



**Auditor of State
Betty Montgomery**

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Perry County General Health District
Perry County
P.O. Box 230
New Lexington, Ohio 43764

To Members of the Board:

We have audited the accompanying financial statements of Perry County General Health District, Perry County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000. 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 Perry County General Health District, Perry County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The District is experiencing certain financial difficulties. Those difficulties, and management's planned reactions, are described in Note 8.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2003, 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.

Perry County General Health District
Perry County
Independent Accountants' Report
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This report is intended solely for the information and use of 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

April 15, 2003

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$116,888	\$	\$116,888
Intergovernmental	12,402	83,284	95,686
Permits	25,684		25,684
Other fees	19,531		19,531
Licenses	96,608		96,608
Contractual services	126,397	61,843	188,240
Other receipts	11,053		11,053
Total Cash Receipts	<u>408,563</u>	<u>145,127</u>	<u>553,690</u>
Cash Disbursements:			
Salaries	341,831	68,949	410,780
Supplies	1,514	8,345	9,859
Remittances to State	14,363		14,363
Contracts - Repair	198		198
Contracts - Services	8,265	26,472	34,737
Rentals	3,591	1,783	5,374
Travel	7,605	2,782	10,387
Advertising and printing	128	4,451	4,579
Public employee's retirement	36,807	4,876	41,683
Worker's compensation	2,653	2,132	4,785
Other	4,016	10,788	14,804
Total Cash Disbursements	<u>420,971</u>	<u>130,578</u>	<u>551,549</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(12,408)</u>	<u>14,549</u>	<u>2,141</u>
Other Financing Receipts/(Disbursements):			
Cash Advances from County Auditor	42,578	5,886	48,464
Repayment of Cash Advances from County Auditor	(29,109)	0	(29,109)
Refunds		(6,517)	(6,517)
Total Other Financing Receipts/(Disbursements)	<u>13,469</u>	<u>(631)</u>	<u>12,838</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>1,061</u>	<u>13,918</u>	<u>14,979</u>
Fund Cash Balances, January 1	<u>9,591</u>	<u>1,732</u>	<u>11,323</u>
Fund Cash Balances, December 31	<u><u>\$10,652</u></u>	<u><u>\$15,650</u></u>	<u><u>\$26,302</u></u>
Reserves for Encumbrances, December 31	<u><u>\$3,884</u></u>	<u><u>\$1,993</u></u>	<u><u>\$5,877</u></u>

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

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$129,576	\$	\$129,576
Intergovernmental	16,971	72,608	89,579
Permits	36,089		36,089
Licenses	109,714		109,714
Contractual services	106,759	209,368	316,127
Other receipts		910	910
	<u>399,109</u>	<u>282,886</u>	<u>681,995</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	280,292	97,869	378,161
Supplies	3,847	35,179	39,026
Remittances to State	11,092		11,092
Equipment	4,558	1,076	5,634
Contracts - Repair	89	3,060	3,149
Contracts - Services	3,019	45,252	48,271
Travel	10,372	4,288	14,660
Vehicles	4,525	1,167	5,692
Utilities and rentals		875	875
Advertising and printing	92	1,317	1,409
Public employee's retirement	32,220	25,597	57,817
Worker's compensation	9,086	927	10,013
Other	4,181	28,227	32,408
	<u>363,373</u>	<u>244,834</u>	<u>608,207</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>35,736</u>	<u>38,052</u>	<u>73,788</u>
Other Financing Receipts/(Disbursements):			
Cash Advances from County Auditor	19,749		19,749
Repayment of Cash Advances from County Auditor	(42,578)	(5,886)	(48,464)
Refunds	(1,254)	(3,652)	(4,906)
	<u>(24,083)</u>	<u>(9,538)</u>	<u>(33,621)</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>11,653</u>	<u>28,514</u>	<u>40,167</u>
Fund Cash Balances, January 1 (Restated - Note 7)	<u>10,652</u>	<u>15,650</u>	<u>26,302</u>
Fund Cash Balances, December 31	<u><u>\$22,305</u></u>	<u><u>\$44,164</u></u>	<u><u>\$66,469</u></u>
Reserves for Encumbrances, December 31	<u><u>\$120</u></u>	<u><u>\$10,429</u></u>	<u><u>\$10,549</u></u>

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

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Perry County General Health District, Perry County (the District), is a general health district as defined by Ohio Revised Code § 3709.07. The District is directed by an appointed five-member Board and a Health Commissioner. The District provides 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

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 that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Preventive Health and Health Services Block Grant Fund (PHHSBG) - This fund receives grant money for the use of promoting physical activity.

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Cardiovascular Disease Risk Reduction Grant Fund (Cardiovascular Grant) - This fund receives grant money for the awareness of reducing blood pressure and cholesterol.

Abstinence Education Grant Fund - This fund receives grant money for the use in reducing teen sexuality and pregnancy.

