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MANAGEMENT LETTER

September 15, 2019

Morrow County District Board of Health
Morrow County
619 W Marion Road
Mt. Gilead, OH 43338

To the Board of Trustees:

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the financial statements of **Morrow County District Board of Health**, Morrow County (the District), as of and for the years ended December 31, 2018 and 2017 and have issued our report thereon dated September 15, 2019.

Government Auditing Standards also requires that we describe the scope of our testing of compliance with laws and regulations and internal control over financial reporting and report any irregularities, illegal acts, other material noncompliance and significant deficiencies in internal controls. We have issued the required report dated September 15, 2019, for the years ended December 31, 2018 and 2017.

We are also submitting for your consideration the following comment on the District's compliance with applicable laws and regulations and on its internal controls. This comment reflects matters that, while in our opinion do not represent material instances of noncompliance or significant deficiencies in internal controls, we believe represent matters for which improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, this comment reflects our continuing desire to assist your government. If you have any questions or concerns regarding this comment, please do not hesitate to contact us.

RECOMMENDATION

1. Advances Not Temporary

Advances are temporary loans to other funds which are ultimately going to be repaid. Advances must be made from a less restricted fund to a more restricted fund. The resolution should include, at a minimum, the following information: 1) amount of the advance; 2) name of the fund loaning the money and the name of the fund receiving the money; and, 3) an estimated date for repayment. The intent of a cash advance is to require repayment within the current year.

The following issues were noted during the audit:

- As of December 31, 2017, an advance of \$20,000 from the General Fund to the Reproductive Health Grant Fund was still outstanding. This advance was also outstanding at December 31, 2016.

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1. Advances Not Temporary (Continued)

- As of December 31, 2018, the \$10,000 balance of original \$20,000 advance from the General Fund to the Reproductive Health Grant Fund was still outstanding. This original advance has been outstanding since December 31, 2016.

We recommend the District determine whether or not the advance will be repaid. If it is determined the advance will not be repaid, the advance should be converted to a transfer as authorized in ORC Sections 5705.12 to 5705.16 through a formal resolution.

These comments are intended for the information and use of the District's Board of Trustees, management and others within the District and are not intended to be and should not be used by anyone other than these specified parties



Perry & Associates
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