



Mary Taylor, CPA  
Auditor of State



HIGHLAND COUNTY GENERAL HEALTH DISTRICT  
HIGHLAND COUNTY

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# Mary Taylor, CPA

Auditor of State

Highland County General Health District  
Highland County  
1487 North High  
Suite 400  
Hillsboro, Ohio 45133

To Members of the Board:

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 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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

October 11, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Highland County General Health District  
Highland County  
1487 North High  
Suite 400  
Hillsboro, Ohio 45133

To Members of the Board:

We have audited the accompanying financial statements of Highland County General Health District, Highland County, Ohio (the District), as of and for the years ended December 31, 2006 and 2005. 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 governments 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, 2006 and 2005 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, 2006 and 2005, 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 Highland County General Health District, Highland County, Ohio, as of December 31, 2006 and 2005, 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 11, 2007, 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.



**Mary Taylor, CPA**  
Auditor of State

October 11, 2007



**HIGHLAND COUNTY GENERAL HEALTH DISTRICT  
HIGHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Intergovernmental	\$682,419	\$0	\$0	\$682,419
Inspection fees	51,120	0	0	51,120
Permits	80,915	15,964	0	96,879
Other fees	131,521	1,496	0	133,017
Licenses	450	79,836	0	80,286
Contractual services	25,473	0	0	25,473
Other receipts	29,265	0	0	29,265
<b>Total Cash Receipts</b>	<u>1,001,163</u>	<u>97,296</u>	<u>0</u>	<u>1,098,459</u>
<b>Cash Disbursements:</b>				
Salaries	591,673	49,780	0	641,453
Supplies	39,935	40	0	39,975
Remittances to State	43,689	11,489	0	55,178
Equipment	7,785	0	0	7,785
Contracts - Repair	3,233	0	0	3,233
Contracts - Services	21,543	0	0	21,543
Rentals	30,350	0	0	30,350
Travel	29,255	2,108	0	31,363
Tuition	6,110	0	0	6,110
Insurance	11,525	0	0	11,525
Advertising and printing	1,070	0	0	1,070
Public employee's retirement	111,396	6,820	0	118,216
Worker's compensation	9,809	845	0	10,654
Other	57,395	2,555	0	59,950
<b>Debt Service:</b>				
Principal	0	0	16,241	16,241
Interest	0	0	8,602	8,602
<b>Total Disbursements</b>	<u>964,768</u>	<u>73,637</u>	<u>24,843</u>	<u>1,063,248</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>36,395</u>	<u>23,659</u>	<u>(24,843)</u>	<u>35,211</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	0	0	24,843	24,843
Transfers-Out	(24,843)	0	0	(24,843)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(24,843)</u>	<u>0</u>	<u>24,843</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	11,552	23,659	0	35,211
<b>Fund Cash Balances, January 1</b>	<u>201,983</u>	<u>19,615</u>	<u>314</u>	<u>221,912</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$213,535</b></u>	<u><b>\$43,274</b></u>	<u><b>\$314</b></u>	<u><b>\$257,123</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$1,709</b></u>	<u><b>\$29</b></u>	<u><b>\$0</b></u>	<u><b>\$1,738</b></u>

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

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT  
HIGHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Intergovernmental	\$672,305	\$0	\$0	\$672,305
Inspection fees	38,415	0	0	38,415
Permits	75,740	13,910	0	89,650
Other fees	127,630	1,301	0	128,931
Licenses	390	67,284	0	67,674
Contractual services	27,750	0	0	27,750
Other receipts	16,567	0	0	16,567
<b>Total Cash Receipts</b>	<b>958,797</b>	<b>82,495</b>	<b>0</b>	<b>1,041,292</b>
<b>Cash Disbursements:</b>				
Salaries	567,745	61,720	0	629,465
Supplies	48,564	79	0	48,643
Remittances to State	14,383	11,729	0	26,112
Equipment	44,783	0	0	44,783
Contracts - Repair	4,700	0	0	4,700
Contracts - Services	11,486	0	0	11,486
Rentals	26,950	0	0	26,950
Travel	29,099	4,046	0	33,145
Tuition	23,832	0	0	23,832
Insurance	12,334	0	0	12,334
Advertising and printing	2,072	0	0	2,072
Public employee's retirement	104,710	8,790	0	113,500
Worker's compensation	7,767	670	0	8,437
Other	74,591	1,045	0	75,636
<b>Debt Service:</b>				
Principal	0	0	15,688	15,688
Interest	0	0	9,155	9,155
<b>Total Disbursements</b>	<b>973,016</b>	<b>88,079</b>	<b>24,843</b>	<b>1,085,938</b>
<b>Total Receipts (Under) Disbursements</b>	<b>(14,219)</b>	<b>(5,584)</b>	<b>(24,843)</b>	<b>(44,646)</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	0	200	0	200
Transfers-Out	(200)	0	0	(200)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(200)</b>	<b>200</b>	<b>0</b>	<b>0</b>
<b>Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements</b>	<b>(14,419)</b>	<b>(5,384)</b>	<b>(24,843)</b>	<b>(44,646)</b>
<b>Fund Cash Balances, January 1</b>	<b>216,402</b>	<b>24,999</b>	<b>25,157</b>	<b>266,558</b>
<b>Fund Cash Balances, December 31</b>	<b>\$201,983</b>	<b>\$19,615</b>	<b>\$314</b>	<b>\$221,912</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$2,658</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,658</b>

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

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT  
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**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 Highland County General Health District, Highland County, Ohio (the District), as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The Board is appointed by the Highland County Health District Advisory Council which consists of representatives of Highland County Villages, Cities, Townships, and Highland County Commissioners. 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 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 adequately disclose material matters the Auditor of State's accounting basis requires.

