

ASHLAND COUNTY DISTRICT BOARD OF HEALTH

ASHLAND COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2004 & 2003

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Governmental Consultants



**Auditor of State
Betty Montgomery**

Board of Trustees
Ashland County District Board of Health
110 College Street
Ashland, Ohio 44805

We have reviewed the *Report of Independent Accountants* of the Ashland County District Board of Health, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2003 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ashland County District Board of Health is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

March 22, 2006

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ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY, OHIO
Audit Report
For the years ended December 31, 2004 & 2003

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of the Ashland County District Board of Health
Ashland County
110 College Street
Ashland, Ohio 44805

We have audited the accompanying financial statements of the Ashland County District Board of Health (District), Ashland County, Ohio as and for the years ended December 31, 2004 and 2003. 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 that 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.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since the District does not use GAAP to measure financial statement amounts, 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 year ended December 31, 2004, 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, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Ashland County District Board of Health, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 January 19, 2006, 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 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.

Charles E. Harris & Associates, Inc.

January 19, 2006

ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2004

	<u>Governmental Fund Types</u>		<u>(Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Cash Receipts:			
Local Taxes	\$ 119,088	\$ -	\$ 119,088
Federal Awards	-	260,869	260,869
Permits	74,826	-	74,826
Other Fees	33,261	-	33,261
Licenses	10,710	-	10,710
Other	142,976	151,552	294,528
Total Cash Receipts	380,861	412,421	793,282
Cash Disbursements:			
Salaries	200,170	83,295	283,465
Remittance to State	-	8,092	8,092
Supplies	13,643	-	13,643
Grant Expenses	-	293,192	293,192
Equipment	4,090	-	4,090
Contracts- Repair	109	-	109
Contracts- Services	13,313	1,567	14,880
Travel	11,817	2,190	14,007
Advertisement and Printing	660	-	660
Public Employees Retirement	27,123	11,285	38,408
Worker's Compensation	2,698	1,174	3,872
Other	70,484	28,663	99,147
Total Cash Disbursements	344,107	429,458	773,565
Cash Receipts Over/(Under) Cash Disbursements	36,754	(17,037)	19,717
Other Financing Sources/(Uses):			
Advances-In	-	1,000	1,000
Advances-Out	(1,000)	-	(1,000)
Total Other Financing Sources/(Uses)	(1,000)	1,000	-
Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements and Other Financing Uses	35,754	(16,037)	19,717
Fund Balance, January 1, 2004	99,085	82,602	181,687
Fund Balance, December 31, 2004	\$ 134,839	\$ 66,565	\$ 201,404

See accompanying Notes to the Financial Statements.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2003**

	<u>Governmental Fund Types</u>		<u>(Memorandum Only) Total</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$ 116,702	\$ -	\$ 116,702
Federal Awards	9,070	264,989	274,059
Permits	61,735	-	61,735
Other Fees	9,220	-	9,220
Licenses	33,200	-	33,200
Other	121,661	131,039	252,700
Total Cash Receipts	351,588	396,028	747,616
Cash Disbursements:			
Salaries	195,300	81,712	277,012
Remittance to State	-	8,091	8,091
Supplies	7,238	-	7,238
Grant Expenses	-	264,584	264,584
Equipment	590	-	590
Contracts- Services	5,228	975	6,203
Travel	11,178	3,698	14,876
Advertisement and Printing	200	-	200
Public Employees Retirement	32,737	14,081	46,818
Worker's Compensation	1,217	512	1,729
Other	71,940	27,814	99,754
Total Cash Disbursements	325,628	401,467	727,095
Cash Receipts Over/(Under) Cash Disbursements	25,960	(5,439)	20,521
Other Financing Sources/(Uses):			
Advances-In	6,600	4,600	11,200
Advances-Out	(4,600)	(6,600)	(11,200)
Total Other Financing Sources/(Uses)	2,000	(2,000)	-
Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements and Other Financing Uses	27,960	(7,439)	20,521
Fund Balance, January 1, 2003	71,125	90,041	161,166
Fund Balance, December 31, 2003	\$ 99,085	\$ 82,602	\$ 181,687