Welcome Home Grant Fund - The fund receives grant money to instruct new mothers about the care of their newborn babies.

Environmental Protection Agency Grant - This fund receives grant money to help teach school-age children the environmental laws and who to contact if they see a violation occurring.

Child and Family Health Services Grant (CFHS) - This fund receives grant money to provide public health services to the maternal and child health population.

Tuberculosis Levy Fund – This fund was previously handled by the County Auditor. During 2001, the balance in this fund was given to the District to administer for the purpose of providing public health services, including health monitoring.

Lice Prevention and Education Fund – This fund receives grant money to provide education and prevention materials to children and parents promoting personal hygiene.

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 object level of control, and appropriations may not exceed estimated resources. The District 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 all commitments required by Ohio law.

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

A summary of 2001 and 2000 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 the District's basis of accounting.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$373,907	\$418,858	\$44,951
Special Revenue	215,083	282,886	67,803
Total	\$588,990	\$701,744	\$112,754

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$381,871	\$407,325	(\$25,454)
Special Revenue	289,123	264,801	24,322
Total	\$670,994	\$672,126	(\$1,132)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$442,716	\$451,141	\$8,425
Special Revenue	194,666	151,013	(43,653)
Total	\$637,382	\$602,154	(\$35,228)

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$468,443	\$453,964	\$14,479
Special Revenue	133,924	139,088	(5,164)
Total	\$602,367	\$593,052	\$9,315

Accountability and Compliance: Contrary to Ohio law, expenditures exceeded appropriations in the General Fund in 2000, and in the Cardiovascular Grant, PHHSBG, Welcome Home, CFHS, and Abstinence Education HHS funds in 2000.

3. PROPERTY TAXES

The District receives tax receipts from a seven-tenths mill levy authorized by the Perry County Board of County Commissioners, as a special taxing authority under Ohio Revised Code § 3709.29. This ten-year levy will be collected through 2004. The District also receives the proceeds of inside millage in the amount of \$10,000 annually.

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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries except for the period July 1, 2000 through December 31, 2000, where PERS temporarily reduced employer contributions to 8.13%. The District has paid all contributions required through December 31, 2001.

5. PUBLIC ENTITY SHARED RISK POOL

The District is insured through Perry County's risk management program. The County Risk Sharing Authority, Inc. (CORSA) is a public shared risk pool among thirty-nine 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 and public official errors and omissions liability insurance.

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. PUBLIC ENTITY SHARED RISK POOL (Continued)

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 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 the 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 participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable.

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. 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.

7. PRIOR PERIOD RESTATEMENT OF FUND BALANCES

The previous audit performed by the Auditor of State for the years ended December 31, 1998 and 1999 indicated the District's General Fund had a deficit balance of \$57,912 at December 31, 1999. This deficit balance resulted from an adjustment made to reflect grant revenues in the Special Revenue Funds, rather than the General Fund. The District had pooled all monies in one fund (the District's general operating fund) rather than maintaining separate special revenue funds for restricted monies (grant revenues). The previous audit report also reflected an adjustment to reduce corresponding expenditures in the General Fund to properly reflect the expenditure of grant monies in the Special Revenue Funds. Through inquiry with the Ohio Department of Health, it was determined that no potential future liability existed with any of the grant funds and that each grant had been closed out. Further analysis by the Auditor of State indicated that additional General Fund expenditures were made for grant purposes which should have been reflected as Special Revenue Fund expenditures. Based on this information, the following restatement of fund balances at January 1, 2000, was posted:

Fund Type	Balance as Reported	Restatement Required	Restated Balance
General	(\$57,912)	\$67,503	\$9,591
Special Revenue	69,235	(67,503)	\$1,732
Total	<u>\$11,323</u>	<u>\$0</u>	<u>\$11,323</u>

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

8. MANAGEMENT'S PLANS REGARDING FINANCIAL STABILITY

During 2000 and 2001, the District experienced shortfalls within the General Fund revenues. The County Auditor periodically advanced funds to the District. During 1999, the County Auditor advanced the District's General Fund \$29,109, which was repaid during 2000. Later in 2000, the County Auditor advanced the District's General Fund \$42,578 and the Lice Prevention and Education Fund \$5,886, both of which were repaid during 2001. The County Auditor advanced \$19,749 to the District's General Fund during 2001 which was outstanding at December 31, 2001.

The tax levy that currently funds the District is scheduled to expire in 2004. Revenues from this levy are being collected based upon 1976 property valuations. An additional 1.5 mill levy was placed on the November 2002 ballot. However, the attempt to pass this levy was unsuccessful. Management plans to place this levy on the ballot again in November of 2003.

