



**LAKE COUNTY GENERAL HEALTH DISTRICT
LAKE 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

Lake County General Health District
Lake County
33 Mill Street
Painesville, Ohio 44077

To the Board of Trustees:

We have audited the accompanying financial statements of the Lake County General Health District, Lake County, Ohio, (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 discussed 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 and reserves for encumbrances of the Lake County General Health District, Lake County, Ohio, 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 February 25, 2000 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.

Our audit was performed for the purpose of forming an opinion on the financial statement of the 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 Board of Trustees, management, and federal awarding agencies and pass-through entities, 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.

Jim Petro
Auditor of State

February 25, 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Subdivisions	\$1,506,199	\$0	\$1,506,199
Permits	187,380	16,478	203,858
Licenses	0	311,726	311,726
Fees	0	142,150	142,150
Contractual Services	0	573,514	573,514
Miscellaneous	63,919	129,337	193,256
Intergovernmental	82,849	1,007,710	1,090,559
County Subsidy	0	11,500	11,500
Employee Hospitalization Deductions	33,288	0	33,288
	<u>1,873,635</u>	<u>2,192,415</u>	<u>4,066,050</u>
Cash Disbursements:			
State Remittances	18,160	102,811	120,971
Salaries	1,016,553	1,229,443	2,245,996
Public Employees Retirement System	128,898	154,163	283,061
Workers Compensation	32,849	40,140	72,989
Medicare	8,421	14,848	23,269
Equipment	108,256	53,168	161,424
Other Expenses	504,636	723,282	1,227,918
Unemployment Compensation	183	184	367
	<u>1,817,956</u>	<u>2,318,039</u>	<u>4,135,995</u>
Total Receipts Over/(Under) Disbursements	<u>55,679</u>	<u>(125,624)</u>	<u>(69,945)</u>
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets	934	0	934
Refunds and Reimbursements	4,358	1,047	5,405
Transfers In	250,000	821,563	1,071,563
Transfers Out	(250,000)	(821,563)	(1,071,563)
	<u>5,292</u>	<u>1,047</u>	<u>6,339</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	60,971	(124,577)	(63,606)
Fund Cash Balances, January 1	<u>380,971</u>	<u>1,344,987</u>	<u>1,725,958</u>
Fund Cash Balances, December 31	<u>\$441,942</u>	<u>\$1,220,410</u>	<u>\$1,662,352</u>
Reserves for Encumbrances, December 31	<u>\$21,425</u>	<u>\$1,082</u>	<u>\$22,507</u>

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 Lake County General Health District, Lake 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 administers and enforces, within its jurisdiction, all public health and sanitation laws of the State of Ohio. The District provides public health services for the prevention or restriction of disease. In addition to the required programs, the District adopts regulations and provides programs to enable residents of the district to live in a healthy and environmentally safe community. The District is directed by an appointed fourteen member Board of Trustees. With the exception of the City of Mentor, each contracting city has one Board representative. As a result of their population, the City of Mentor has two representatives. The General Health District (township and villages) has four representatives on the Board.

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 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 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. Cash

As required by Ohio Revised Code, Lake County Auditor is the fiscal agent of the District. The District's cash is held and invested by the Lake County Treasurer, who acts as custodian for District monies. 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 and investments that are restricted as to use. The District classifies its funds into the following types:

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 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 District had the following significant Special Revenue Funds:

Home Care Fund - This fund receives revenues for home health nursing services provided to County residents.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Public Health Fund - This fund receives the majority of the District's federal and state grant monies.

WIC Federal Fund - This fund receives federal grant money to provide supplemental nutritious food and nutrition education to low-income persons in critical periods of growth and development.

E. 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 Trustees 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 (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission also approves estimated resources.

Encumbrances

The District reserves (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over.

A summary of 1999 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. 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 District.

