



**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

District Board of Health
Lucas County
635 North Erie Street
Toledo, Ohio 43624-1317

To the Board:

We have audited the accompanying financial statements of the District Board of Health, Lucas 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 audits 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 audits provide 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 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 October 3, 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 statements of the District Board of Health, Lucas County, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Directors, 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

October 3, 2000

**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

**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:			
Intergovernmental	\$645,570	\$975,488	\$1,621,058
Fees		49,679	49,679
Permits and Licenses	56,055	243,232	299,287
Contract Services	426,717		426,717
Other Receipts	78,197	47,257	125,454
	<u>1,206,539</u>	<u>1,315,656</u>	<u>2,522,195</u>
Total Cash Receipts			
	<u>1,206,539</u>	<u>1,315,656</u>	<u>2,522,195</u>
Cash Disbursements:			
Current:			
Salaries	861,766	137,838	999,604
Supplies	15,126	65,146	80,272
Equipment	6,248	12,359	18,607
Insurance	135,625	81,270	216,895
Travel	41,687	16,904	58,591
FICA	7,625	7,265	14,890
Advertising and Printing	93	863	956
Public Employee's Retirement	113,393	73,995	187,388
Worker's Compensation	7,669	7,118	14,787
Unemployment Compensation	2,127		2,127
Remittance		14,718	14,718
Contract services		473,123	473,123
State of Ohio Portion of Permit-New		20,919	20,919
Personal Services		456,485	456,485
Other	72,363	93,380	165,743
	<u>1,263,722</u>	<u>1,461,383</u>	<u>2,725,105</u>
Total Cash Disbursements			
	<u>1,263,722</u>	<u>1,461,383</u>	<u>2,725,105</u>
Total Disbursements Over Receipts	(57,183)	(145,727)	(202,910)
Fund Cash Balances, January 1	<u>43,719</u>	<u>117,173</u>	<u>160,892</u>
Fund Cash Balances, December 31	<u>(\$13,464)</u>	<u>(\$28,554)</u>	<u>(\$42,018)</u>
Reserves for Encumbrances, December 31	<u>\$4,234</u>	<u>\$682</u>	<u>\$4,916</u>

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

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**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

District Board of Health, Lucas County, (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 operates under the control of a seven-member board made up of the following.

- One member from the City of Maumee;
- One member from the City of Oregon;
- One Member from the City of Sylvania; and
- Four members from the townships and villages of Lucas County, who are appointed by the District Advisory Council.

The District is established under § 3709.07, Revised Code, and each member serves a seven year term. The District Advisory Council consists of one representative of each political subdivision within Lucas County. The Chairperson from the Lucas County Commissioners represents the Commissioners at meetings. The County Auditor is the fiscal agent responsible for fiscal control of the District Board of Health's funds and financial report preparation. The Board of Health services includes licensing of mobile homes, campgrounds, swimming pools, food services and vending machines, water wells and sewage permits, public health and home health services, Women, Infants, and Children's Grant Program, Children Family Health Service Grant, Sixty Plus Nursing Assessment program, school health nursing services, nutrition services and ambulatory care services. The District Board of Health management and operations are exclusive of the City of Toledo.

Management believes the financial statements included in this report represent all of the funds of the District Board of Health over which the District Board of Health has the ability to exercise direct operating control.

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

**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

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

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 (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Ambulatory Care Fund - This fund receives state and federal grants, fees, and other receipts to pay for health care programs and services.

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 level of control, and appropriations may not exceed estimated resources. The Board of Directors 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 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.

**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

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

F. Unpaid Vacation and Sick Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Lucas County Auditor acts as fiscal officer and the Lucas County Treasurer acts as custodian of the moneys of the District. Lucas County maintains a cash and investments pool used by all funds of the county and includes custodial funds for which the County Treasurer is custodian. At December 31, 1999, the carrying amount was \$(42,018) and the deposited amount with the Lucas County Treasurer was \$(42,018).

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	\$1,234,798	\$1,206,539	(\$28,259)
Special Revenue	1,502,392	1,315,656	(186,736)
Total	\$2,737,190	\$2,522,195	(\$214,995)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,310,668	\$1,267,956	\$42,712
Special Revenue	1,634,488	1,462,065	172,423
Total	\$2,945,156	\$2,730,021	\$215,135

4. NEGATIVE FUND BALANCES

The following funds had negative balances at December 31, 1999.

General Fund	\$(13,464)
Special Revenue Funds	(28,554)

5. 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

**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

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

retirement 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 1999, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Commercial General Liability Coverage
- Professional Liability

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

7. SUBSEQUENT EVENTS

Effective January 1, 2000, the District Board of Health, Lucas County, has merged with the Toledo City Health Department to form the Lucas County Regional Combined Health Department.

**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 1999**

Federal Grantor <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Disbursements
United States Department of Health and Human Services		
<i>Passed Through Ohio Department of Health</i>		
Maternal and Child Health Services Block Grant to the	93.994	\$481,762
Immunization Grants	93.268	115,809
HIV Care Formula Grants	93.917	19,197
<i>Passed Through Ohio Department of Health:</i>		
<i>Passed Through the Toledo Department of Health:</i>		
HIV Prevention Activities Health Department Based	93.940	<u>53,333</u>
Total Ohio Department of Health		<u>670,101</u>
 <i>Passed Through Ohio Department of Aging:</i>		
<i>Passed Through the Area Office on Aging of Northwest Ohio, Inc.</i>		
Special Programs for the Aging Title III, Part F Disease	93.043	<u>21,764</u>
Total Ohio Department of Aging		<u>21,764</u>
 <i>Passed Through the Ohio Department of Agriculture:</i>		
<i>Passed Through the Toledo Department of Health:</i>		
Special Supplemental Nutrition Program for Women,	10.557	<u>136,753</u>
Total Ohio Department of Agricultures		<u>136,753</u>
Total Federal Financial Assistance		<u><u>\$828,618</u></u>

**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Board of Health's federal award programs. The schedule has been prepared on the basis as described in note 1 of the financial statements.

NOTE B – SUBRECIPIENTS

The Board of Health passes-through certain Federal assistance received from the United State Department of Health and Human Services to other governments (subrecipients). As described in Note A, the Board of Health records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the Board of Health is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require that the Board of Health contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Board of Health has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



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

District Board of Health
Lucas County
635 North Erie Street
Toledo, Ohio 43624-1317

To the Board:

We have audited the accompanying financial statements of District Board of Health, Lucas County, Ohio, (the District) as of and for the year ended December 31, 1999, and have issued our report thereon dated October 3, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated October 3, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 *October 3, 2000*

This report is intended for the information and use of management, the Board Members, 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.

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

Jim Petro
Auditor of State

October 3, 2000



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**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**

District Board of Health
Lucas County
635 North Erie Street
Toledo, Ohio 43624-1317

To the Board:

Compliance

We have audited the compliance of the District Board of Health, Lucas 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 each of its major federal programs 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.

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 federal compliance that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated October 3, 2000

This report is intended for the information and use of 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", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

October 3, 2000

**DISTRICT BOARD OF HEALTH
LUCAS COUNTY**

**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):	Child Family Health Service Grant, CFDA #93.994
(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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LUCAS DISTRICT BOARD OF HEALTH

LUCAS 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
NOVEMBER 14, 2000**