The amount of funding the District receives from the City of New Lexington has also remained the same for a number of years. A Funding Committee was formed which consists of two board members, the interim Health Administrator and the Fiscal Officer. The Committee plans to review options with City officials and possibly enter into a new contract to increase this source of revenue. The District also receives funding in the form of inside millage from the County Auditor. The District has reduced operating hours in an attempt to operate within its financial means.



**Auditor of State
Betty Montgomery**

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

Perry County General Health District
Perry County
P.O. Box 230
New Lexington, Ohio 43764

To Members of the Board:

We have audited the accompanying financial statements of the Perry County General Health District, Perry County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 15, 2003, wherein we noted the District was experiencing certain financial difficulties. 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings at items 2001-61064-001 through 2001-61064-003. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated April 15, 2003.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2001-61064-001 and 2001-61064-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable conditions described above to be material weaknesses. We also 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 April 15, 2003.

This report is intended solely for the information and use of management and the Board, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 15, 2003

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2001-61064-001
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Noncompliance Citation and Material Weakness

Ohio Rev. Code Section 3709.28 requires the board of health of a general health district to, annually, on or before the first Monday of April, adopt an itemized appropriation measure. The appropriation measure shall be certified to the County Auditor and by the County Auditor submitted to the County Budget Commission.

Although budgets were on file with the County Budget Commission, we found no evidence in the Board's minutes to indicate the Board had adopted an appropriation measure. Neither was there evidence to indicate there were resolutions adopted by the Board to authorize budgetary modifications including transfers from one appropriation item to another, reductions or increases of any items, creation of new items, and making additional appropriations or reducing total appropriations. Since these duties are statutorily assigned to the Board, the Board cannot delegate these duties. Without formal adoption of budgetary measures by the Board, the Board's intent concerning budgetary measures filed with the County Auditor by the administrative assistant or grant coordinator is not known.

We recommend that once the District's management provides the necessary input concerning needed budgetary modifications, the Board formally adopt all budgetary items through resolutions and document the adoption of the resolutions in the Board's minutes. The District should maintain budgetary files containing all Board approved budgetary measures and record on each budgetary measure the date it was certified to the County Auditor and the date it was recorded on the County Auditor's books. Implementation of these procedures would assure that budgetary measures are addressed by the Board in a timely manner and that all Board-authorized budgetary measures are recorded in the County Auditor's books.

Finding Number	2001-61064-002
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Noncompliance Citation and Material Weakness

Ohio Rev. Code Section 5705.41(D)(1) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

- A. Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that she is completing her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2001-61064-002 (Continued)
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Noncompliance Citation and Material Weakness (Continued)

Ohio Rev. Code Section 5705.41(D)(1) (Continued)

- B. Amounts of less than \$1,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

The District did not obtain the County Auditor's prior certification for thirty percent of the 2001 transactions tested and twenty-seven percent of the 2000 transactions tested, nor was there evidence of a "Then and Now" certificate being used by the District in these instances.

We recommend the District obtain the County Auditor's certification prior to obligating District moneys.

Finding Number	2001-61064-003
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Noncompliance Citation

Ohio Rev. Code § 5705.41(D) states that no subdivision or taxing unit is to expend money unless it has been properly appropriated. Actual budgetary expenditures exceeded appropriations as follows:

Fund	Year	Appropriations	Expenditures	Variance
General	2001	\$381,871	\$407,325	(\$25,454)
Cardiovascular Grant	2000	\$11,059	\$21,044	(\$9,985)
PHHSBG	2000	\$5,751	\$7,977	(\$2,226)
Welcome Home	2000	\$11,618	\$13,976	(\$2,358)
CFHS	2000	\$3,184	\$5,463	(\$2,279)
Abstinence Education HHS	2000	\$25,350	\$28,224	(\$2,874)

Expenditures exceeded appropriations in the General Fund as a result of the District not appropriating the repayment of the cash advance from the County Auditor.

We recommend the District assure appropriations are available prior to the expenditure of funds.

**PERRY COUNTY GENERAL HEALTH DISTRICT
PERRY COUNTY**

**CORRECTIVE ACTION PLAN
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Corrective Action Plan
2001-61064-001	Ohio Rev. Code §3709.28 requires budgetary measures to be adopted by the Board. Budgetary measures were not formally adopted by the Board.	The Board will formally adopt by resolution all budgetary measures.
2001-61064-002	Ohio Rev. Code §5705.41(D)(1) requires the prior certification of funds by the fiscal officer. Prior certification was not obtained for certain expenditures made.	District personnel will obtain the fiscal officer's certification prior to incurring obligations on behalf of the District.
2001-61064-003	Ohio Rev. Code §5705.41(D) requires monies to be expended only after being properly appropriated. Expenditures exceeded appropriations in certain funds.	District personnel will expend funds only once it has been determined that unencumbered appropriations are available.



**Auditor of State
Betty Montgomery**

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GENERAL HEALTH DISTRICT

PERRY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 12, 2003**