

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY
Regular Audit
December 31, 2007 and 2006**



Mary Taylor, CPA

Auditor of State

Members of the Board
Holmes County General Health District
931 Wooster Road
Millersburg, Ohio 44654

We have reviewed the *Independent Accountants' Report* of the Holmes County General Health District, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2006 through December 31, 2007. 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 *Independent Accountants' Report* 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 *Independent Accountants' Report* 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 Holmes County General Health District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 27, 2008

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**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

April 25, 2008

Holmes County General Health District
Holmes County
931 Wooster Road
Millersburg, OH 44654

To the Members of the Board:

We have audited the accompanying financial statements of **Holmes County General Health District, Holmes County, Ohio**, (the District) as of and for the years ended December 31, 2007 and 2006. 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 the State permits, but does not require 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, 2007 and 2006 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, 2007 and 2006 or their 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 Holmes County General Health District, Holmes County, as of December 31, 2007 and 2006, 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 years ended December 31, 2007 and 2006. The Government 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 April 25, 2008, 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.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**DISTRICT BOARD OF HEALTH
HOLMES COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Subsidies	\$ 155,877	\$ 135,554	\$ 291,431
Contracts	26,000	42,211	68,211
Grants	2,923	763,038	765,961
Fees, Licenses and Permits	72,098	1,199,411	1,271,509
Interest	-	22,413	22,413
Reimbursed Costs	4,623	2,755	7,378
Donations	169	60,259	60,428
Other	70,275	7,028	77,303
	<u>331,965</u>	<u>2,232,669</u>	<u>2,564,634</u>
Total Cash Receipts			
	<u>331,965</u>	<u>2,232,669</u>	<u>2,564,634</u>
Cash Disbursements:			
Personnel	203,671	1,650,456	1,854,127
Travel/Conference	8,893	54,266	63,159
Supplies	21,012	117,318	138,330
Hospice	-	206,586	206,586
Other Expenses	55,836	109,623	165,459
Equipment	10,239	33,735	43,974
Office Space Costs	52,080	4,290	56,370
	<u>351,731</u>	<u>2,176,274</u>	<u>2,528,005</u>
Total Cash Disbursements			
	<u>351,731</u>	<u>2,176,274</u>	<u>2,528,005</u>
Total Cash Receipts Over/(Under) Disbursements	<u>(19,766)</u>	<u>56,395</u>	<u>36,629</u>
Other Financing Receipts and (Disbursements):			
Transfers-In	-	11,198	11,198
Transfers-Out	(11,198)	-	(11,198)
	<u>(11,198)</u>	<u>11,198</u>	<u>-</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(11,198)</u>	<u>11,198</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(30,964)</u>	<u>67,593</u>	<u>36,629</u>
Fund Cash Balances, January 1	<u>52,580</u>	<u>1,123,178</u>	<u>1,175,758</u>
Fund Cash Balances, December 31	<u><u>\$ 21,616</u></u>	<u><u>\$ 1,190,771</u></u>	<u><u>\$ 1,212,387</u></u>

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

**DISTRICT BOARD OF HEALTH
HOLMES COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Subsidies	\$ 154,152	\$ 79,500	\$ 233,652
Contracts	5,454	57,199	62,653
Grants	-	668,960	668,960
Fees, Licenses and Permits	88,291	1,497,153	1,585,444
Interest	-	20,358	20,358
Reimbursed Costs	15,214	3,498	18,712
Donations	-	80,952	80,952
Other	74,379	11,148	85,527
	<u>337,490</u>	<u>2,418,768</u>	<u>2,756,258</u>
Total Cash Receipts			
	<u>337,490</u>	<u>2,418,768</u>	<u>2,756,258</u>
Cash Disbursements:			
Personnel	149,440	1,619,170	1,768,610
Travel/Conference	5,369	49,039	54,408
Supplies	23,147	108,361	131,508
Hospice	-	292,816	292,816
Other Expenses	49,396	126,500	175,896
Equipment	2,992	78,020	81,012
Office Space Costs	46,536	7,317	53,853
Grant Refund	-	645	645
	<u>276,880</u>	<u>2,281,868</u>	<u>2,558,748</u>
Total Cash Disbursements			
	<u>276,880</u>	<u>2,281,868</u>	<u>2,558,748</u>
Total Cash Receipts Over/(Under) Disbursements	<u>60,610</u>	<u>136,900</u>	<u>197,510</u>
Other Financing Receipts and (Disbursements):			
Transfers-In	-	28,657	28,657
Transfers-Out	(28,657)	-	(28,657)
	<u>(28,657)</u>	<u>28,657</u>	<u>-</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(28,657)</u>	<u>28,657</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>31,953</u>	<u>165,557</u>	<u>197,510</u>
Fund Cash Balances, January 1	<u>20,627</u>	<u>957,621</u>	<u>978,248</u>
Fund Cash Balances, December 31	<u>\$ 52,580</u>	<u>\$ 1,123,178</u>	<u>\$ 1,175,758</u>

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

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Holmes County General Health District, Holmes County, Ohio, (the District) is a body corporate and politic established under Ohio Revised Code § 3709.01, for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under the direction of a five-member appointed board and appointed health commissioner. Services provided by the District include referrals to Bureau of Crippled Children Services Program, communicable disease investigations, immunization clinics, tuberculosis screening, home visits, hospice care, various licenses and permits, including inspections, birth certificates and related services.

As health districts are structured in Ohio, the County Auditor and County Treasurer serve, respectively, as fiscal officer and custodian of funds for the District. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments. As the custodian of public funds, the County Treasurer invests District monies held on deposit in the County Treasury.

