

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**Single Audit  
December 31, 2009**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Mary Taylor, CPA

Auditor of State

Board of Health  
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, 2009 through December 31, 2009. 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

May 28, 2010

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**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

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***Perry & Associates***  
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**INDEPENDENT ACCOUNTANTS' REPORT**

May 15, 2010

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 year ended December 31, 2009. 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 1B, 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 year ended December 31, 2009 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, 2009 or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Holmes County General Health District, Holmes County, as of December 31, 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1B 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 May 15, 2010, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
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, 2009**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Subsidies	\$ 218,814	\$ -	\$ 218,814
Contracts	27,000	38,389	65,389
Grants	5,000	663,246	668,246
Fees, Licenses and Permits	56,169	1,156,808	1,212,977
Interest	-	17,811	17,811
Reimbursed Costs	5,477	13,380	18,857
Donations	1,205	85,420	86,625
Other	61,983	28,193	90,176
	<u>375,648</u>	<u>2,003,247</u>	<u>2,378,895</u>
<b>Total Cash Receipts</b>			
	<u>375,648</u>	<u>2,003,247</u>	<u>2,378,895</u>
<b>Cash Disbursements:</b>			
Personnel	189,402	1,621,061	1,810,463
Travel/Conference	1,128	39,691	40,819
Supplies	13,620	122,296	135,916
Hospice	-	174,852	174,852
Other Expenses	39,997	97,810	137,807
Equipment	141	32,092	32,233
Office Space Costs	50,591	2,309	52,900
Grant Refund	-	3,181	3,181
	<u>294,879</u>	<u>2,093,292</u>	<u>2,388,171</u>
<b>Total Cash Disbursements</b>			
	<u>294,879</u>	<u>2,093,292</u>	<u>2,388,171</u>
<b>Total Cash Receipts Over/(Under) Disbursements</b>	<u>80,769</u>	<u>(90,045)</u>	<u>(9,276)</u>
<b>Other Financing Receipts and (Disbursements):</b>			
Transfers-In	-	4,010	4,010
Advances-In	840	46,857	47,697
Transfers-Out	(4,010)	-	(4,010)
Advances-Out	(41,067)	(6,630)	(47,697)
	<u>(44,237)</u>	<u>44,237</u>	<u>-</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
	<u>(44,237)</u>	<u>44,237</u>	<u>-</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	36,532	(45,808)	(9,276)
<b>Fund Cash Balances, January 1</b>	<u>1,419</u>	<u>1,024,373</u>	<u>1,025,792</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 37,951</b></u>	<u><b>\$ 978,565</b></u>	<u><b>\$ 1,016,516</b></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, 2009**

**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 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 Ohio Revised Code, the Holmes County Treasurer is custodian for the District's deposits. The District's assets are held in the County's deposits 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, 2009  
(Continued)**

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

**D. Fund Accounting (Continued)**

**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.

Women, Infants, and Children (WIC) Fund - This is a Federal grant fund accounts for the Special Supplemental Nutrition Program.

Help Me Grow (HMG) Fund - This fund receives grants and fees for providing services to young children.

**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. 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, 2009**

(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 canceled, and reappropriated in the subsequent year.

A summary of 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 DEPOSITS**

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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2009 follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 368,971	\$ 376,488	\$ 7,517
Special Revenue	2,330,765	2,054,114	(276,651)
Total	\$ 2,699,736	\$ 2,430,602	\$ (269,134)

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 367,576	\$ 339,956	\$ 27,620
Special Revenue	2,458,935	2,099,922	359,013
Total	\$ 2,826,511	\$ 2,439,878	\$ 386,633

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**4. SUBSIDIES**

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 include these amounts as subsidies.

**5. RETIREMENT SYSTEMS**

The District's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2009, members of OPERS contributed 10% of their gross salaries. The District contributed an amount equal to 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2009.

**6. RISK MANAGEMENT**

The Government is exposed to various risks of property and casualty losses, and injuries to employees.

