



**SIDNEY-SHELBY COUNTY BOARD OF HEALTH  
SHELBY COUNTY**

**REGULAR AUDIT**

**JANUARY 1, 1999 - DECEMBER 31, 2000**



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

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**STATE OF OHIO**



**SIDNEY-SHELBY COUNTY BOARD OF HEALTH  
SHELBY COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

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## REPORT OF INDEPENDENT ACCOUNTANTS

Sidney-Shelby County Board of Health  
Shelby County  
202 West Poplar Street  
Sidney, Ohio 45365

To the Board of Health:

We have audited the accompanying financial statements of Sidney-Shelby County Board of Health, Shelby County, (the Board of Health) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Board of Health'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 Board of Health 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 Sidney-Shelby County Board of Health as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years 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 28, 2001, on our consideration of the Board of Health's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The 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.

This report is intended solely for the information and use of the management, Board of Health, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

February 28, 2001

**SIDNEY-SHELBY COUNTY BOARD OF HEALTH  
SHELBY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Local Taxes	\$500,515	\$0	\$500,515
Intergovernmental	38,877	99,279	138,156
Licenses and Permits	41,732	181,608	223,340
Charges for Services & Fees	260,879	64,986	325,865
 Total Cash Receipts	 842,003	 345,873	 1,187,876
<b>Cash Disbursements:</b>			
Current:			
Salaries	525,775	213,205	738,980
Public Employees Retirement System	65,222	24,972	90,194
Medicare	5,560	2,768	8,328
Remittance - State	0	10,594	10,594
Supplies	34,808	10,934	45,742
Equipment	13,633	2,150	15,783
Contract Services	7,802	3,630	11,432
Health Insurance	34,927	16,405	51,332
Travel and Expenses	23,476	12,594	36,070
Rent and Utilities	72,193	0	72,193
Advertising and Printing	1,175	0	1,175
Worker's compensation	2,107	878	2,985
Other Expenses	67,013	29,872	96,885
 Total Cash Disbursements	 853,691	 328,002	 1,181,693
 Total Receipts Over/(Under) Disbursements	 (11,688)	 17,871	 6,183
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	5,000	5,000
Advances-In	15,000	9,000	24,000
Transfers-Out	(5,000)	0	(5,000)
Advances-Out	(9,000)	(15,000)	(24,000)
Refund Prior Year Expenditure	1,143	0	1,143
 Total Other Financing Receipts/(Disbursements)	 2,143	 (1,000)	 1,143
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (9,545)	 16,871	 7,326
 Fund Cash Balances, January 1	 181,084	 159,912	 340,996
 <b>Fund Cash Balances, December 31</b>	 <b>\$171,539</b>	 <b>\$176,783</b>	 <b>\$348,322</b>
 Reserve for Encumbrances, December 31	 \$1,993	 \$0	 \$1,993

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

**SIDNEY-SHELBY COUNTY BOARD OF HEALTH  
SHELBY 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**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Local Taxes	\$490,651	\$0	\$490,651
Intergovernmental	37,425	119,299	156,724
Licenses and Permits	44,248	188,331	232,579
Charges for Services & Fees	213,512	66,983	280,495
 Total Cash Receipts	 785,836	 374,613	 1,160,449
<b>Cash Disbursements:</b>			
Current:			
Salaries	484,505	251,479	735,984
Public Employees Retirement System	61,159	31,327	92,486
Medicare	4,410	2,945	7,355
Remittance - State	0	11,851	11,851
Supplies	26,634	41,101	67,735
Equipment	13,710	4,096	17,806
Contract Services	10,277	5,562	15,839
Health Insurance	23,737	27,786	51,523
Travel and Expenses	18,549	3,716	22,265
Rent and Utilities	64,425	0	64,425
Advertising and Printing	380	0	380
Worker's compensation	6,184	1,574	7,758
Other Expenses	63,970	32,240	96,210
 Total Cash Disbursements	 777,940	 413,677	 1,191,617
 Total Receipts Over/(Under) Disbursements	 7,896	 (39,064)	 (31,168)
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In	10,151	23,294	33,445
Advances-Out	(23,294)	(10,151)	(33,445)
 Total Other Financing Receipts/(Disbursements)	 (13,143)	 13,143	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (5,247)	 (25,921)	 (31,168)
 Fund Cash Balances, January 1	 186,331	 185,833	 372,164
 <b>Fund Cash Balances, December 31</b>	 <b>\$181,084</b>	 <b>\$159,912</b>	 <b>\$340,996</b>
 Reserve for Encumbrances, December 31	 \$8,896	 \$643	 \$9,539

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



**SIDNEY-SHELBY COUNTY BOARD OF HEALTH  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Sidney-Shelby County Board of Health, Shelby County, (the Board of Health) operates pursuant to Section 3709.07 of the Revised Code. It is responsible for health services in Shelby County, including the townships, villages, and the City of Sidney. The Board of Health operates under the directions of a five member board. The County Auditor and County Treasurer are responsible for fiscal control of the resources of the Board of Health. Services provided by the Board of Health include: prevention and restriction of diseases, sanitation, removal of nuisances and vital statistics.

