



**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Clermont County General Health District
Clermont County
2275 Bauer Road
Suite 300
Batavia, Ohio 45103

To the Board:

We have audited the accompanying financial statements of the Clermont County General Health District, Clermont County, Ohio (the District), as of and for the years ended December 31, 2000 and 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 described 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 Clermont County General Health District, Clermont County, 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 May 15, 2001, 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 Section 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

May 15, 2001

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT 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**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Federal Grants		\$180,212	\$180,212
State Grants	\$81,086	83,033	164,119
Subdivisions	618,249	46,794	665,043
Permits		984,960	984,960
Fees	30,130	155,324	185,454
Contractual Services		86,604	86,604
Earnings on Investments		1,453	1,453
Other Receipts	23,889	33,110	56,999
	753,354	1,571,490	2,324,844
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	457,447	962,246	1,419,693
Materials and Supplies	24,094	64,935	89,029
Social Security/Medicare	5,825	11,734	17,559
Equipment Purchases	18,238	44,077	62,315
Other Purchase Services	21,942	263,616	285,558
Travel and Expenses	3,147	17,305	20,452
Advertising	2,155	8,057	10,212
Public Employees Retirement	53,788	117,946	171,734
Workers' Compensation	7,765	1,941	9,706
Health Care	79,126	95,934	175,060
Life Insurance	1,532	10,228	11,760
Rentals	1,116	549	1,665
Repairs	5,955	13,940	19,895
Utilities	3,562	2,456	6,018
Refunds		18,990	18,990
Other Expenses	34,009	13,727	47,736
	719,701	1,647,681	2,367,382
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	33,653	(76,191)	(42,538)
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets		1,286	1,286
Advances-In		22,149	22,149
Advances-Out		(22,149)	(22,149)
		1,286	1,286
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	33,653	(74,905)	(41,252)
Fund Cash Balances, January 1	51	681,050	681,101
Fund Cash Balances, December 31	\$33,704	\$606,145	\$639,849
Reserves for Encumbrances, December 31	\$165	\$12,961	\$13,126

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT 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**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Federal Grants		\$223,402	\$223,402
State Grants	\$26,203	118,267	144,470
Subdivisions	618,197	46,695	664,892
Permits		1,052,387	1,052,387
Fees	29,074	54,859	83,933
Contractual Services		74,993	74,993
Earnings on Investments			
Other Receipts	20,534	31,990	52,524
	<u>694,008</u>	<u>1,602,593</u>	<u>2,296,601</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	412,372	980,641	1,393,013
Materials and Supplies	10,427	72,336	82,763
Social Security/Medicare	5,232	14,330	19,562
Equipment Purchases	42,021	53,761	95,782
Other Purchase Services	32,013	118,432	150,445
Travel and Expenses	1,857	19,086	20,943
Advertising	2,542	8,259	10,801
Public Employees Retirement	61,690	114,965	176,655
Workers' Compensation	6,917	12,870	19,787
Health Care	87,226	71,985	159,211
Life Insurance	1,449	557	2,006
Rentals	703		703
Repairs	5,476	10,976	16,452
Utilities	6,003	15,479	21,482
Refunds		17,555	17,555
Other Expenses	18,132		18,132
	<u>694,060</u>	<u>1,511,232</u>	<u>2,205,292</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(52)</u>	<u>91,361</u>	<u>91,309</u>
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets		2,890	2,890
Advances-In		16,821	16,821
Advances-Out		(16,821)	(16,821)
	<u></u>	<u>2,890</u>	<u>2,890</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(52)</u>	<u>94,251</u>	<u>94,199</u>
Fund Cash Balances, January 1	<u>103</u>	<u>586,799</u>	<u>586,902</u>
Fund Cash Balances, December 31	<u>\$51</u>	<u>\$681,050</u>	<u>\$681,101</u>
Reserves for Encumbrances, December 31	<u></u>	<u>\$12,348</u>	<u>\$12,348</u>

