



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

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**STATE OF OHIO**



**GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

General Health District  
Jefferson County  
500 Market Street  
7<sup>th</sup> Floor  
Steubenville, Ohio 43952

To Members of the Board:

We have audited the accompanying financial statements of General Health District, Jefferson County, (the District) as of and for the year ended December 31, 2001. 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 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 General Health District, Jefferson County, as of December 31, 2001, 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 10, 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.

We performed our audit to form an opinion on the financial statements of the District, taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

May 10, 2002

GENERAL HEALTH DISTRICT  
JEFFERSON 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>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Federal awards	\$14,866	\$372,889	\$387,755
Other intergovernmental	20,521	64,812	85,333
Subdivisions	154,386		154,386
Levies	85,522		85,522
Inspection fees	5,350		5,350
Permits	20,009		20,009
Other fees	39,351		39,351
Fines	250		250
Contractual services	119,827		119,827
Other receipts	16,730	2,677	19,407
	<u>476,812</u>	<u>440,378</u>	<u>917,190</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Salaries	202,625	205,898	408,523
Supplies	16,229	20,096	36,325
Equipment	9,780	760	10,540
Contracts - Repair	750		750
Contracts - Services	21,277	49,194	70,471
Rentals	2,640	3,900	6,540
Travel	8,719	2,485	11,204
Utilities and rentals		7,874	7,874
Advertising and printing	20,000	17,033	37,033
Public employee's retirement	26,826	25,373	52,199
Worker's compensation	9,773	7,109	16,882
Other	130,254	88,380	218,634
	<u>448,873</u>	<u>428,102</u>	<u>876,975</u>
<b>Total Cash Disbursements</b>			
<b>Total Receipts Over Disbursements</b>			
	<u>27,939</u>	<u>12,276</u>	<u>40,215</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In	74,785	58,514	133,299
Advances-Out	(92,000)	(64,785)	(156,785)
Reimbursements	8,141		8,141
	<u>(9,074)</u>	<u>(6,271)</u>	<u>(15,345)</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>			
	18,865	6,005	24,870
<b>Fund Cash Balances, January 1</b>			
	<u>36,615</u>	<u>123,080</u>	<u>159,695</u>
<b>Fund Cash Balances, December 31</b>			
	<u><b>\$55,480</b></u>	<u><b>\$129,085</b></u>	<u><b>\$184,565</b></u>
<b>Reserves for Encumbrances, December 31</b>			
	<u>\$13,419</u>	<u></u>	<u>\$13,419</u>

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

**GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Proprietary Fund Types</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Permits	\$150,518
Fees	3,240
Miscellaneous	10,152
Total Operating Cash Receipts	163,910
<b>Operating Cash Disbursements:</b>	
Personal Services	98,591
Retirement	9,837
Contract Services	1,000
Travel	7,029
Workers Compensation	2,851
State Remittance	9,932
Other Expenses	55,184
Total Operating Cash Disbursements	184,424
Operating (Loss)	(20,514)
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(20,514)
Advances-In	40,812
Advances-Out	(17,326)
Net Receipts Over Disbursements	2,972
Fund Cash Balances, January 1	17,038
<b>Fund Cash Balances, December 31</b>	<b>\$20,010</b>
Reserve for Encumbrances, December 31	\$8,509

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

**GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The General Health District, Jefferson County, (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 a five member Board and a Health Commissioner. 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:

Women, Infants and Children (WIC) Fund - This is a Federal grant fund used to account for the Special Supplemental Nutrition Program.

Maternal and Child Health Services Block Grant - This is a Federal grant fund used to account for the Maternal and Child Health Services Block Grant.

**GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

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

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

**3. Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The District had the following significant Enterprise Funds:

Environmental Fund - This fund receives fees for licenses and permits relating to sewage systems. It accounts for the cost of providing various services including site inspections.

Food Service - This fund receives licenses and permits relating to food service licenses. It accounts for the cost of providing various services including site inspection.

**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 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.

**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 and certify all commitments as required by Ohio law.

A summary of 2001 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.

**GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

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

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

**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.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2001 follows:

**2001 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$635,389	\$484,953	(\$150,436)
Special Revenue	203,302	440,378	237,076
Enterprise	399,716	163,910	(235,806)
Total	<u>\$1,238,407</u>	<u>\$1,089,241</u>	<u>(\$149,166)</u>

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$366,251	\$462,292	(\$96,041)
Special Revenue	570,436	428,102	142,334
Enterprise	197,571	192,933	4,638
Total	<u>\$1,134,258</u>	<u>\$1,083,327</u>	<u>\$50,931</u>

Ohio Revised Code § 5705.41(D) will be cited as the District disbursed and encumbered in excess of appropriations at the legal level of control in the General Fund and the District obligated moneys without making the certification required.

**3. INTERGOVERNMENTAL FUNDING**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities comprising the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are included in Other Intergovernmental Receipts in the financial statements.

**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.

**GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

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

**4. RETIREMENT SYSTEM (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2001, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2001.

**5. RISK MANAGEMENT**

**Risk Pool Membership**

The District is covered as part of Jefferson County's insurance coverage. County officials entered into an agreement with the County Risk Sharing Authority (CORSA), in conjunction with the County Commissioners Association of Ohio, to provide insurance coverage on property, buildings, vehicles, and equipment through a self insurance program. Real property and contents are 100% insured.

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among forty-seven counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self- Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member Counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of each member Counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member County's control over budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member Counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County does not have an equity interest or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2001 was \$419,533.

The District also provides employee health care coverage through a private carrier.

GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2001

FEDERAL GRANTOR/ <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Health and Human Services:</i>			
Maternal and Child Health Services Block Grant	41-1-01-F-AI-320-01	93.994	\$125,676
Medical Assistance Program	3-4100-0000-01	93.778	14,566
Immunization Grants	41-1-01-P-AZ-GRF-01	93.268	<u>20,418</u>
Total U.S. Department of Health and Human Services			<u><b>160,660</b></u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Food Program for Women, Infants, and Children	41-1-01-F-CL-389-01	10.557	<u>257,680</u>
<b>Total Expenditures of Federal Awards</b>			<u><u><b>\$418,340</b></u></u>

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

General Health District  
Jefferson County  
500 Market Street  
7<sup>th</sup> Floor  
Steubenville, Ohio 43952

To Members of the Board:

We have audited the accompanying financial statements of the General Health District, Jefferson County, (the District) as of and for the year ended December 31, 2001, and have issued our report thereon dated May 10, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings as item 2001-61241-001.

**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 May 10, 2002.

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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

May 10, 2002



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

General Health District  
Jefferson County  
500 Market Street  
7<sup>th</sup> Floor  
Steubenville, Ohio 43952

To Members of the Board:

**Compliance**

We have audited the compliance of the General Health District, Jefferson County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

As described in items 20011-61241-002 and 2001-61241-003 in the accompanying schedule of findings, the District did not comply with requirements regarding procurement and reporting that are applicable to its Maternal and Child Health Services Block Grant. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the General Health District, Jefferson County, complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine

General Health District  
Jefferson County  
Report of Independent Accountants on Compliance with Requirements  
Applicable to Major Federal Programs and Internal Control Over  
Compliance in Accordance with OMB Circular A-133  
Page 2

our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

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.



**Jim Petro**  
Auditor of State

May 10, 2002

**GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2001**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Qualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list): Maternal and Child Health Services Block Grant	CFDA#: 93.994
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2001  
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2001-61241-001**

**Ohio Revised Code § 5705.41 (D)** states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such certification shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two “exceptions” to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer’s certificate that a sufficient sum was appropriated and free of any previous encumbrances, the Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board.

In the General Fund, disbursements plus encumbrances exceeded appropriations at the legal level of control by 20% and the District obligated moneys without making the certification for 40% of the expenditures tested.

Failure to limit disbursements and encumbrances or to certify the availability of funds could result in overspending and negative cash balances. The District should obtain approved purchase orders which include the fiscal officer’s certification that the amount required to meet the obligation has been lawfully appropriated and authorized prior to making a commitment.

**3. FINDINGS FOR FEDERAL AWARDS**

**FINDING NUMBER 2001-61241-002**

<b>Finding Number</b>	2001-61241-002
<b>CFDA Title and Number</b>	Maternal and Child Health Services Block Grant 93.994
<b>Federal Award Number / Year</b>	41-1-001-1-AI-01
<b>Federal Agency</b>	Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Health

The Ohio Department of Health **Grant Accounting Policies and Procedures (GAPP) Manual § 511** states that subgrantees may use their own procurement policies when using project funds for the procurement of equipment, supplies, and services provided they are made in accordance with the standards in this section and the Code of Federal Regulations, Section 45, Part 74, Subpart P. The District uses **Ohio Revised Code § 5705.41(D)** as their procurement policy, which is the same policy used by the District’s fiscal agent. This policy meets the above requirements.

**GENERAL HEALTH DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2001  
(Continued)**

The District failed to follow established procurement procedures for 60% of the tested non-payroll expenditures of the Maternal and Child Health Services Grant. Failure to follow grant regulations puts the District at risk of losing federal funding. The loss of federal funding would have a negative impact on services provided by the District, as well as, the financial position of the District.

The District should disseminate an outline of the procedures to all employees who have any role in the procurement system and District management should monitor the system to assure compliance with the established policy.

**FINDING NUMBER 2001-61241-003**

<b>Finding Number</b>	2001-61241-003
<b>CFDA Title and Number</b>	Maternal and Child Health Services Block Grant 93.994
<b>Federal Award Number / Year</b>	41-1-001-1-AI-01
<b>Federal Agency</b>	Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Health

The Ohio Department of Health **Grant Accounting Policies and Procedures (GAPP) Manual § 505.1** states that subgrantees must submit the financial status of each grant on the Certified Expenditure Report form. The periodic financial status reports must meet the following conditions:

1. The expenditure reports are to be submitted quarterly unless the subgrantee is directed otherwise.
2. The information in the expenditure report must correspond with the subgrantee's accounting records and supporting documentation.
3. Reports of project expenditures and revenues must be on the same accounting basis as the agency's accounting system.
4. The periodic expenditure report must be submitted in duplicate to the Ohio Department of Health Grants Administration Unit within fifteen (15) calendar days following the end of the reporting period.
5. The annual expenditure report must be submitted in duplicate forty-five (45) calendar days following the end of the grant year to the Ohio Department of Health Grants Administration Unit.
6. All expenditure reports must be signed by the subgrantee project director and agency fiscal officer.

The District's quarterly and final expense reports did not agree to amounts recorded in the District's accounting records. Amounts could not be reconciled. When reports are not an accurate reflection of the financial activity of the grant, the District is in jeopardy of losing federal funding. This would have a negative impact on the District's financial position.

The District should establish procedures to ensure that reports are an accurate reflection of the grant financial activity and are reconciled to the District's accounting records.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**JEFFERSON COUNTY GENERAL HEALTH DISTRICT**

**JEFFERSON 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 9, 2002**