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

2. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,067,790	\$2,128,927	\$61,137
Special Revenue	<u>3,127,929</u>	<u>3,015,025</u>	<u>(112,904)</u>
Total	<u>\$5,195,719</u>	<u>\$5,143,952</u>	<u>\$51,767</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,315,987	\$2,089,381	\$226,606
Special Revenue	<u>3,239,656</u>	<u>3,140,684</u>	<u>98,972</u>
Total	<u>\$5,555,643</u>	<u>\$5,230,065</u>	<u>\$325,578</u>

3. SUBDIVISION REVENUE

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

4. RETIREMENT SYSTEMS

The District's 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 post-retirement health care, 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 1999, PERS members contributed 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salary. The District has paid all contributions required through December 31, 1999.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Real property
- Building contents
- Vehicles

The District provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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

Federal Grantor/ Pass-Through Grantor/ Program Title	Project/Grant Number	CFDA Number	Receipts	Disbursements
U. S. Department of Agriculture				
<i>Passed Through the Ohio Department of Health</i>				
Special Supplement Food Program for Women, Infants and Children (WIC) - FY99	43-1-01-F-CL-389	10.557	\$271,407	\$276,039
Special Supplement Food Program for Women, Infants and Children (WIC) - FY00	43-1-01-F-CL-389	10.557	92,967	86,128
Total Department of Agriculture			<u>364,374</u>	<u>362,167</u>
U. S. Department of Health and Human Services				
<i>Passed Through the Ohio Department of Health</i>				
Immunization Action Plan	43-1-01-P-AZ-392	93.268	15,000	15,000
Total Immunization Action Plan			<u>15,000</u>	<u>15,000</u>
Preventive Health Block Grant	43-1-01-P-BP-387	93.991	36,429	36,429
Total Preventive Health Block Grant			<u>36,429</u>	<u>36,429</u>
Ryan White - Title I Program - FY99	N/A	93.914	0	4,650
Ryan White - Title I Program - FY00	N/A	93.914	29,207	26,747
Total Ryan White - Title I Program			<u>29,207</u>	<u>31,397</u>
Total Department of Health and Human Services			<u>80,636</u>	<u>82,826</u>
U. S. Department of Education				
<i>Passed Through the Ohio Department of Health</i>				
Early Intervention - FY99	43-1-01-F-AN-392	84.181	84,954	88,330
Early Intervention - FY00	43-1-01-F-AN-392	84.181	32,444	9,168
Total Department of Education			<u>117,398</u>	<u>97,498</u>
U. S. Environmental Protection Agency				
<i>Passed Through the Ohio Environmental Protection Agency</i>				
Air Pollution Control Grant - FY99	N/A	66.001	10,808	78,470
Air Pollution Control Grant - FY00	N/A	66.001	45,172	26,799
Total Environmental Protection Agency			<u>55,980</u>	<u>105,269</u>
U. S. Department of Transportation				
<i>Passed Through the Ohio Department of Public Safety</i>				
Safe Communities Grant - FY99	1999-SA-N/1	20.600	46,559	44,581
Safe Communities Grant - FY99	2000-SA-N/1	20.600		2,431
Total Department of Transportation			<u>46,559</u>	<u>47,012</u>
Total Federal Assistance			<u>\$664,947</u>	<u>\$694,772</u>

Notes

CFDA - Catalog of Federal Domestic Assistance
N/A - Not Applicable

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

Lake County General Health District
Lake County
33 Mill Street
Painesville, Ohio 44077

To the Board of Trustees:

We have audited the financial statements of the Lake County General Health District, Lake County, Ohio, (the District) as of and for the year ended December 31, 1999, and have issued our report thereon dated February 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 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 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 February 25, 2000.

Lake County General Health District
Lake 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 Trustees, 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 25, 2000



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

Lake County General Health District
Lake County
33 Mill Street
Painesville, Ohio 44077

To the Board of Trustees:

Compliance

We have audited the compliance of the Lake County General Health District, Lake 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, 1999. 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 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 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, 1999.

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.

Lake County General Health District
Lake 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. 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 February 25, 2000.

This report is intended for the information and use of management, the Board of Trustees 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 25, 2000

**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)?	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):	CFDA #10.557 - Woman, Infant and Children Program
(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

None.



STATE OF OHIO
OFFICE OF THE AUDITOR

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GENERAL HEALTH DISTRICT

LAKE 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
APRIL 18, 2000**