See accompanying Notes to the Financial Statements.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For the Years Ended December 31, 2004 & 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Ashland County District Board of Health, Ashland County, Ohio, (the District) is a body politic and corporate 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 six-member Board of Trustees. An appointed Health Commissioner is responsible for administering the laws relating to health and sanitation in the County. Services provided by the Health Department include recording of vital statistics; inspecting food service facilities, water wells, sewers; public health nursing services; and acting upon various complaints made to the department concerning the health and welfare of the County.

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 they are earned. Disbursements are recognized when they are paid rather than when a liability is incurred.

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 that is 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.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For the Years Ended December 31, 2004 & 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. FUND ACCOUNTING - (continued)

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 has the following significant Special Revenue Fund:

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

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. Estimated resources are required to be certified to the Ashland County Auditor and by him submitted to the Ashland County Budget Commission for approval.

3. Encumbrances

District reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year.

Encumbrances are purchase orders, contracts and other commitments for the expenditure of monies that are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain with Board policy.

A summary of 2004 and 2003 budgetary activities appears in Note 2.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For the Years Ended December 31, 2004 & 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F. PROPERTY, PLANT AND EQUIPMENT

Acquisitions of property, plant and equipment are recorded as capital outlay 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 District's basis of accounting.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 & 2003 is as follows:

2004 Budgeted vs. Actual Receipts				
Fund Type	Budgeted Receipts	Actual Receipts	Variance	
General	\$ 381,044	\$ 380,861	\$	(183)
Special Revenue	465,930	413,421	\$	(52,509)
Total	\$ 846,974	\$ 794,282	\$	(52,692)

2004 Budgeted vs. Actual Budgetary Basis Expenditures				
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance	
General	\$ 357,322	\$ 345,107	\$	12,215
Special Revenue	525,391	429,458	\$	95,933
Total	\$ 882,713	\$ 774,565	\$	108,148

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For the Years Ended December 31, 2004 & 2003**

2. BUDGETARY ACTIVITY - (continued)

2003 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 340,291	\$ 358,188	\$ 17,897
Special Revenue	410,528	400,628	(9,900)
Total	\$ 750,819	\$ 758,816	\$ 7,997

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 331,333	\$ 330,228	\$ 1,105
Special Revenue	485,000	408,067	76,933
Total	\$ 816,333	\$ 738,295	\$ 78,038

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Ashland County Auditor acts as fiscal agent for the Board, and the Ashland County Treasurer maintains a cash pool used by all County funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash on deposit with the fiscal agent at December 31 follows:

	<u>2004</u>	<u>2003</u>
Demand Deposits	<u>\$201,404</u>	<u>\$181,687</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the rates are adopted by the Board of Trustees. 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 financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property within the District.

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.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For the Years Ended December 31, 2004 & 2003**

5. RETIREMENT SYSTEMS

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2004 and 2003, OPERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries for 2004 and 2003. The District has paid all contributions required through December 31, 2004.

6. RISK POOL MEMBERSHIP

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Comprehensive crime coverage

The District also provides health insurance coverage through a private carrier to full-time employees.

Casualty Insurance

PEP retains casualty risk up to \$250,000 per claim, including automobile loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in aggregate per years. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per years, subject to a per-claim limit of \$2,000,000.

Property Insurance

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pay losses and loss adjustment expenses exceeding operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For the Years Ended December 31, 2004 & 2003**

6. RISK POOL MEMBERSHIP - (continued)

Financial Position

PEP's financial statement (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2004 & 2003 and 2003 (the latest information available):

<u>Casualty Insurance</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,547,049	\$25,288,098
Liabilities	<u>(16,989,918)</u>	<u>(12,872,985)</u>
Retained Earnings	<u>\$13,557,131</u>	<u>\$12,415,113</u>
<u>Property Insurance</u>	<u>2004</u>	<u>2003</u>
Assets	\$3,652,970	\$3,158,813
Liabilities	<u>(544,771)</u>	<u>(792,061)</u>
Retained Earnings	<u>\$3,108,199</u>	<u>\$2,366,752</u>

The District also provides health insurance, dental, and vision coverage to full-time employees through a private carrier.

