



**Auditor of State
Betty Montgomery**

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

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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 the Butler County District Board of Health, Butler County, Ohio (the District), as of and for the years ended December 31, 2003 and 2002. 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, 2003 and 2002, 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 June 10, 2004 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 the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 10, 2004

**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, 2003**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Taxes	\$134,325	\$0	\$134,325
Intergovernmental	335,356		335,356
Reimbursements	126,093		126,093
Permits	1,108,579		1,108,579
Other fees	129,657	361,395	491,052
Licenses	92,175		92,175
Other receipts	15,067	23,891	38,958
	<u>1,941,252</u>	<u>385,286</u>	<u>2,326,538</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	1,037,781	308,825	1,346,606
Supplies	71,661	4,631	76,292
Remittances to State		22,619	22,619
Equipment	82,600	40,710	123,310
Contracts - Repair	6,349		6,349
Contracts - Services	4,100	630	4,730
Travel	6,560		6,560
Advertising and printing	9,927		9,927
Other	365,830	14,281	380,111
	<u>1,584,808</u>	<u>391,696</u>	<u>1,976,504</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>356,444</u>	<u>(6,410)</u>	<u>350,034</u>
Fund Cash Balances, January 1	<u>1,140,553</u>	<u>214,219</u>	<u>1,354,772</u>
Fund Cash Balances, December 31	<u>\$1,496,997</u>	<u>\$207,809</u>	<u>\$1,704,806</u>
Reserves for Encumbrances, December 31	<u>\$601</u>	<u>\$0</u>	<u>\$601</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, 2002**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Taxes	\$135,000	\$0	\$135,000
Intergovernmental	301,973		301,973
Reimbursements	143,142		143,142
Permits	1,024,522		1,024,522
Other fees	108,847	313,025	421,872
Licenses	83,726		83,726
Other receipts	27,728	20,353	48,081
	<u>1,824,938</u>	<u>333,378</u>	<u>2,158,316</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	937,436	224,388	1,161,824
Supplies	72,854	5,430	78,284
Remittances to State		22,654	22,654
Equipment	70,664	30,936	101,600
Contracts - Repair	6,064		6,064
Contracts - Services	2,250	508	2,758
Travel	6,560		6,560
Advertising and printing	6,392		6,392
Other	259,345	12,772	272,117
	<u>1,361,565</u>	<u>296,688</u>	<u>1,658,253</u>
Total Cash Disbursements			
Total Receipts Over Disbursements	<u>463,373</u>	<u>36,690</u>	<u>500,063</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		10,000	10,000
Transfers-Out	(10,000)	0	(10,000)
	<u>(10,000)</u>	<u>10,000</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	453,373	46,690	500,063
Fund Cash Balances, January 1	<u>687,180</u>	<u>167,529</u>	<u>854,709</u>
Fund Cash Balances, December 31	<u>\$1,140,553</u>	<u>\$214,219</u>	<u>\$1,354,772</u>
Reserves for Encumbrances, December 31	<u>\$45,268</u>	<u>\$733</u>	<u>\$46,001</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, 2003 AND 2002**

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

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, 2003 AND 2002
(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.

A summary of 2003 and 2002 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, 2003 AND 2002
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,883,235	\$1,941,252	\$58,017
Special Revenue	379,587	385,286	5,699
Total	\$2,262,822	\$2,326,538	\$63,716

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,766,948	\$1,585,409	\$181,539
Special Revenue	447,008	391,696	55,312
Total	\$2,213,956	\$1,977,105	\$236,851

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$968,100	\$1,824,938	\$856,838
Special Revenue	318,243	343,378	25,135
Total	\$1,286,343	\$2,168,316	\$881,973

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,557,702	\$1,416,833	\$140,869
Special Revenue	359,620	297,421	62,199
Total	\$1,917,322	\$1,714,254	\$203,068

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 2003 and 2002, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 8.55% of participants' gross salaries through June 30, 2000. PERS temporarily reduced employer contributions to 8.55% effective July 1, 2001. The District has paid all contributions required through December 31, 2003.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

4. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Vehicles



Auditor of State Betty Montgomery

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

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, 2003 and 2002, and have issued our report thereon dated June 10, 2004. 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 an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated June 10, 2004.

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.

Butler County District Board of Health
Butler County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 10, 2004



**Auditor of State
Betty Montgomery**

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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
JULY 1, 2004**