



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Butler County District Board of Health
Butler County
202 South Monument Avenue
Hamilton, Ohio 45011

To Members of the Board:

We have audited the accompanying financial statements of Butler County District Board of Health, Butler County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000. 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 Butler County District Board of Health as of December 31, 2001 and 2000, 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 July 30, 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.

This report is intended solely for the information and use of 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". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

Jim Petro
Auditor of State

July 30, 2002

**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY**

**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>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Taxes	\$136,139	\$0	\$136,139
Intergovernmental	105,255		105,255
Reimbursements	114,409		114,409
Permits	682,461		682,461
Other fees	91,321	290,623	381,944
Licenses	80,541		80,541
Other receipts	2,400	32,574	34,974
Total Cash Receipts	<u>1,212,526</u>	<u>323,197</u>	<u>1,535,723</u>
Cash Disbursements:			
Salaries	891,130	192,453	1,083,583
Supplies	50,188	16,098	66,286
Remittances to State		21,472	21,472
Equipment	41,427	39,946	81,373
Contracts - Repair	6,225		6,225
Contracts - Services	3,600		3,600
Travel	7,200		7,200
Advertising and printing	8,875		8,875
Other	228,224	16,630	244,854
Total Cash Disbursements	<u>1,236,869</u>	<u>286,599</u>	<u>1,523,468</u>
Total Receipts Over/(Under) Disbursements	<u>(24,343)</u>	<u>36,598</u>	<u>12,255</u>
Other Financing Receipts:			
Other sources	2,716	0	2,716
Total Other Financing Receipts	<u>2,716</u>	<u>0</u>	<u>2,716</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>(21,627)</u>	<u>36,598</u>	<u>14,971</u>
Fund Cash Balances, January 1	<u>708,807</u>	<u>130,931</u>	<u>839,738</u>
Fund Cash Balances, December 31	<u>\$687,180</u>	<u>\$167,529</u>	<u>\$854,709</u>
Reserves for Encumbrances, December 31	<u><u>\$600</u></u>	<u><u>\$0</u></u>	<u><u>\$600</u></u>

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

**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER 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**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Federal awards	\$133,861	\$0	\$133,861
Intergovernmental	105,103		105,103
Inspection fees	64,893		64,893
Permits	677,597		677,597
Other fees	71,785	171,905	243,690
Licenses	82,049		82,049
Other receipts	12,689	18,137	30,826
	<u>1,147,977</u>	<u>190,042</u>	<u>1,338,019</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	845,963	135,520	981,483
Supplies	48,502	9,233	57,735
Remittances to State		15,385	15,385
Equipment	64,065	34,749	98,814
Contracts - Repair	4,193		4,193
Contracts - Services	5,806		5,806
Travel	6,800		6,800
Advertising and printing	9,601		9,601
Other	235,843	6,011	241,854
	<u>1,220,773</u>	<u>200,898</u>	<u>1,421,671</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(72,796)</u>	<u>(10,856)</u>	<u>(83,652)</u>
Other Financing Receipts:			
Other sources	<u>5,207</u>	<u>0</u>	<u>5,207</u>
Total Other Financing Receipts	<u>5,207</u>	<u>0</u>	<u>5,207</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(67,589)	(10,856)	(78,445)
Fund Cash Balances, January 1	<u>776,396</u>	<u>141,789</u>	<u>918,185</u>
Fund Cash Balances, December 31	<u><u>\$708,807</u></u>	<u><u>\$130,933</u></u>	<u><u>\$839,740</u></u>

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

**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Butler County District Board of Health, Butler 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 is directed by an eight-member Board. Members of the Board are appointed to serve three-year terms by the District Advisory Council which consists of the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of township trustees of each township in the general health district or their alternates selected by their respective governing bodies. 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 Deposits

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 Funds:

Food Service Fund

This fund receives money for licenses, inspections, and consultations for food service operations.

**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 and 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. The County Budget Commission must also approve estimated resources.

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. The District did not encumber all commitments required by Ohio law. However, there are no material outstanding encumbrances at December 31, 2001 and 2000.

A summary of 2001 and 2000 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.

**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,128,779	\$1,215,242	\$86,463
Special Revenue	298,174	323,197	25,023
Total	\$1,426,953	\$1,538,439	\$111,486

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,345,480	\$1,237,469	\$108,011
Special Revenue	320,485	286,599	33,886
Total	\$1,665,965	\$1,524,068	\$141,897

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$968,100	\$1,153,184	\$185,084
Special Revenue	171,780	190,042	18,262
Total	\$1,139,880	\$1,343,226	\$203,346

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,232,780	\$1,220,773	\$12,007
Special Revenue	260,275	200,898	59,377
Total	\$1,493,055	\$1,421,671	\$71,384

3. 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 and 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000 and 2001. PERS temporarily reduced employer contributions to 8.13% effective July 1, through December 31, 2000. The District has paid all contributions required through December 31, 2001.

**BUTLER COUNTY DISTRICT BOARD OF HEALTH
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Vehicles.



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

Butler County District Board of Health
Butler County
202 Monument Street
Hamilton, Ohio 45011

To Members of the Board:

We have audited the accompanying financial statements of Butler County District Board of Health, Butler County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated July 30, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated July 30, 2002.

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 a matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the District in a separate letter dated July 30, 2002.

Butler County District Board of Health
Butler 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 management and the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a stylized, cursive script.

Jim Petro
Auditor of State

July 30, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BUTLER COUNTY DISTRICT BOARD OF HEALTH

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 20, 2002**