Fund	<u>420,514</u>

Total	<u><u>\$643,518</u></u>
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The notes to the financial statements are an integral part of this statement.

**HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals Memorandum Only
	<u>General</u>	<u>Special Revenue</u>	
Receipts:			
Taxes	\$356,184	\$100,344	\$456,528
License and Permits	66,725		66,725
Intergovernmental Revenue	245,175	329,319	574,494
Fees	74,117	25,638	99,755
Medicare/Medicaid Reimbursements		424,309	424,309
Other Receipts	18,763	58,801	77,564
	<u>760,964</u>	<u>938,411</u>	<u>1,699,375</u>
Disbursements:			
Salaries - Employees	282,758	487,197	769,955
Supplies	31,891	59,700	91,591
Equipment	11,496	3,163	14,659
Life Insurance	634		634
Contracts - Services	14,645	138,523	153,168
Rentals	8,709	8,631	17,340
Travel and Expenses	12,146	26,864	39,010
Tax Settlement Fees	9,175		9,175
Advertising and Printing	4,091	12,905	16,996
Public Employee's Retirement	38,031	64,164	102,195
Worker's Compensation	6,158	11,045	17,203
Medicare	2,861	5,870	8,731
Other Expenses	299,276	57,257	356,533
	<u>721,871</u>	<u>875,319</u>	<u>1,597,190</u>
Excess of Disbursements Over Receipts	39,093	63,092	102,185
Other Financing Sources and (Uses):			
Advances-In		10,000	10,000
Advances-Out	(10,000)		(10,000)
	<u>(10,000)</u>	<u>10,000</u>	<u></u>
Excess of Disbursements and Other Financing Uses Over Receipts and Other Financing Sources	29,093	73,092	102,185
Fund Cash Balances at January 1, 1999	193,911	347,422	541,333
Fund Cash Balances at December 31, 1999	<u><u>\$223,004</u></u>	<u><u>\$420,514</u></u>	<u><u>\$643,518</u></u>

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

HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
 COMBINED STATEMENT OF RECEIPTS
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable (Unfavorable)
Governmental Fund Type:			
General Fund	\$974,960	\$760,964	(\$213,996)
Special Revenue Funds	1,144,126	938,411	(205,715)
Totals (Memorandum Only)	\$2,119,086	\$1,699,375	(\$419,711)

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

**HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
 COMBINED STATEMENT OF DISBURSEMENTS AND
 ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Prior Year Carryover <u>Appropriations</u>	1999 <u>Appropriations</u>
Governmental Fund Type:		
General Fund	\$9,526	\$974,960
Special Revenue Funds	<u>32,363</u>	<u>1,144,126</u>
 Totals (Memorandum Only)	 <u><u>\$41,889</u></u>	 <u><u>\$2,119,086</u></u>

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

<u>Total</u>	<u>Actual 1999 Disbursements</u>	<u>Encumbrances Outstanding at 12/31/99</u>	<u>Total</u>	<u>Variance: Favorable (Unfavorable)</u>
\$984,486	\$721,871	\$4,820	\$726,691	\$257,795
1,176,489	875,319	18,024	893,343	283,146
<u>\$2,160,975</u>	<u>\$1,597,190</u>	<u>\$22,844</u>	<u>\$1,620,034</u>	<u>\$540,941</u>

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**HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(As Required by Various Statutes)

A. Description of the Entity

The Henry County/Napoleon City Combined General 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 Henry County/Napoleon City Combined General Health District is created under § 3709.01, Ohio Revised Code. The District operates under the direction of a seven-member board, appointed by the District Advisory Counsel. An appointed health commissioner is responsible for administering the laws relating to health and sanitation in the county. Services provided by the District include recording of vital statistics, inspection of food service facilities, water wells, sewers, campgrounds, trailer parks, public health and home nursing services, and they act upon various complaints made to the department concerning the health and welfare of the County.

The District maintains direct fiscal control over the funds as maintained by the Henry County Treasurer with the Henry County Auditor serving as fiscal officer.

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 Henry County/Napoleon City Combined General Health District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

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

Special Revenue Funds - Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to disbursements for specified purposes.

HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)

D. Budgetary Process

1. An itemized appropriation measure is required to be adopted annually on or before the first Monday of April setting forth the amounts for the current expenses for fiscal year beginning the first day of January next ensuing. This appropriation measure shall be certified to the County Auditor and submitted to the County Budget Commission.
2. The Board is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective funds from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

E. Property, Plant and Equipment

Fixed assets acquired or constructed for general governmental service are recorded as expenditures. Depreciation is not recorded for these items.

F. Accumulated Unpaid Vacation and Sick Pay

Accumulated unpaid vacation and sick pay are not accrued under the cash basis of accounting described in Note 1. All leave will either be absorbed by time off from work, or within certain limitations, be paid to the employees. It is not practicable to determine the actuarial value of these benefits as of December 31, 1999.

G. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. POOLED CASH

The County Treasurer is mandated to maintain a cash pool to be utilized by all funds of the Board. Each fund type's portion of this pool is displayed on the Statement of Cash and Fund Cash Balances as "Cash (Held in Henry County Treasury)."

Deposits

At year-end, the carrying amount of the District's deposits was \$643,518 and the bank balance as reported by Henry County was \$643,518. Because the District's deposits are commingled with Henry County's deposits it was not feasible to determine the manner in which the District's deposits were insured. The extent of Henry County's collateralization of funds is disclosed in its audit report for the year ended December 31, 1999.

HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)

3. INSURANCE

Real property and contents as well as bodily injury claims are insured by the Henry County Commissioners as the County owns and maintains the building where the Board offices are located. The Board does maintain comprehensive coverage for vehicles as well as various other insurance needs as disclosed in Note 6 to the financial statements.

4. EMPLOYEES RETIREMENT SYSTEMS

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing multiple-employer public retirement system. All employees of the District are members of PERS. PERS provides retirement benefits to employees who are eligible to retire based upon years of service. PERS provides survivor and disability benefits to vested employees.

Employees contribute 8.5 percent of gross salary. The employer matching share is 13.55 percent of gross salary. The pension contribution requirement for the District for the year ended December 31, 1999 was \$169,775 which consisted of \$65,446 from the employees and \$104,329 from the employer. The required percentages for employer and employee contributions for the 2000 fiscal year will be unchanged.

5. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35 percent of appraised value. The County Auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 1999.

Real property taxes become a lien on all non-exempt real property located in the County on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established. The full tax rate applied to real property for the fiscal year ended December 31, 1999 was \$1.00 per \$1,000 of assessed valuation.

After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$.77 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$.977 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 1999, was \$1.00 per \$1,000 of assessed valuation.

HENRY COUNTY/NAPOLEON CITY COMBINED GENERAL HEALTH DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)

Real Property - 1998	
Residential/Agricultural	\$326,943,680
Commercial/Industrial	41,930,680
Public Utilities	644,080
Tangible Personal Property - 1999 Valuation	
General	89,721,030
Public Utilities	<u>36,570,800</u>
Total Valuation	<u><u>\$495,810,270</u></u>

The County Treasurer collects property tax on behalf of all taxing districts within the county. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

6. RISK MANAGEMENT

The Henry County/Napoleon City Combined General Health 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. In December 1991, the District joined together with other health districts in the state to be included in Public Entities Pool of Ohio (PEP), a public entity risk pool currently operating as a common risk management and insurance program for numerous political subdivisions including approximately 70 health districts. The District pays an annual premium to the pool for its general insurance coverage. The agreement for PEP provides that PEP will be self sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$250,000 for each insured event. The District continues to carry commercial insurance for Workers Compensation.



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

Henry County/Napoleon City Combined
General Health District
104 East Washington Street, Suite 302
Napoleon, Ohio 43545-1660

To the Board:

We have audited the financial statements of the Henry County/Napoleon City Combined General Health District as of and for the year ended December 31, 1999, and have issued our report thereon dated July 25, 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 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 Henry County/Napoleon City Combined General 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 District in a separate letter dated July 25, 2000.

Henry County/Napoleon City Combined
General Health District
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the personnel/finance/audit committee, management, and the Board, 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

July 25, 2000



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OFFICE OF THE AUDITOR

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HENRY COUNTY NAPOLEAN CITY COMBINED GENERAL HEALTH DISTRICT

HENRY 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
AUGUST 22, 2000**