



Dave Yost • Auditor of State



**ADAMS COUNTY DISTRICT BOARD OF HEALTH  
ADAMS COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Basic Financial Statements:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2016 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2015 .....	4
Notes to the Basic Financial Statements .....	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11
Schedule of Findings .....	13
Prepared by Management:	
Summary Schedule of Prior Audit Findings .....	17

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Adams County District Board of Health  
Adams County  
923 Sunrise Ave  
West Union, Ohio 45693

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Adams County District Board of Health, Adams County, (the District) as of and for the years ended December 31, 2016 and 2015.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Adams County District Board of Health, Adams County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2017, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

October 2, 2017

**ADAMS COUNTY DISTRICT BOARD OF HEALTH**

*Adams County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*

*All Governmental Fund Types*

*For the Year Ended December 31, 2016*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property Taxes	\$0	\$76,866	\$76,866
Charges for Services	39,992	311,059	351,051
Fines, Licenses and Permits	0	18,976	18,976
Intergovernmental:			
Subdivision	123,200	0	123,200
Grants	0	52,249	52,249
State Reimbursements	0	16,779	16,779
School Nursing Services	0	97,159	97,159
Earnings on Investment	0	485	485
Miscellaneous	8,731	9,026	17,757
<i>Total Cash Receipts</i>	<u>171,923</u>	<u>582,599</u>	<u>754,522</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	70,946	351,474	422,420
Supplies	1,343	82,509	83,852
Contracts	6,341	13,231	19,572
Travel and Expenses	483	3,072	3,555
Employee Benefits	13,525	63,740	77,265
State Share- Fees	21,691	7,276	28,967
Contracted Services	51,880	225	52,105
Other	42,163	21,470	63,633
Equipment	12,501	1,275	13,776
<i>Total Cash Disbursements</i>	<u>220,873</u>	<u>544,272</u>	<u>765,145</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(48,950)</u>	<u>38,327</u>	<u>(10,623)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Reimbursements	5,356	0	5,356
Transfers In	324	0	324
Transfers Out	0	(324)	(324)
Other Financing Sources	66,722	572	67,294
<i>Total Other Financing Receipts (Disbursements)</i>	<u>72,402</u>	<u>248</u>	<u>72,650</u>
<i>Net Change in Fund Cash Balances</i>	23,452	38,575	62,027
<i>Fund Cash Balances, January 1</i>	<u>13,327</u>	<u>58,721</u>	<u>72,048</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	103,527	103,527
Assigned	6,070	0	6,070
Unassigned (Deficit)	30,709	(6,231)	24,478
<i>Fund Cash Balances, December 31</i>	<u>\$36,779</u>	<u>\$97,296</u>	<u>\$134,075</u>

*See accompanying notes to the basic financial statements*

**ADAMS COUNTY DISTRICT BOARD OF HEALTH**

*Adams County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*

*All Governmental Fund Types*

*For the Year Ended December 31, 2015*

	General	Special Revenue	(Memorandum Only)
<b>Cash Receipts</b>			
Property Taxes	\$0	\$73,923	\$73,923
Charges for Services	40,030	384,910	424,940
Fines, Licenses and Permits	0	15,537	15,537
Intergovernmental:			
Subdivisions	123,190	0	123,190
Grants	0	76,401	76,401
State Reimbursements	0	18,677	18,677
Miscellaneous	20,135	20,088	40,223
<i>Total Cash Receipts</i>	<u>183,355</u>	<u>589,536</u>	<u>772,891</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries	66,829	387,858	454,687
Supplies	1,908	62,799	64,707
Contracts	941	772	1,713
Travel and Expenses	405	3,338	3,743
Employee Benefits	27,968	62,541	90,509
State Share- Fees	17,646	4,974	22,620
Contracted Services	58,592	3,665	62,257
Other	1,096	43,468	44,564
Equipment	0	246	246
<i>Total Cash Disbursements</i>	<u>175,385</u>	<u>569,661</u>	<u>745,046</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>7,970</u>	<u>19,875</u>	<u>27,845</u>
<b>Other Financing Receipts (Disbursements)</b>			
Reimbursements	5,347		5,347
Other Financing Uses	0	(2,152)	(2,152)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>5,347</u>	<u>(2,152)</u>	<u>3,195</u>
<i>Net Change in Fund Cash Balances</i>	13,317	17,723	31,040
<i>Fund Cash Balances, January 1</i>	<u>10</u>	<u>40,998</u>	<u>41,008</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	60,155	60,155
Unassigned (Deficit)	13,327	(1,434)	11,893
<i>Fund Cash Balances, December 31</i>	<u>\$13,327</u>	<u>\$58,721</u>	<u>\$72,048</u>

