



**DISTRICT BOARD OF HEALTH  
CLINTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



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

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**STATE OF OHIO**



**DISTRICT BOARD OF HEALTH  
CLINTON COUNTY**

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## INDEPENDENT ACCOUNTANTS' REPORT

District Board of Health  
Clinton County  
111 S. Nelson Ave.  
Wilmington, Ohio 45177

To the Members of the Board:

We have audited the accompanying financial statements of the District Board of Health, Clinton 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 audits.

We conducted our audits 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 audits provide 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 District Board of Health, Clinton 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 July 20, 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 audit committee, the District Board of Health 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

July 20, 2001

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**DISTRICT BOARD OF HEALTH  
CLINTON COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Federal Funds	\$0	\$148,374	\$0	\$148,374
State Grants	0	6,000	0	6,000
Subdivisions	31,185	0	0	31,185
Levies	173,400	0	0	173,400
Fees	39,183	191,309	100	230,592
Licenses	0	12,650	0	12,650
Contractual Services	0	0	0	0
Administrative Fees	0	14,014	20	14,034
Permits	159,959	0	0	159,959
Other Receipts	11,654	167,549	0	179,203
<b>Total Cash Receipts</b>	<b>415,381</b>	<b>539,896</b>	<b>120</b>	<b>955,397</b>
<b>Cash Disbursements:</b>				
Current:				
Salaries	212,761	298,155	0	510,916
Supplies	5,941	9,428	0	15,369
Equipment	11,868	571	0	12,439
Personal Services	0	8,227	0	8,227
Contracts - Repair	0	0	0	0
Contracts - Services	16,521	0	0	16,521
Travel and Expenses	13,023	16,840	0	29,863
Public Employee's Retirement	25,015	37,422	0	62,437
Worker's Compensation	702	987	0	1,689
Other Expenses	41,822	82,225	0	124,047
State of Ohio	0	1,339	0	1,339
State of Ohio Water Testing Fee	0	2,018	0	2,018
Refunds to State of Ohio	0	1,225	0	1,225
Refund to EPA	0	0	0	0
Reimbursements	0	0	1,200	1,200
Remittances	0	5,335	0	5,335
Advertising and Printing	3,468	0	0	3,468
Project Fund Expenses	0	147,721	0	147,721
<b>Total Cash Disbursements</b>	<b>331,121</b>	<b>611,493</b>	<b>1,200</b>	<b>943,814</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>84,260</b>	<b>(71,597)</b>	<b>(1,080)</b>	<b>11,583</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	0	105,724	0	105,724
Advances-In	27,768	30,525	0	58,293
Transfers-Out	(105,724)	0	0	(105,724)
Advances-Out	(30,525)	(27,768)	0	(58,293)
Reimbursements	23,764	0	0	23,764
Other Receipts	8,932	0	0	8,932
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(75,785)</b>	<b>108,481</b>	<b>0</b>	<b>32,696</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	8,475	36,884	(1,080)	44,279
Fund Cash Balances, January 1	210,310	262,744	17,587	490,641
<b>Fund Cash Balances, December 31</b>	<b>\$218,785</b>	<b>\$299,628</b>	<b>\$16,507</b>	<b>\$534,920</b>
Reserves for Encumbrances, December 31	\$10,248	\$13,747	\$0	\$23,995

