



Mary Taylor, CPA  
Auditor of State



**PERRY COUNTY GENERAL HEALTH DISTRICT  
PERRY COUNTY**

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# Mary Taylor, CPA Auditor of State

Perry County General Health District  
Perry County  
212 S. Main St. Lower Level  
New Lexington, Ohio 43764

To the Board of Health:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Mary Taylor, CPA**  
Auditor of State

October 14, 2010

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Perry County General Health District  
Perry County  
212 S. Main St. Lower Level  
New Lexington, Ohio 43764

To the Board of Health:

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, 2009 and 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the District's larger (i.e., major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require health districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, 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, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2010, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

**Mary Taylor, CPA**  
Auditor of State

October 14, 2010



**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, 2009**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$454,244	\$454,580	\$908,824
Permits	90,178		90,178
Licenses	78,152	119,800	197,952
Contractual Services	33,312	7,000	40,312
Charges for Services	75,974	74,807	150,781
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Total Cash Receipts	731,860	656,187	1,388,047
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries	407,589	176,568	584,157
Supplies	29,281	54,487	83,768
Vehicle Expense		2,664	2,664
Remittances to State	17,154	33,995	51,149
Equipment	5,264	31,408	36,672
Medical Insurance	82,721	22,238	104,959
Contracts - Services	41,574	181,822	223,396
Training	2,705	1,932	4,637
Travel	15,973	6,311	22,284
Utilities and rentals	4,654	2,872	7,526
Liability Insurance	2,181		2,181
Advertising and printing	2,595	8,395	10,990
Public employee's retirement	56,646	23,239	79,885
Worker's compensation	14,171	4,998	19,169
Life Insurance & Medicare	6,346	2,629	8,975
Unemployment	7,174		7,174
Other	16,403	44,366	60,769
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Total Cash Disbursements	712,431	597,924	1,310,355
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	19,429	58,263	77,692
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	677,584	308,719	986,303
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$697,013</u></b>	<b><u>\$366,982</u></b>	<b><u>\$1,063,995</u></b>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	<u>\$29,245</u>	<u>\$44,300</u>	<u>\$73,545</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, 2008**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$462,558	\$326,078	\$788,636
Permits	101,027		101,027
Licenses	81,033	119,800	200,833
Contractual Services	152,364	12,000	164,364
Charges for Services	50,578	70,222	120,800
	<u>847,560</u>	<u>528,100</u>	<u>1,375,660</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Salaries	382,533	132,445	514,978
Supplies	16,303	14,859	31,162
Vehicle Expense		2,348	2,348
Remittances to State	25,444	44,886	70,330
Equipment	4,042	10,427	14,469
Medical Insurance	79,436	34,389	113,825
Contracts - Services	121,137	172,331	293,468
Travel	17,597	6,231	23,828
Training	4,835	3,187	8,022
Utilities and rentals	4,535	3,095	7,630
Liability Insurance	2,448		2,448
Advertising and printing	1,870	2,174	4,044
Public employee's retirement	52,896	17,810	70,706
Worker's compensation	13,139	4,741	17,880
Life Insurance & Medicare	6,028	2,111	8,139
Unemployment	4,400		4,400
Other	2,538	42,987	45,525
	<u>739,181</u>	<u>494,021</u>	<u>1,233,202</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	108,379	34,079	142,458
Fund Cash Balances, January 1	569,205	274,640	843,845
<b>Fund Cash Balances, December 31</b>	<b><u>\$677,584</u></b>	<b><u>\$308,719</u></b>	<b><u>\$986,303</u></b>
Reserves for Encumbrances, December 31	<u>\$11,684</u>	<u>\$60,323</u>	<u>\$72,007</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, 2009 AND 2008**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Perry County General Health District, Perry County (the District), as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, head lice prevention, tobacco prevention, women's health education, homeland security and disaster preparedness, 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. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

**C. Deposits and Investments**

As required by the Ohio Revised Code, the Perry County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the 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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**PERRY COUNTY GENERAL HEALTH DISTRICT  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

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

Coshocton Fairfield Licking Perry Solid Waste District Fund - This fund receives grant money in coordination with Coshocton Fairfield Licking Perry Solid Waste District to help oversee and determine the compliance of solid waste disposal sites with health regulations.

Public Health Infrastructure Grant Fund - This fund receives federal grant money passed through the Ohio Department of Health used for programs related to homeland security and disaster preparedness.

**E. Budgetary Process**

The Ohio Revised Code requires the District to budget each fund 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 Board must annually approve appropriation measures and subsequent amendments. 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 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 2009 and 2008 budgetary activity appears in Note 2.

**F. Property, Plant, and Equipment**

The Health District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**PERRY COUNTY GENERAL HEALTH DISTRICT  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**2. Budgetary Activity**

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$774,500	\$731,860	(\$42,640)
Special Revenue	735,968	656,187	(79,781)
Total	\$1,510,468	\$1,388,047	(\$122,421)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$863,637	\$741,676	\$121,961
Special Revenue	802,186	642,224	159,962
Total	\$1,665,823	\$1,383,900	\$281,923

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$813,812	\$847,560	\$33,748
Special Revenue	577,982	528,100	(49,882)
Total	\$1,391,794	\$1,375,660	(\$16,134)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$782,080	\$750,865	\$31,215
Special Revenue	646,672	554,344	92,328
Total	\$1,428,752	\$1,305,209	\$123,543

**3. Intergovernmental Funding**

The Health District received tax receipts through 2009 from a one mill levy authorized by the Perry County Board of Commissioners, as a special taxing authority under Ohio Rev. Code Section 3709.29. The levy was approved by the residents of Perry County on November 2, 2004. Since this levy passed, the Board of Health waived the annual collection of \$10,000 in inside millage. The financial statements present these amounts as intergovernmental receipts.

**PERRY COUNTY GENERAL HEALTH DISTRICT  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**4. Retirement System**

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10%, respectively, of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2009.

**5. Risk Management**

The Health 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 coverage provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property and public official 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 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.



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Perry County General Health District  
Perry County  
212 S. Main St. Lower Level  
New Lexington, Ohio 43764

To the Board of Health:

We have audited the financial statements of the Perry County General Health District, Perry County, Ohio (the District), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated October 14, 2010 wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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Perry County General Health District  
Perry County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated October 14, 2010.

We intend this report solely for the information and use of management and the Board of Health. We intend it for no one other than these specified parties.

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**Mary Taylor, CPA**  
Auditor of State

October 14, 2010



PERRY COUNTY GENERAL HEALTH DISTRICT  
PERRY COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	The minute record of the Board did not contain certain required information.	Yes	

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**Mary Taylor, CPA**  
Auditor of State

**PERRY COUNTY 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  
NOVEMBER 9, 2010**