



Mary Taylor, CPA
Auditor of State

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

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Mary Taylor, CPA
Auditor of State

Combined General Health District
Jackson County
200 Main Street
Jackson, Ohio 45640

To the 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 adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 9, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Combined General Health District
Jackson County
200 Main Street
Jackson, Ohio 45640

To the Members of the Board:

We have audited the accompanying financial statements of the Combined General Health District, Jackson County, Ohio (the District), as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 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, 2008 and December 31, 2007 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 of the Combined General Health District, Jackson County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As discussed in Note 8 to the financial statements, the District has reported a December 31, 2007 General Fund cash deficit of \$50,336 and a December 31, 2008 General Fund cash deficit of \$107,540. Management's actions are described in Note 9.

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 November 9, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Mary Taylor, CPA
Auditor of State

November 9, 2009

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$350,155	\$114,666	\$464,821
Permits		550	550
Other Fees	51,261	127,401	178,662
Licenses		61,245	61,245
Contractual Services	116,883	404,709	521,592
Miscellaneous	17,703	6,382	24,085
	<u>536,002</u>	<u>714,953</u>	<u>1,250,955</u>
Total Cash Receipts			
	<u>536,002</u>	<u>714,953</u>	<u>1,250,955</u>
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	380,568	375,868	756,436
Fringe Benefits	90,841	107,329	198,170
Supplies	34,446	11,460	45,906
Remittances to State		64,450	64,450
Contracts - Services	10,000	22,099	32,099
Travel	16,149	18,640	34,789
Other	61,627	69,966	131,593
	<u>593,631</u>	<u>669,812</u>	<u>1,263,443</u>
Total Cash Disbursements			
	<u>593,631</u>	<u>669,812</u>	<u>1,263,443</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(57,629)</u>	<u>45,141</u>	<u>(12,488)</u>
Other Financing Receipts/(Disbursements):			
Other Financing Receipts	425	326	751
	<u>425</u>	<u>326</u>	<u>751</u>
Total Other Financing Receipts/(Disbursements)			
	<u>425</u>	<u>326</u>	<u>751</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(57,204)</u>	<u>45,467</u>	<u>(11,737)</u>
Fund Cash Balances, January 1	<u>(50,336)</u>	<u>62,337</u>	<u>12,001</u>
Fund Cash Balances, December 31	<u>(\$107,540)</u>	<u>\$107,804</u>	<u>\$264</u>

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

**COMBINED GENERAL HEALTH DISTRICT
JACKSON 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:			
Intergovernmental	\$325,550	\$87,807	\$413,357
Permits		735	735
Other Fees	46,425	137,472	183,897
Licenses		60,500	60,500
Fines		150	150
Contractual Services	127,567	363,064	490,631
Miscellaneous	24,661	2,812	27,473
	<u>524,203</u>	<u>652,540</u>	<u>1,176,743</u>
Total Cash Receipts			
	<u>524,203</u>	<u>652,540</u>	<u>1,176,743</u>
Cash Disbursements:			
Current Disbursements:			
Health:			
Salaries	379,413	361,582	740,995
Fringe Benefits	99,693	121,581	221,274
Supplies	32,887	16,355	49,242
Remittances to State		63,817	63,817
Equipment	1,992	2,293	4,285
Contracts - Services	9,988	25,717	35,705
Travel	15,475	19,750	35,225
Other	51,172	89,129	140,301
	<u>590,620</u>	<u>700,224</u>	<u>1,290,844</u>
Total Cash Disbursements			
	<u>590,620</u>	<u>700,224</u>	<u>1,290,844</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(66,417)</u>	<u>(47,684)</u>	<u>(114,101)</u>
Other Financing Receipts/(Disbursements):			
Other Financing Receipts	574	461	1,035
	<u>574</u>	<u>461</u>	<u>1,035</u>
Total Other Financing Receipts/(Disbursements)			
	<u>574</u>	<u>461</u>	<u>1,035</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(65,843)	(47,223)	(113,066)
Fund Cash Balances, January 1	15,507	109,560	125,067
	<u>15,507</u>	<u>109,560</u>	<u>125,067</u>
Fund Cash Balances, December 31	<u>(\$50,336)</u>	<u>\$62,337</u>	<u>\$12,001</u>

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

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Combined General Health District, Jackson County (the District), as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, and issues health-related licenses and permits.