The Government insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Government belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2008, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
(Continued)**

**6. RISK MANAGEMENT (continued)**

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Net Assets	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$8,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2007	\$10,534
2008	\$ 9,677

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

The District also provides health and life insurance to its employees through a private carrier.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**(Continued)**

**7. CONTINGENT LIABILITIES**

Amounts received from grantor agencies 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.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Disbursements
<b>US DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed through the Ohio Department of Public Safety</i>			
State and Community Highway Safety	20.600	SC-2009-38-00-00-00449-00	\$ 12,877
<i>Passed through the Mental Health &amp; Recovery Board of Wayne-Holmes Cos.</i>			
State and Community Highway Safety	20.600	SC-2009-85-00-00-00386-00	<u>15,066</u>
Total State and Community Highway Safety			<u>27,943</u>
<b>Total US Department of Transportation</b>			27,943
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed through the Ohio Department of Health</i>			
Public Health Emergency Preparedness	93.069	03810012PI0209 03810012PH0110	57,237 <u>135,475</u>
Total Public Health Emergency Preparedness			192,712
Family Planning Services	93.217	03811011FP0108 03810011FP0209	2,062 <u>31,000</u>
Total Family Planning Services			33,062
Immunization Grant	93.268	03810011IM0209	30,089
Maternal & Child Health Services Block Grant	93.994	03810011MC0209 03810011MC0310	13,301 <u>4,302</u>
Total Maternal & Child Health Services Block Grant			17,603
<i>Passed through the Ohio Department of Job and Family Services</i>			
Temporary Assistance to Needy Families	93.558	FY2009	<u>101,792</u>
<b>Total US Department of Health and Human Services</b>			375,258
<b>US DEPARTMENT OF AGRICULTURE</b>			
<i>Passed through the Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	03810011WA0209 03810011WA0310	95,415 <u>25,305</u>
Total Special Supplemental Nutrition Program for Women, Infants and Children			<u>120,720</u>
<b>Total US Department of Agriculture</b>			120,720
<b>US DEPARTMENT OF EDUCATION</b>			
<i>Passed through the Ohio Department of Job and Family Services</i>			
Special Education - Grants for Infants and Children	84.181	FY2009 FY2010	20,419 <u>53,782</u>
Total Special Education - Grants for Infants and Children			74,201
Special Education - Grants for Infants and Children - ARRA	84.393A	FY2010	<u>4,462</u>
<b>Total US Department of Education</b>			<u>78,663</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 602,584</u>

Note A: The Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

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

May 15, 2010

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 year ended December 31, 2009, and have issued our report thereon dated May 15, 2010, 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.



Holmes County General Health District  
Holmes County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

### **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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We noted a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 15, 2010.

We intend this report solely for the information and use of management, the Holmes County General Health District Board, and federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

May 15, 2010

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

To the Members of the Board:

**Compliance**

We have audited the compliance of Holmes County General Health District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2009.

### **Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated May 15, 2010.

We intend this report solely for the information and use of the audit committee, management, the Holmes County General Health District Board, federal awarding agencies, and pass-through entities. It is not intended for 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  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2009**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(I)(i)</i>	<b>Type of Financial Statement Opinion</b>	Adverse under GAAP, unqualified under the regulatory basis
<i>(d)(I)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(I)(ii)</i>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(I)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(I)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(I)(iv)</i>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(I)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(I)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(I)(vii)</i>	<b>Major Programs (list):</b>	CFDA #10.557 - Special Supplemental Nutrition Program for Women, Infants and Children CFDA #93.069 – Public Emergency Preparedness Grant CFDA #93.558 – Temporary Assistance to Needy Families
<i>(d)(I)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(I)(ix)</i>	<b>Low Risk Auditee?</b>	No

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

None

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2009  
(Continued)**

**3. FINDINGS FOR FEDERAL AWARDS**

**None**

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
 SCHEDULE OF PRIOR AUDIT FINDINGS  
 OMB CIRCULAR A -133 § .315 (b)  
 DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Late filing of single audit	Yes	



**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  
JUNE 17, 2010**