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

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Clermont County General Health District, Clermont County, Ohio (the District), operates pursuant to Section 3709.07 of the Ohio Revised Code. It is responsible for health services in all of Clermont County, including cities and villages. The District operates under a five-member Board selected by the Clermont County Health District Advisory Council, which consists of representatives of the Villages, Townships, and Clermont County Commissioners. The Clermont County Auditor and Treasurer are responsible for the fiscal control of the District's resources. Services provided by the District include: prevention and restriction of diseases, sanitation, vital statistics, abatement, removal of nuisances, and air pollution control.

A Health Commissioner and Medical Director, who is a licensed physician, are appointed by the General Health District Board to supervise the District's activities. The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Basis of Accounting

The Clermont County Auditor, as fiscal agent, prepares the General Health District's financial statements. 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

In accordance with Ohio Revised Code, the District's cash is held and invested by the Clermont 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 Treasurer's reported carrying amount.

D. Fund Accounting

The Clermont County Auditor, as fiscal agent, maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

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.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

Environmental Health Fund: This fund receives monies from environmental permit fees for administering various programs.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Budget

The District is required to adopt an itemized appropriation measure on or before the first Monday in April for the succeeding fiscal year. This appropriation measure, together with an estimate in itemized form, of the several sources of revenue available to the district is certified to the Clermont County Auditor. As Secretary of the Budget Commission, the Clermont County Auditor submits the appropriation measure to the County Budget Commission for its approval.

2. Estimated Resources

The County Budget Commission certifies its actions to the District by September 1. As part of this certification, the District 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 District must revise its budget so that the total estimated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budgeted receipts as shown in Note 2 do not include January 1, 2000 or January 1999 unencumbered fund balances. However those fund balances are available for appropriations.

3. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or function level of control, and appropriations may not exceed estimated resources. A temporary appropriation measure to control cash disbursements may be passed on or about January 1 or 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 of January 1 to December 31. The District may amend the appropriation measure during the year.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. 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 becomes 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 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.

2. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$723,834	\$753,354	\$29,520
Special Revenue	1,678,090	1,594,925	(83,165)
Total	\$2,401,924	\$2,348,279	(\$53,645)

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

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

2. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,447,668	\$719,866	\$727,802
Special Revenue	<u>3,792,000</u>	<u>1,682,791</u>	<u>2,109,209</u>
Total	<u><u>\$5,239,668</u></u>	<u><u>\$2,402,657</u></u>	<u><u>\$2,837,011</u></u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$723,834	\$694,008	(\$29,826)
Special Revenue	<u>1,565,717</u>	<u>1,622,304</u>	<u>56,587</u>
Total	<u><u>\$2,289,551</u></u>	<u><u>\$2,316,312</u></u>	<u><u>\$26,761</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$723,999	\$694,060	\$29,939
Special Revenue	<u>1,864,201</u>	<u>1,540,401</u>	<u>323,800</u>
Total	<u><u>\$2,588,200</u></u>	<u><u>\$2,234,461</u></u>	<u><u>\$353,739</u></u>

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the District. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for 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.

Public utilities are also taxed on personal and real property located within the District.

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 District.

**CLERMONT COUNTY GENERAL HEALTH DISTRICT
CLERMONT COUNTY**

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

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 post-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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. For 1999, the District contributed an amount equal to 13.55% of participants' gross salaries. For 2000, the District contributed an amount equal to 10.84% of participants' gross salaries. The District has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

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

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

Clermont County General Health District
Clermont County
2275 Bauer Road
Suite 300
Batavia, Ohio 45103

To the Board:

We have audited the financial statements of the Clermont County General Health District, Clermont County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 15, 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 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 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 May 15, 2001.

Clermont County General Health District
Clermont 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 and the Board, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 15, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLERMONT COUNTY GENERAL HEALTH DISTRICT

CLERMONT 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 7, 2001**