Additionally, the District serves as the administrative agent for the Jackson County Family and Children First Council.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

As required by the Ohio Revised Code, the Jackson County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Help Me Grow (HMG) Fund - This fund receives monies for providing contractual services to qualifying clients of the Jackson County Family and Children First.

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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 level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2008 and 2007 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.

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 ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$690,609	\$536,427	(\$154,182)
Special Revenue	743,218	715,279	(27,939)
Total	\$1,433,827	\$1,251,706	(\$182,121)

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$640,273	\$593,631	\$46,642
Special Revenue	805,505	669,812	135,693
Total	\$1,445,778	\$1,263,443	\$182,335

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$570,209	\$524,777	(\$45,432)
Special Revenue	662,635	653,001	(9,634)
Total	\$1,232,844	\$1,177,778	(\$55,066)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$585,716	\$590,620	(\$4,904)
Special Revenue	770,195	700,224	69,971
Total	\$1,355,911	\$1,290,844	\$65,067

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 \$190,346 in 2008 and \$207,325 in 2007. The financial statements present these amounts as Intergovernmental Receipts.

4. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10.0% and 9.5% respectively, of their gross salaries and the District contributed an amount equaling 14.0% and 13.85%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2008.

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

5. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

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

6. Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

7. Related Party Transactions

The Executive Director of the Gallia, Jackson, Meigs Solid Waste District was appointed to the Board of Health by the licensing council in April 2002. The Solid Waste District provided \$25,000 in 2008 and \$25,000 in 2007 in financial assistance for the solid waste landfill licensing and inspection activities according to a contract between the Jackson County Combined Health District and the Solid Waste District entered into prior to April 2002. The Executive Director's term on the Board ended March 31, 2007. The Executive Director currently serves as an alternate on the Board.

8. Deficit Fund Balances

At December 31, 2007 the District's General Fund had a deficit fund balance of \$50,336. At December 31, 2008, the General Fund had a deficit fund balance of \$107,540. As of October 31, 2009, the General Fund had an unaudited deficit fund balance of \$170,628.

9. Subsequent Events

After the audit period, the District was notified of a reduction in Help Me Grow funding from the state. For this reason, as well as the already deficit General Fund balance, the District began implementing a reduced work week for all employees and laid off three Help Me Grow employees. The District also had two employees retire that were not replaced. The District also placed a tax levy on the November general election ballot, which was defeated.



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*

Combined General Health District
Jackson County
200 East Main Street
Jackson, Ohio 45640

To the Members of the Board:

We have audited the financial statements of the Combined General Health District, Jackson County, Ohio (the District), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated November 9, 2009, 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 also noted the District has reported a December 31, 2007 General Fund cash deficit of \$50,336 and a December 31, 2008 General Fund cash deficit of \$107,540. 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 certain deficiencies in internal control over financial reporting that we consider 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.

We consider findings 2008-001 through 2008-003 described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

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.

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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. Of the significant deficiencies described above, we believe findings number 2008-001 through 2008-003 are also material weaknesses.

We also noted a certain internal control matter that we reported to the District's management in a separate letter dated November 9, 2009.

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 matter that we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2008-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 9, 2009.

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.

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



Mary Taylor, CPA
Auditor of State

November 9, 2009

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Noncompliance Citation/Material Weakness

Auditor of State Bulletin 97-003 provides guidance on the legality and accounting treatment of inter-fund cash advances. Advances may be an effective method of resolving cash flow problems without incurring additional interest expense from short-term loans and to provide the necessary funding for reimbursable grants.