*See accompanying notes to the basic financial statements*



# Adams County District Board of Health

Adams County

Notes to the Financial Statements

December 31, 2015 and 2016

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## Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Adams County Health Department 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, public health nursing services and issues health-related licenses and permits

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

## Note 2 - Summary of Significant Accounting Policies

### *Basis of Presentation*

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

### *Fund Accounting*

The District uses fund accounts to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

**General Fund** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

**Public Health Nursing Services (PHNF) Fund** This fund receives fees for providing nursing services.

### *Basis of Accounting*

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

**Adams County District Board of Health**

*Adams County*

*Notes to the Financial Statements*

*December 31, 2015 and 2016*

*(Continued)*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Budgetary Process***

The Ohio Revised Code requires the District to budget each fund annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

***Encumbrances*** The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not encumber all commitments required by Ohio law.

A summary of 2015 and 2016 budgetary activity appears in Note 3

***Capital Assets***

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

***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.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Adams County District Board of Health**

*Adams County*

*Notes to the Financial Statements*

*December 31, 2015 and 2016*

*(Continued)*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Committed** The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 - Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Public Health Infrastructure fund by \$1448 for the year ended December 31, 2015.

**Note 4 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2015 and 2016 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$188,425	\$188,702	\$277
Special Revenue	585,065	589,536	4,471
Total	<u>\$773,490</u>	<u>\$778,238</u>	<u>\$4,748</u>

**Adams County District Board of Health**

*Adams County*

*Notes to the Financial Statements*

*December 31, 2015 and 2016*

*(Continued)*

**Note 4 - Budgetary Activity (Continued)**

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$186,705	\$180,521	\$6,184
Special Revenue	599,148	589,945	9,203
Total	\$785,853	\$770,466	\$15,387

2016 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$239,774	\$244,325	\$4,551
Special Revenue	571,763	583,171	11,408
Total	\$811,537	\$827,496	\$15,959

2016 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$229,131	\$226,943	\$2,188
Special Revenue	598,108	547,580	50,528
Total	\$827,239	\$774,523	\$52,716

**Note 5 - Deposits and Investments**

As required by the Ohio Revised Code, the Adams 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.

**Note 6 – 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.

**Adams County District Board of Health**

*Adams County*

*Notes to the Financial Statements*

*December 31, 2015 and 2016*

*(Continued)*

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**Note 7 – Risk Management**

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

The District insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The District 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. 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 York. 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, 2015, 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.

Financial Position

PEP’s financial statements (audited by other auditor’s) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2014 and 2015 (the latest information available):

	<u>2015</u>	<u>2016</u>
Assets	\$38,307,677	\$42,182,281
Liabilities	<u>(12,759,127)</u>	<u>(13,396,700)</u>
Net Position	<u>\$25,548,550</u>	<u>\$28,785,581</u>

At December 31, 2015 and 2016, respectively, the liabilities above include approximately 12.0 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million and \$11.0 million of unpaid claims to be billed. The Pool’s membership increased from 488 members in 2015 to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the District’s share of these unpaid claims collectible in future years is approximately \$2000.

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.