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

DISTRICT BOARD OF HEALTH  
CLINTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Federal Funds	\$31,185	\$143,475	\$0	\$174,660
Subdivisions	170,683	0	0	170,683
Levies	186,878	0	0	186,878
Fees	40,518	169,267	3,000	212,785
Licenses	0	17,500	0	17,500
Administrative Fees	0	0	600	600
Permits	0	18,512	0	18,512
Other Receipts	13,118	179,209	0	192,327
<b>Total Cash Receipts</b>	<b>442,382</b>	<b>527,963</b>	<b>3,600</b>	<b>973,945</b>
<b>Cash Disbursements:</b>				
Current:				
Salaries	204,317	278,350	0	482,667
Supplies	6,955	6,823	0	13,778
Equipment	54,296	0	0	54,296
Personal Services	0	8,842	0	8,842
Contracts - Services	21,301	3,641	0	24,942
Travel and Expenses	13,119	15,429	0	28,548
Public Employee's Retirement	27,906	37,154	0	65,060
Worker's Compensation	3,274	4,158	0	7,432
Other Expenses	<b>44,914</b>	<b>59,512</b>	0	104,426
State of Ohio	0	2,251	0	2,251
State of Ohio Water Testing Fee	0	2,095	0	2,095
Refunds to State of Ohio	0	1,300	0	1,300
Refund to EPA	0	10,000	0	10,000
Utilities	0	707	0	707
Reimbursements	0	142,769	2,500	145,269
Advertising and Printing	1,562	0	0	1,562
Project Fund Expenses	0	5,760	0	5,760
<b>Total Cash Disbursements</b>	<b>377,644</b>	<b>578,791</b>	<b>2,500</b>	<b>958,935</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>64,738</b>	<b>(50,828)</b>	<b>1,100</b>	<b>15,010</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	0	82,117	0	82,117
Advances-In	31,127	31,181	0	62,308
Transfers-Out	(82,117)	0	0	(82,117)
Advances-Out	(31,181)	(31,127)	0	(62,308)
Other Receipts	8,308	0	0	8,308
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(73,863)</b>	<b>82,171</b>	<b>0</b>	<b>8,308</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(9,125)	31,343	1,100	23,318
Fund Cash Balances, January 1	219,435	231,401	16,487	467,323
<b>Fund Cash Balances, December 31</b>	<b>\$210,310</b>	<b>\$262,744</b>	<b>\$17,587</b>	<b>\$490,641</b>
Reserves for Encumbrances, December 31	\$9,700	\$2,845	\$0	\$12,545

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



**DISTRICT BOARD OF HEALTH  
CLINTON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The District Board of Health, Clinton County, Ohio (the District), operates pursuant to Section 3709.07 of the Ohio Revised Code. It is responsible for health services in all of Clinton County, including cities and villages. The District operates under a five-member Board selected by the District Advisory Council, which consists of representatives of the Villages, Townships, and Clinton County Commissioners. The Clinton 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.

The 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 Clinton 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 Deposits**

In accordance with Ohio Revised Code, the District's cash is held and invested by the Clinton County Treasurer, who acts as custodian for the 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 Clinton 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.

**DISTRICT BOARD OF HEALTH  
CLINTON COUNTY**

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

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

**D. Fund Accounting (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 Funds:

Public Health Nursing Fund: This fund is used to account for monies received for home care and nursing fees.

Women, Infants, and Children Fund: This fund receives federal funds for maintaining and operating the District's WIC program.

**3. Fiduciary Fund (Expendable Trust Fund)**

This fund is used to account for resources restricted by legally binding trust agreements. The District had the following significant Fiduciary Fund:

Expendable Trust Fund - This fund is used to account for the funds received as payment for homeowner bonds.

**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 Clinton County Auditor.

**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.

**DISTRICT BOARD OF HEALTH  
CLINTON COUNTY**

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

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

**E. Budgetary Process (Continued)**

**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.

**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	\$448,285	\$448,077	(\$208)
Special Revenue	636,523	645,620	9,097
Expendable Trust	4,200	120	(4,080)
Total	\$1,089,008	\$1,093,817	\$4,809

**DISTRICT BOARD OF HEALTH  
CLINTON COUNTY**

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

**2. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$511,984	\$447,093	\$64,891
Special Revenue	672,096	625,240	46,856
Expendable Trust	4,200	1,200	3,000
Total	<u>\$1,188,280</u>	<u>\$1,073,533</u>	<u>\$114,747</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$406,804	\$450,690	\$43,886
Special Revenue	601,322	610,080	8,758
Expendable Trust	3,480	3,600	120
Total	<u>\$1,011,606</u>	<u>\$1,064,370</u>	<u>\$52,764</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$509,161	\$469,461	\$39,700
Special Revenue	650,242	581,636	68,606
Expendable Trust	3,480	2,500	980
Total	<u>\$1,162,883</u>	<u>\$1,053,597</u>	<u>\$109,286</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.

**DISTRICT BOARD OF HEALTH  
CLINTON 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 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, 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 joined as a member of Public Entities Pool of Ohio, a local government risk pool. Public officials and employees liability is carried with a maximum limit of \$2,000,000. The County maintains comprehensive insurance coverage for real property, building contents and vehicles.

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

**6. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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

District Board of Health  
Clinton County  
111 S. Nelson Ave.  
Wilmington, Ohio 45177

To the Members of the Board:

We have audited the financial statements of the District Board of Health, Clinton County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 20, 2001. We conducted our audits 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.

**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 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 an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated July 20, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audits, 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  
Clinton 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, the audit committee and the District 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

July 20, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CLINTON COUNTY DISTRICT BOARD OF HEALTH**

**CLINTON 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 23, 2001**