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 and Investments

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:

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

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 has the following significant Special Revenue Funds:

Hospice Fund - This fund receives charges for services money for providing hospice care to county residents.

Hospice Endowment Fund - This fund receives excess money from hospice operating fund (if any), estate taxes and donations for investing to ensure the continuation of the hospice 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, function, and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 in the subsequent year.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

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 Unpaid Vacation and Sick Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Accumulated unpaid vacation and sick leave are not accrued under the cash basis of accounting described in Note 1. All leave will either be absorbed by time off from work or, within certain limitations, be paid to the employees.

2. EQUITY IN POOLED CASH

The Holmes County Auditor serves as fiscal agent for the District and the investments of County funds, including District funds, is determined by the Holmes County Treasurer. By law, investment control over investments is handled by the County Treasurer.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 348,384	\$ 331,965	\$ (16,419)
Special Revenue	2,418,961	2,243,867	(175,094)
Total	\$ 2,767,345	\$ 2,575,832	\$ (191,513)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 365,947	\$ 362,929	\$ 3,018
Special Revenue	2,437,674	2,176,274	261,400
Total	\$ 2,803,621	\$ 2,539,203	\$ 264,418

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 321,792	\$ 337,490	\$ 15,698
Special Revenue	2,519,809	2,447,425	(72,384)
Total	\$ 2,841,601	\$ 2,784,915	\$ (56,686)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 313,885	\$ 305,537	\$ 8,348
Special Revenue	2,501,607	2,281,868	219,739
Total	\$ 2,815,492	\$ 2,587,405	\$ 228,087

Contrary to ORC Section 3709.28 several funds had appropriations exceeding estimated resources in 2007 and one in 2006.

Contrary to ORC Section 5705.41 (D) several funds had expenditures exceeding appropriations in 2007 and 2006.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. RETIREMENT SYSTEMS

The District's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-employer plan. This plan provides retirement benefits, including post retirement 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 2007 and 2006, members of PERS contributed 9.5% (2007) and 9% (2006) of their gross salaries. The District contributed an amount equal to 13.85% (2007) and 13.7% (2006) of participants' gross salaries. The District has paid all contributions required through December 31, 2007.

5. RISK MANAGEMENT

The Board of County Commissioners of Holmes County and the District Board of Health maintain comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured. The District also provides health and life insurance to its employees through private carrier.

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on management's prior experience, management believes such refunds, if any, would not be material.

Perry & Associates
Certified Public Accountants, A.C.

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

April 25, 2008

Holmes County General Health District
Holmes County
931 Wooster Road
Millersburg, OH 44654

To the Members of the Board:

We have audited the financial statements of **Holmes County General Health District, Holmes County**, (the District) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated April 25, 2008, 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 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 opinions 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 the 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 considered significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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.

Internal Control Over Financial Reporting (Continued)

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 through 2007-003.

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 believe none of the significant deficiencies described above are material weaknesses.

We also noted several internal control matters that we reported to the District's management in a separate letter dated April 25, 2008.

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2007-002 through 2007-003.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Significant Deficiency

Negative Fund Balance

The District had several funds with a negative fund balance during 2007 and 2006.

A negative cash fund balance is an indication that revenues from other sources were used to pay obligations of these funds. Fund activity should be monitored by the Director to prevent future expenditures in excess of available resources. In those cases where additional funds are required, the resources should either be transferred or advanced to the fund in accordance with the Ohio Revised Code.

Management's Response – We are committed to having all our funds with a positive cash fund balance. However, this is most difficult with the grants which are reimbursable. We have contacted the Auditor of State's Office to seek advice regarding the grant funds. We anticipate a response in the next several weeks.

FINDING NUMBER 2007-002

Noncompliance Citation/Significant Deficiency

Ohio Rev. Code § 3709.28 provides in part, that the District's Board of Health's total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure, as certified by the County Auditor and approved by the County Budget Commission. In addition, no appropriations measure shall become effective until the District files a certificate that the total appropriations from each fund, taken together with all outstanding appropriations, do not exceed the total official estimate or amended official estimate.

The appropriations exceeded that total estimated resources for 2007 in the Help Me Grow, WIC Administration Grant, Safe Community Grant Wayne County, Safe Community Grant Holmes County, IAP Grant and PHI Grant Funds and in 2006 the IAP Grant Fund.

We recommend the Director obtain a certificate from the County Auditor stating that the total appropriations do not exceed the total estimated resources whenever an amendment is made to the original appropriation measure.

Management's Response – The funds in question for this finding are all grant funds which have different cycles than the calendar year. As a result, it is difficult to average the expenses that we have for the calendar year. We will address this concern with our county agent, who serves as our fiscal agent.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-003

Noncompliance Citation/Significant Deficiency

Ohio Revised Code § 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. 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 taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority 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 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. 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 entity 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. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

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

FINDING NUMBER 2007-003 (Continued)

Noncompliance Citation/Significant Deficiency

Actual disbursements exceeded appropriations in 2007 in the CFHS Grant, Family Planning Grant, Help Me Grow and IAP Grant Funds and 2006 in the Sewage, Clinic, Water, Solid Waste, Food Service, Family Planning Grant, CFHS Grant, Help Me Grow and IAP Grant Funds.

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 Clerk certify that the funds are or will be available prior to an obligation being incurred by the District. When prior certification is not possible, "then and now" certification should be used.

Management's Response – The Board of Health will continue to monitor the appropriations and modify the appropriations by board action. The incidents that were noted were oversights that do not reflect the efforts that have been made in the past to comply with this requirement.



Mary Taylor, CPA
Auditor of State

GENERAL HEALTH DISTRICT

HOLMES 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
JULY 15, 2008**