Inter-fund cash advances are subject to the following requirements:

1. Advances must be clearly labeled as such and distinguished from a transfer. Advances are intended to temporarily reallocate cash from one fund to another and involve an expectation of repayment. Transfers are intended to permanently reallocate cash between funds and are governed by Ohio Rev. Code Sections 5705.14 to 5705.16.
2. In order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash ("creditor" fund) for the same purpose for which the fund receiving the cash ("debtor" fund) was established.
3. The reimbursement from the debtor fund to the creditor fund must not violate any restrictions on the use of the money to be used to make the reimbursement, and
4. Advances must be approved by formal resolution of the District Board.

The District approved an inter-fund cash advance from the Solid Waste Fund as well as an advance from the Family and Children First Council (FCFC) General Fund (the District is administrative agent for the FCFC) to the Board of Health General Fund, Food Service Fund, Sewage Treatment Fund and Public Health Infrastructure Fund in December 2007. These advances were repaid by the District in January 2008. The District also approved advances in December 2008 from Solid Waste Fund and Help Me Grow Fund to the General Fund, Food Service Fund, Sewage Treatment Fund and Construction/Demolition Fund. These advances were repaid by the District in January 2009.

As stated above, there must be statutory authority to use the money in the fund advancing the cash for the same purpose for which the fund receiving the cash was established. The audited financial statements have been adjusted to eliminate the advances and advance repayments in December 2007, January 2008 and December 2008.

When making inter-fund cash advances, we recommend the District Board review the Auditor of State Bulletin 97-003 and comply with the requirements set forth in the Bulletin.

Officials' Response:

The Health Commissioner, Accounting Manager and Board of Health review all fund balances monthly. Pending payments and collections are also reviewed monthly in order to get a complete understanding of the financial picture for the Health Department.

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)**

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

FINDING NUMBER 2008-002

Material Weakness

A review of fund balances indicated negative fund balances throughout the year as well as at year end. The deficit balances at December 31 are noted below.

<i>YEAR</i>	<i>Fund Number</i>	<i>Fund Name</i>	<i>Fund Balance</i>
2007	863	General	\$ (50,336)
	867	Food Service	(3,074)
	871	Sewage Treatment	(3,153)
	877	Public Health Infrastructure	(364)
2008	863	General	\$ (107,540)
	867	Food Service	(4,132)
	871	Sewage Treatment	(11,815)
	880	Construction/Demolition	(2,086)

As a result, a negative balance indicates that money from one fund was used to cover the expenses of another fund.

We recommend the Health Commissioner and the Board monitor fund balances monthly and take the appropriate steps to prevent funds from having negative balances.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2008-003

Material Weakness

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

As a result of the audit procedures performed, the following errors were noted in the financial statements for 2007 that required audit adjustment or reclassification:

- Homestead and Rollback receipts in the amount of \$25,105 were recorded as Miscellaneous Revenue instead of Intergovernmental Revenue in the General Fund.
- Intergovernmental receipts were recorded at net causing Intergovernmental Revenue and Other Expenditures to be understated by \$6,615 in the General Fund.
- Intergovernmental receipts in the amount of \$64,308 were recorded as Contract Services of \$44,164 and Miscellaneous Revenue of \$20,144 instead of Intergovernmental Revenue in the General Fund.

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2008-003 (Continued)

Material Weakness (Continued)

- Intergovernmental receipts of \$2,963 and Contract Services receipts of \$5,464 were incorrectly recorded as Miscellaneous Revenue in the General Fund.
- An Intergovernmental receipt in the amount of \$5,863 was incorrectly recorded in the Family and Children First Council's (FCFC) General Fund (an entity for which the District is the administrative agent) that should have been recorded in the District's General Fund and an Intergovernmental receipt in the amount of \$1,689 was incorrectly recorded in the District's Help Me Grow Fund that should have been recorded in the FCFC General Fund.
- Contract Services receipts were incorrectly recorded as Intergovernmental Revenue in the Help Me Grow Fund in the amount of \$338,064.
- Contract Services receipts were incorrectly recorded as Miscellaneous Revenue in the Solid Waste Fund in the amount of \$25,000.
- Other Fees of \$50 were incorrectly recorded as a Transfer In in the Sewage Treatment Fund.
- Expenditures in the Public Health Infrastructure Fund of \$105,924 were recorded as Project Disbursements rather than broken down into the categories of Salaries-\$57,825, Fringe Benefits-\$16,678, Supplies-\$1,765, Equipment-\$2,293, Contract-Services-\$10,000, Travel-\$1,192, and Other-\$16,171.
- Expenditures in the Help Me Grow Fund of \$353,536 were recorded as Project Disbursements rather than broken down into the categories of Salaries-\$218,179, Fringe Benefits-\$75,480, Supplies-\$13,427, Contract-Services-\$14,845, Travel-\$5,802, and Other-\$25,803.
- Illegal advances were made to the General Fund (recorded as Transfer In of \$58,000), Food Service Fund (recorded as Miscellaneous Revenue of \$3,100), Sewage Treatment Fund (recorded as Transfer In of \$3,635), and Public Health Infrastructure Fund (recorded as Other Financing Source of \$364) from the Solid Waste Fund (recorded as Transfer Out of \$37,099) and from the Family and Children First Council General Fund of \$28,000.

