



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



SENECA COUNTY DISTRICT BOARD OF HEALTH

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## REPORT OF INDEPENDENT ACCOUNTANTS

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

To Members of the Board:

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As 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 Seneca County District Board of Health as of December 31, 2001 and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the financial statements of the District, taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the 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

May 17, 2002

**SENECA COUNTY 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, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Subdivisions	\$190,000		\$190,000
Levies	184,424		184,424
Intergovernmental		\$513,901	513,901
Gifts, Donations, and Bequests		18,219	18,219
Permits	37,220	25,993	63,213
Fees	254,972	126,092	381,064
Licenses	625	132,910	133,535
Patient Payments		16,460	16,460
Project Income		25,052	25,052
Contract Services		93,321	93,321
Other receipts	3,310	15,251	18,561
<b>Total Cash Receipts</b>	<u>670,551</u>	<u>967,199</u>	<u>1,637,750</u>
<b>Cash Disbursements:</b>			
Salaries	357,117	252,205	609,322
Supplies	54,530	2,732	57,262
Remittances to State		73,420	73,420
Equipment	10,134	1,423	11,557
Contracts - Repair	3,123		3,123
Contracts - Services	48,721	47,942	96,663
Special Events	573		573
Travel	29,331	7,012	36,343
Hospitalization	73,172	36,572	109,744
Project Fund Expense		686,541	686,541
Advertising and printing	1,634	804	2,438
Public employee's retirement	44,236	31,259	75,495
Worker's compensation	5,708	4,553	10,261
Other	87,387	3,771	91,158
<b>Total Disbursements</b>	<u>715,666</u>	<u>1,148,234</u>	<u>1,863,900</u>
<b>Total Disbursements Over Receipts</b>	<u>(45,115)</u>	<u>(181,035)</u>	<u>(226,150)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		5,180	5,180
Advances-In	32,000	22,000	54,000
Transfers-Out	(180)	(5,000)	(5,180)
Advances-Out	(22,000)	(32,000)	(54,000)
Reimbursements	22,924		22,924
Other sources	39,559	696	40,255
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>72,303</u>	<u>(9,124)</u>	<u>63,179</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	27,188	(190,159)	(162,971)
Fund Cash Balances, January 1	97,957	375,371	473,328
<b>Fund Cash Balances, December 31</b>	<u><b>\$125,145</b></u>	<u><b>\$185,212</b></u>	<u><b>\$310,357</b></u>
Reserves for Encumbrances, December 31	<u>\$16,922</u>	<u>\$19,996</u>	<u>\$36,918</u>

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

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SENECA COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Seneca County District Board of Health (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a nine-member Board and a Health Commissioner. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues, health-related licenses and permits.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the 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. Cash and Investments**

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

*Women, Infants and Children (WIC) Fund* - This is a Federal grant fund used to account for the Special Supplemental Nutrition Program.

SENECA COUNTY DISTRICT BOARD OF HEALTH

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

**E. 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2001 budgetary activity appears in Note 2.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**2. BUDGETARY ACTIVITY**

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

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$686,000	\$733,034	\$47,034
Special Revenue	1,012,832	973,075	(39,757)
Total	<u>\$1,698,832</u>	<u>\$1,706,109</u>	<u>\$7,277</u>

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

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

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$795,303	\$732,768	\$62,535
Special Revenue	1,299,364	1,173,230	126,134
Total	<u>\$2,094,667</u>	<u>\$1,905,998</u>	<u>\$188,669</u>

**3. INTERGOVERNMENTAL FUNDING**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are included in intergovernmental receipts in the financial statements.

**4. RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

**5. DEBT**

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Loan from County Commissioners	<u>\$32,000</u>	0.00%

The Seneca County Commissioners made an interest free loan to the District Board of Health for the purchase of new equipment for their new office facility. The loan is payable over a period of five years at \$8,000 per year.

Amortization of the above debt, including interest, is scheduled as follows:

	Loan from Seneca County Commissioners
<u>Year ending December 31:</u>	
2002	\$8,000
2003	8,000
2004	8,000
2005	8,000
Total	<u>\$32,000</u>

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

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

**6. RISK MANAGEMENT**

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

**SENECA COUNTY DISTRICT BOARD OF HEALTH**  
**SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Health:</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	74-1-001-1-CL-02 74-1-001-1-CL-01	10.557	\$42,467 <u>175,920</u>
Total U.S. Department of Agriculture			<u><b>218,387</b></u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Health:</i>			
Maternal and Child Health Services	74-1-001-1-AI-02 74-1-001-1-AI-01	93.994	12,945 55,923
Lead Resource	74-1-001-2-BE-02 74-1-001-2-BE-01	93.994	13,953 70,343
Preventative Health and Health Services Block Grant	74-1-01-P-BP-387	93.991	3,394
Immunization Grants	74-1-001-2-AZ-01 74-1-001-2-AZ-00	93.268	19,553 <u>2,979</u>
Total U.S. Department of Health and Human Services			<u><b>179,090</b></u>
<b>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</b>			
<i>Passed Through Ohio Department of Health:</i>			
Ohio Environmental Protection Agency Grant	01-H-EPA-25 97-H-EPA-7	66.459	4,886 18,892
Indoor Radon Grants	74-1-001-2-BA-02 74-1-001-2-BA-01	66.032	2,263 <u>7,615</u>
Total U.S. Department of Environmental Protection Agency			<u><b>33,656</b></u>
<b>Total</b>			<u><b>\$431,133</b></u>

*The accompanying notes are an integral part of this schedule.*

**SENECA COUNTY DISTRICT BOARD OF HEALTH**  
**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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



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

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

To Members of the Board:

We have audited the accompanying financial statements of the Seneca County District Board of Health (the District) as of and for the year ended December 31, 2001, and have issued our report thereon dated May 17, 2002. We conducted our audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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.

District Board of Health  
Seneca County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

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

**Jim Petro**  
Auditor of State

May 17, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR

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

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

To Members of the Board:

**Compliance**

We have audited the compliance of the Seneca County District Board of Health (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 each of its major federal programs for the year ended December 31, 2001. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

### **Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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



**Jim Petro**  
Auditor of State

May 17, 2002

**SENECA COUNTY DISTRICT BOARD OF HEALTH**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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**SENECA COUNTY 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  
JUNE 25, 2002**