**Adams County District Board of Health**

*Adams County*

*Notes to the Financial Statements*

*December 31, 2015 and 2016*

*(Continued)*

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**Note 7 – Risk Management (Continued)**

<b><u>Contributions to PEP</u></b>	
<b><u>2015</u></b>	<b><u>2016</u></b>
\$2,318	\$2,727

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to 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.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees 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. OPERS members contributed 10%, of their gross salaries and the District contributed an amount equaling 14%, of participants' gross salaries. The District has paid all contributions required through December 31, 2016.

**Note 9 – Post Employment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Adams County District Board of Health  
Adams County  
923 Sunrise Avenue  
West Union, Ohio 45693

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Adams County District Board of Health, Adams County, (the District) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated October 2, 2017 wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-003 to be a material weakness.

***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, opining 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 we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2016-001 and 2016-002.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

October 2, 2017



**ADAMS COUNTY DISTRICT BOARD OF HEALTH  
ADAMS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2016**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2016-001**

**Noncompliance**

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet 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.

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

1. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

In 2015, 4 out of the 9 (44%) vouchers tested were not certified prior to expenditure. In 2016, 5 out of the 11 (45%) vouchers tested were not certified prior to expenditure.

Failure to obtain proper certification may cause expenditures to exceed appropriations and the District to overspend funds.

**FINDING NUMBER 2016-001  
(Continued)**

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

**Officials' Response:**

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

**FINDING NUMBER 2016-002**

**Noncompliance/Finding for Recovery**

The Adams County District Board of Health sets salaries and hourly rates during open public meetings. An hourly rate of \$25 was set for Judy Bennington for up to 73 hours every pay period. During 2015, Judy Bennington's time sheets did not calculate the time worked correctly. Consequently, Judy Bennington was over paid for 51.12 hours resulting in an overpayment of \$1,278.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Former District Board of Health Fiscal Officer and Administrator Judy Bennington in the amount of \$1,278, and in favor of the following funds of the Adams County District Board of Health: Public Health Infrastructure fund in the amount of \$663, Public Health Nursing fund in the amount of \$190, Health fund in the amount of \$113, Health (Subdivisions) fund in the amount of \$54, Food Service fund in the amount of \$104, Environmental Health fund in the amount of \$74, Appalachian Hope Van fund in the amount of \$80.

**Officials' Response:**

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

**FINDING NUMBER 2016-003**

**Material Weakness**

Governments are required to maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

We noted the following conditions related to the District's accounting system:

- Intergovernmental receipts were incorrectly recorded as fees in the amount of \$5,000 in the Public Health Nursing fund in 2015.
- Salaries were incorrectly recorded between funds in 2015. This resulted in Salaries being understated in the Public Health Nursing fund in the amount of \$6,660, the Public Health Infrastructure fund in the amount of \$1,783, and the Health General fund in the amount of \$768. Salaries were overstated in the Appalachian Hope Van fund in the amount of \$5,245, the Food Service fund in the amount of \$768, and the Health Subsidy General fund in the amount of \$3,198.

**FINDING NUMBER 2016-003  
(Continued)**

- Salaries were incorrectly recorded between funds in 2016. This resulted in Salaries being overstated in the School Nursing fund and understated in the Public Health Nursing fund in the amount of \$4,602.

The District corrected the financial statements and accounting records, where appropriate.

Failure to accurately post and report transactions could result in material errors in the District's financial statements and reduces the District's ability to monitor financial activity and to make sound decisions which effect the overall available cash positions of the District.

We recommend that the District accurately record financial transactions.

**Officials' Response:**

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

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**ADAMS COUNTY DISTRICT BOARD OF HEALTH  
ADAMS COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2016**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-001	Ohio Rev. Code Section 5705.41(B) prohibits subdivisions or taxing authorities from expending money unless it has been appropriated as provided in such chapter	Not Corrected	Reissued as a management letter comment.
2015-002	Ohio Rev. Code, Section 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto.	Not Corrected	Reissued as finding number 2016-001.

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# Dave Yost • Auditor of State

**ADAMS COUNTY DISTRICT BOARD OF HEALTH**

**ADAMS 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  
OCTOBER 19, 2017**