Also, as a result of the audit procedures performed, the following errors were noted in the financial statements for 2008 that required audit adjustment or reclassification:

- Intergovernmental receipts were recorded at net causing Intergovernmental Revenue and Other Expenditures to be understated by \$12,041 in the General Fund.
- Intergovernmental receipts in the amount of \$104,933 were recorded as Contract Services in the General Fund.
- A Transfer In from the FCFC General Fund was eliminated in the amount of \$5,863 to correct the error in posting in 2007 that was previously corrected in a 2007 audit adjustment.
- A Contract Services receipt in the amount of \$1,822 and a Miscellaneous receipt of \$25,000 was incorrectly recorded in the District's General Fund that should have been recorded in the FCFC General Fund.
- Contract Services receipts were incorrectly recorded in the Help Me Grow Fund as Intergovernmental Revenue in the amount of \$377,678 and Miscellaneous Revenue of \$2,031.
- Contract Services receipts were incorrectly recorded as Miscellaneous Revenue in the Solid Waste Fund in the amount of \$25,000.
- Expenditures in the Public Health Infrastructure Fund of \$95,696 were recorded as Project Disbursements rather than broken down into the categories of Salaries-\$53,073, Fringe Benefits-\$17,322, Supplies-\$1,234, Contract-Services-\$10,000, Travel-\$1,697, and Other-\$12,370.

**COMBINED GENERAL HEALTH DISTRICT
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2008-003 (Continued)

Material Weakness (Continued)

- Expenditures in the Help Me Grow Fund of \$335,530 were recorded as Project Disbursements rather than broken down into the categories of Salaries-\$234,744, Fringe Benefits-\$59,107, Supplies-\$9,154, Contract-Services-\$11,826, Travel-\$5,758, and Other-\$14,941.
- The repayments of the Illegal advances in 2007 were made from the General Fund (recorded as Other Expenditure of \$58,000), Food Service Fund (recorded as Other of \$3,100), Sewage Treatment Fund (recorded as Other of \$3,635), and Public Health Infrastructure Fund (recorded as Project Disbursements of \$364) to the Solid Waste Fund (recorded as Miscellaneous Revenue of \$37,099) and to the Family and Children First Council General Fund of \$28,000.
- Illegal advances were made to the General Fund (recorded as Transfer In of \$81,400), Food Service Fund (recorded as Miscellaneous Revenue of \$4,500), Sewage Treatment Fund (recorded as Transfer In of \$12,500), and Construction/Demolition Fund (recorded as Miscellaneous Revenue of \$2,100) from the Solid Waste Fund (recorded as Transfer Out of \$41,000) and the Help Me Grow Fund (recorded as Project Fund Disbursements of \$59,500).

To ensure the District's financial statements and notes to the financial statements are complete and accurate, the District should adopt policies and procedures, including a final review of the statements and notes by the District's management and Board Members, to identify and correct errors or omissions.

Officials' Response:

We did not receive a response from Officials to this finding.



Mary Taylor, CPA
Auditor of State

**COMBINED GENERAL HEALTH DISTRICT
JACKSON 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 24, 2009**