**C. Cash**

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The County's cash and investment pool holds the District's assets, 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 accounts for all financial resources except those restricted by law or contract.

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT  
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

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

**2. Special Revenue Funds**

These funds 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:

*Restaurant* – This fund receives receipts for licenses for food establishments and food service operations.

*Private Water Fund* – This fund receives receipts for permits for private water and household sewage disposal systems.

**3. Debt Service Fund**

This fund is used to account for the accumulation of resources for and the payment of principal, interest and related costs.

**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 fund, function or object 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.

A summary of 2006 and 2005 budgetary activity appears in Note 2.

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

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

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT  
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**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. The financial statements do not include a liability for unpaid leave.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2006 and 2005 follows:

**2006 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$968,402	\$1,001,163	\$32,761
Special Revenue	89,263	97,296	8,033
Debt Service	24,528	24,843	315
Total	<u>\$1,082,193</u>	<u>\$1,123,302</u>	<u>\$41,109</u>

**2006 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,058,171	\$991,320	\$66,851
Special Revenue	104,163	73,666	30,497
Debt Service	24,843	24,843	0
Total	<u>\$1,187,177</u>	<u>\$1,089,829</u>	<u>\$97,348</u>

**2005 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$898,128	\$958,797	\$60,669
Special Revenue	76,447	82,695	6,248
Total	<u>\$974,575</u>	<u>\$1,041,492</u>	<u>\$66,917</u>

**2005 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,066,408	\$976,074	\$90,334
Special Revenue	99,447	88,079	11,368
Debt Service	25,157	24,843	314
Total	<u>\$1,191,012</u>	<u>\$1,088,996</u>	<u>\$102,016</u>

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT  
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**3. INTERGOVERNMENTAL FUNDING**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

The County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide the District with sufficient funds for health programs. The levy generated \$452,609 in 2006 and \$436,056 in 2005. The financial statements present these amounts as intergovernmental receipts.

**4. RETIREMENT SYSTEM**

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

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9 percent and 8.5 percent of their gross salaries respectively. The District contributed an amount equal to 13.7 percent and 13.55 percent of participants' gross salaries respectively. The District has paid all contributions required through December 31, 2006.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

**6. DEBT**

In May 2003, the Highland County Commissioners issued \$288,000 in Building Improvement Notes for assisting the Health District in the renovation of office space. The notes are general obligations of Highland County (the County) and are backed by the full faith and credit of the County. The District has agreed to pay the debt service on the notes from general revenues, however currently there is no formal written agreement between the two parties.

At December 31, 2006 the District owed a total of \$233,537 in principal on the Building Improvement Notes issued by the Highland County Commissioners.



# 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*

Highland County General Health District  
Highland County  
1487 North High  
Suite 400  
Hillsboro, Ohio 45133

To the Members of the Board:

We have audited the financial statements of the Highland County General Health District, Highland County, Ohio (the District), as of and for the year ended December 31, 2006 and 2005, and have issued our report thereon dated October 11, 2007, wherein we noted the District followed 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 expressing our opinion on the financial statements, but not to opine 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2006-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We do not believe the significant deficiency described above is a material weaknesses.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated October 11, 2007.

### **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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2006-001.

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



**Mary Taylor, CPA**  
Auditor of State

October 11, 2007



HIGHLAND COUNTY GENERAL HEALTH DISTRICT  
HIGHLAND COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005

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

FINDING NUMBER 2006-001

**Noncompliance and Significant Deficiency**

Ohio Rev. Code, Section 5705.41 (D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation 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. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that 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 District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance 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 District.

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 professional 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.

**FINDING NUMBER 2006-001  
(Continued)**

Contrary to the above requirement, the availability of funds was not certified for 7% of the items tested. Failure to certify the availability of funds and encumber appropriations can result in overspending funds and negative cash balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the fiscal officer certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible, "then and now" certification should be used.

We recommend that District certify purchase to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the District incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**Officials' Response:** We did not receive a response from Officials to the finding reported above.

**HIGHLAND COUNTY GENERAL HEALTH DISTRICT  
HIGHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2006 AND 2005**

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>
2004-001	Revised Code § 5705.41(d), failure to encumber funds	No	Not Corrected. Reissued as Finding 2006-001.
2004-002	Appropriations exceeded Estimated Resources	Yes	Fully Corrected





**Mary Taylor, CPA**  
Auditor of State

**GENERAL HEALTH DISTRICT**

**HIGHLAND 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 8, 2007**