The Board of Health's management believes the financial statements included in this report represent all of the funds over which the members of the Board have the ability to exercise direct operating control.

**B. Basis of Accounting**

Shelby County Auditor, as fiscal agent for the Sidney-Shelby County Board of Health, prepares the Board of Health's financial statements on a 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. Equity in Pooled Cash and Investments**

The Shelby County Treasurer is responsible for investment of all funds. All interest is paid into the General Fund of the County as per State law.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

**Well Child Grant Fund** - This fund receives revenue from a grant to provide well child services to County residents.

**SIDNEY-SHELBY COUNTY BOARD OF HEALTH  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Food Service Fund** - This fund receives revenue from the sales of licenses to establishments who prepare food for public consumption.

**Trailer Park Fund** - This fund receives revenue from the licensing of Trailer Courts and Campgrounds.

**Private Water Systems Fund** - This fund receives revenue from well permits and the testing of water samples.

**Solid Waste Fund** - This fund receives the proceeds assessed by the County on the hauling of solid waste.

**Swimming Pool Fund** - This fund receives revenue from the monitoring of swimming pools open to the public.

**Plumbing Fund** - This fund receives revenue from the issuance of plumbing licenses and permits.

**Senior Health Services Fund** - This fund receives revenue from a grant to provide services to senior residents of the County.

**E. Budgetary Process**

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by April 1 of each year for the period January 1 to December 31 of the following year.

**1. Appropriations**

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information become available. Appropriations may not exceed estimated resources.

**2. Estimated Resources**

The County Budget Commission certifies its actions to the Board of Health by September 1. As part of this certification, the Board of Health receives the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Board of Health must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will no exceed the amount stated in the certificate of estimated resources. The revised budget then services as the basis for the annual appropriation measure. Budget receipts as shown in Note 3 do not include January 1, 1999 or January 1, 2000 unencumbered fund balances. However, those fund balances are available for appropriations.

**SIDNEY-SHELBY COUNTY BOARD OF HEALTH  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Encumbrances**

The Health District 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 fund from which it was appropriated and become subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**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 basis of accounting used by the Board of Health.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

Shelby County maintains a cash and investments pool used by all funds on behalf of the Board of Health. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Deposits and Investments	<u>\$348,322</u>	<u>\$340,996</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**SIDNEY-SHELBY COUNTY BOARD OF HEALTH  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 was as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$811,132	\$843,146	\$32,014
Special Revenue	313,631	350,873	37,242
Total	\$1,124,763	\$1,194,019	\$69,256

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$920,620	\$860,684	\$59,936
Special Revenue	395,560	328,002	67,558
Total	\$1,316,180	\$1,188,686	\$127,494

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$769,327	\$785,836	\$16,509
Special Revenue	384,346	374,613	(9,733)
Total	\$1,153,673	\$1,160,449	\$6,776

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$963,869	\$786,836	\$177,033
Special Revenue	536,367	414,320	122,047
Total	\$1,500,236	\$1,201,156	\$299,080

**SIDNEY-SHELBY COUNTY BOARD OF HEALTH  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Health. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced by applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**5. RETIREMENT SYSTEMS**

The Board of Health's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. The 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Board contributed an amount equal to 13.55% of participants' gross salaries. The Board of Health contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants gross salaries for July 2000 through December 2000. The Board of Health has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Board of Health maintains comprehensive insurance coverage with private carriers for building contents and vehicles.

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

Sidney-Shelby County Board of Health  
Shelby County  
202 West Poplar Street  
Sidney, Ohio 45365

To the Board of Health:

We have audited the accompanying financial statements of Sidney-Shelby County Board of Health, Shelby County, (the Board of Health), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 28, 2001. 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 Board of Health'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 Board of Health's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Board of Health in a separate letter dated February 28, 2001.

Sidney-Shelby County Board of Health  
Shelby County  
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 management and the Board of Health, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

February 28, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**SIDNEY-SHELBY COUNTY BOARD OF HEALTH**

**SHELBY 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 10, 2001**