



**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT  
ATHENS COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT  
ATHENS COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Athens City-County General Health District  
Athens County  
278 West Union Street  
Athens, Ohio 45701

To the Board of Health:

We have audited the accompanying financial statements of the Athens City-County General Health District, Athens 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 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Athens City-County General Health District, Athens County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the year 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 1, 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 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

June 1, 2001

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**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT  
ATHENS 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>		<u>Fiduciary Fund Type</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$ 511,694	\$	\$	\$ 511,694
Intergovernmental	166,830			166,830
Permits	27,282			27,282
Fees	32,528	82,242		114,770
Licenses	10	63,835		63,845
Miscellaneous	2,755	355		3,110
Contract Services	44,000			44,000
State Subsidy	20,976			20,976
Other Revenue	30,226	8,900		39,126
	<u>836,301</u>	<u>155,332</u>	<u>0</u>	<u>991,633</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Salaries - Employees	428,135	79,729		507,864
Supplies	15,383			15,383
Equipment	26,125			26,125
Dental Sealant Program	22,195			22,195
Contracts - Services	53,778			53,778
Travel	41,149			41,149
Advertising and Printing	1,500			1,500
Insurance	108,593			108,593
Public Employees Retirement	60,063	482		60,545
Worker's Compensation	6,069			6,069
Other Expenses	56,624	72,964		129,588
	<u>819,614</u>	<u>153,175</u>	<u>0</u>	<u>972,789</u>
<b>Total Cash Disbursements</b>				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>16,687</u>	<u>2,157</u>	<u>0</u>	<u>18,844</u>
Fund Cash Balances, January 1	<u>233,459</u>	<u>103,439</u>	<u>9,192</u>	<u>346,090</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 250,146</u></b>	<b><u>\$ 105,596</u></b>	<b><u>\$ 9,192</u></b>	<b><u>\$ 364,934</u></b>
Reserve for Encumbrances, December 31	<u>\$ 68,514</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,514</u>

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

**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT  
ATHENS 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>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$ 493,507	\$	\$	\$ 493,507
Intergovernmental	100,021			100,021
Permits	7,059			7,059
Fees	33,038	78,204		111,242
Licenses	805	63,725		64,530
Miscellaneous	340	389		729
Contract Services	44,000			44,000
State Subsidies	20,697			20,697
Other Revenue	18,651	4,610		23,261
<b>Total Cash Receipts</b>	<u>718,118</u>	<u>146,928</u>	<u>0</u>	<u>865,046</u>
<b>Cash Disbursements:</b>				
Salaries - Employees	356,047	81,958		438,005
Supplies	16,612			16,612
Equipment	26,176			26,176
Dental Sealant Program	24,342			24,342
Contracts - Services	46,969			46,969
Travel	23,231			23,231
Advertising and Printing	207			207
Insurance	91,718			91,718
Public Employees Retirement	60,032	560		60,592
Worker's Compensation	7,920			7,920
Other Expenses	73,113	69,295		142,408
<b>Total Cash Disbursements</b>	<u>726,367</u>	<u>151,813</u>	<u>0</u>	<u>878,180</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(8,249)</u>	<u>(4,885)</u>	<u>0</u>	<u>(13,134)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers In		2,062		2,062
Transfers Out	(2,062)			(2,062)
Other Sources	33,071			33,071
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>31,009</u>	<u>2,062</u>	<u>0</u>	<u>33,071</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>22,760</u>	<u>(2,823)</u>	<u>0</u>	<u>19,937</u>
<b>Fund Cash Balances, January 1</b>	<u>210,699</u>	<u>106,262</u>	<u>9,192</u>	<u>326,153</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 233,459</u>	<u>\$ 103,439</u>	<u>\$ 9,192</u>	<u>\$ 346,090</u>
<b>Reserve for Encumbrances, December 31</b>	<u>\$ 1,955</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,955</u>

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



**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT  
ATHENS COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Athens City-County General Health District, Athens County (the District), is a general health district as defined by Ohio Revised Code Section 3709.07. The District is directed by an appointed five member Board and an appointed Health Commissioner. The District provides general government services, including inspection and licensing of food establishments, inspection of sewer and water systems, inspection and licensing of solid waste facilities, tuberculosis screening, inspection of trailer parks, birth and death certificates, administration of public health nursing programs and other related services.

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 Investments**

The Athens County Auditor serves as fiscal agent for the Health District, and the investment of County funds, including District funds, is determined by the Athens County Treasurer under the direction of the Athens County Investment Advisory Committee. The District maintains no control over the investment of its funds. The disclosure of the County's deposits and investments at December 31, 2000, is made in the County's annual financial report for the year ended December 31, 2000.

**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 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 District had the following significant Special Revenue Funds:

*Food Service Fund* - This fund receives fees for licenses issued to food service providers.

**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT  
ATHENS COUNTY**

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

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Solid Waste Fund* - This fund receives fees for permits issued for the installation of septic systems.

**3. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. The District had the following significant Fiduciary Fund:

*Orthopedic Trust Fund* - This fund is used to account for the proceeds received from the Minnie Mildred Ruston estate for the benefit of crippled children in Athens County.

**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, function, or object level of control, and appropriations may not exceed estimated resources. The Board of Health must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 individual commitments are made. Encumbrances outstanding at year end are carried over, 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.

**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT  
ATHENS COUNTY**

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

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

**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. EQUITY IN POOLED CASH AND INVESTMENTS**

The District maintains a cash and investments pool with Athens County, (fiscal agent). The District also maintains a checking account for receipts collected at the District's Office. All receipts collected at the District and placed into the checking account are deposited with the fiscal agent in the beginning of the proceeding month. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of the checking account at December 31, was \$10,743, in 2000, and \$7,452, in 1999. Receipts that make up the checking account balance at December 31 are reflected as a receipt in the proceeding year.

The carrying amount of cash and investments held, by the Health District's fiscal agent, at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$ 364,934</u>	<u>\$ 346,090</u>

**Deposits:** Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 773,234	\$ 836,301	\$ 63,067
Special Revenue	151,822	155,332	3,510
Total	\$ 925,056	\$ 991,633	66,577

**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT  
ATHENS COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 990,190	\$ 888,128	\$ 102,062
Special Revenue	162,000	153,175	8,825
Total	\$ 1,152,190	\$ 1,041,303	110,887

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 709,889	\$ 751,189	\$ 41,300
Special Revenue	156,500	148,990	(7,510)
Total	\$ 866,389	\$ 900,179	33,790

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 773,305	\$ 730,384	\$ 42,921
Special Revenue	160,538	151,813	8,725
Total	\$ 933,843	\$ 882,197	51,646

**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 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.

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.

**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT  
ATHENS COUNTY**

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

**5. RETIREMENT SYSTEM**

The District's officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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, 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. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The District has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Athens County Commissioners maintain comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured. The District is covered by these policies.

**7. 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

JIM PETRO, AUDITOR OF STATE

East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

Athens City-County General Health District  
Athens County  
278 West Union Street  
Athens, Ohio 45701

To the Board of Health:

We have audited the accompanying financial statements of the Athens City-County General Health District, Athens County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 1, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 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 June 1, 2001.

**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 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 District in a separate letter dated June 1, 2001.

Athens City-County General Health District  
Athens 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 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

June 1, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**ATHENS CITY-COUNTY GENERAL HEALTH DISTRICT**

**ATHENS 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 24, 2001**