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.

8. COMPLIANCE

Contrary to Ohio Revised Code Section 5705.39, the District had appropriations exceeding total estimated resources in the following funds: Public Health Nursing Fund, County School Nurse Fund, City School Nurse Fund and WIC Fund.

Contrary to Ohio Revised Code Section 5705.41, the District did not certify 20 out of 60 expenditures tested during the audit period.

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Ashland County District Board of Health
Ashland County
110 College Street
Ashland, Ohio 44805

We have audited the financial statements of Ashland County District Board of Health, Ashland County, Ohio (District) as of and for the years ended December 31, 2004 & 2003, and have issued our report thereon dated January 19, 2006, wherein we noted the District followed accounting practices the Auditor of State prescribes 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 an opinion on the internal control over financial reporting. Our consideration of internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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 matter 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 January 19, 2006.

Compliance and Other Matters

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, grant agreements and other matters, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the Schedule of Findings as items 2004-ACBOH-01 and 2004-ACBOH-02. We also noted other matters involving compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 19, 2006.

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

Charles E. Harris and Associates, Inc.

January 19, 2006

ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY
December 31, 2004 and 2003

SCHEDULE OF FINDINGS

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2004-ACBOH-01

Ohio Rev. Code Section 5705.41 (D) states no order or contract 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 encumbrances. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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

1. **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 he is completing his 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.

Amounts of less than \$100 for counties, or less than \$1,000 (\$3,000 in 2003) for other political subdivisions, 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.

2. **Blanket Certificate –** Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months). The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket Certificate –** The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most profession services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY
December 31, 2004 and 2003**

SCHEDULE OF FINDINGS – (continued)

During the audit period 20 out of 60 expenditures were not properly certified prior to receiving the invoice. Also, two expenditures did not have a purchase order. We recommend that the District institute the use of purchase orders for any expenditure to be made and certify expenditures prior to incurring the liability. In instances where prior certification is not practical, we recommend the issuance of a “Then and Now” certificate.

Management agrees and will implement procedures to properly certify expenditures.

FINDING NUMBER 2004-ACBOH-02

Ohio Rev. Code Section 3709.28 states that the board of health of a general health district shall, annually, on or before the first Monday of April, adopt an itemized appropriation measure. The appropriation measure, together with an estimate in itemized form, of the several sources of revenue available to the district, including the amount due from the state for the next fiscal year as provided in section 3709.32 of the Revised Code and the amount which the board anticipates will be collected in fees during the next ensuing fiscal year, shall be certified to the county auditor and by the county auditor submitted to the county budget commission which may reduce any item in such appropriation measure but may not increase any item or the aggregate of all items.

During the year ended December 31, 2004, the following funds' appropriations exceeded total estimated resources:

Special Revenue Funds
Public Health Nursing Fund
County School Nurse Fund
City School Nurse Fund
WIC Fund

During the year ended December 31, 2003, the following funds' appropriations exceeded total estimated resources:

Special Revenue Funds
Public Health Nursing Fund
County School Nurse Fund
City School Nurse Fund
WIC Fund

The Board of Health should monitor appropriations versus estimated resources to help avoid overspending. Management agrees and will monitor appropriations.

**ASHLAND COUNTY DISTRICT BOARD OF HEALTH
ASHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 & 2003**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2002-60503-001	The District did not properly certify expenditures with the Ashland County Auditor.	No	Not Corrected-See Finding 2005- ACBOH-01



**Auditor of State
Betty Montgomery**

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DISTRICT BOARD OF HEALTH

ASHLAND 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
APRIL 4, 2006**