

**REGULAR SESSION**

**THURSDAY**

**OCTOBER 18, 2007**

The Board of Huron County Commissioners met this date in Regular Session. Roll being called found the following members present: Mike Adelman, Gary W. Bauer, Ralph A. Fegley.

Pursuant to Ohio Revised Code Section 305.14 the Record of the Proceedings of the October 11, 2007 meeting(s) were presented to the Board. Mike Adelman made the motion to waive the reading of the minutes of the October 11, 2007 meeting(s) and approve as presented. Gary W. Bauer seconded the motion. Voting was as follows:

Aye – Mike Adelman  
Aye – Gary W. Bauer  
Aye – Ralph A. Fegley

07-347

**IN THE MATTER OF APPROVING REQUESTS FOR EXPENDITURE OF OVER \$500.00 SUBMITTED TO THE BOARD OCTOBER 18, 2007**

Gary W. Bauer moved the adoption of the following resolution:

**WHEREAS**, requests for expenditures of over \$500.00 have been submitted for approval by the Board of Huron County Commissioners as follows:

**Huron County Department of Job & Family Services**

Angie’s Body and Frame Inc.	2006 Ford Freestar		
	Front Bumper Repair	\$969.80	
Angie’s Body and Frame Inc.	1999 Ford Taurus Front	\$804.10	
	Door repair		now therefore

**BE IT RESOLVED**, that the Board of Huron County Commissioners hereby approves of the requests for expenditure of over \$500.00 as listed above; and further

**BE IT RESOLVED**, that the foregoing resolution was adopted and all actions and deliberations of the Board of Commissioners of the County of Huron, Ohio relating thereto were conducted in meetings open to the public, in compliance with all applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

Mike Adelman seconded the motion. The roll being called upon its adoption, the vote resulted as follows:

Aye – Mike Adelman  
Aye – Gary W. Bauer  
Aye – Ralph A. Fegley

07-348

**IN THE MATTER OF APPROVING OF A REQUEST FOR PAYMENT ON LETTER OF CREDIT AND STATUS OF FUNDS REPORT (FORM DS5) FOR HURON COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (B-F-06-036-1) DRAW DOWN #(260), SUBMITTED TO THE BOARD OCTOBER 18, 2007**

Mike Adelman moved the adoption of the following resolution:

**WHEREAS**, a request for payment and status of funds report has been prepared and submitted to the Board of Huron County Commissioners as attached herein by WSOS CAC, Inc. & Huron County Development Council for the Board’s certification; and

**WHEREAS** the Board has reviewed the request for payment and status of funds report; now therefore

**BE IT RESOLVED**, that the Board of Huron County Commissioners hereby approves of the request for payment and status of funds report as attached herein and certifies that the data reported is correct and that the amount of the Request for Payment is not in excess of current needs; and further

**BE IT RESOLVED**, that the foregoing resolution was adopted and all actions and deliberations of the

**REGULAR SESSION**

**THURSDAY**

**OCTOBER 18, 2007**

Board of Commissioners of the County of Huron, Ohio relating thereto were conducted in meetings open to the public, in compliance with all applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

Gary W. Bauer seconded the motion. The roll being called upon its adoption, the vote resulted as follows:

- Aye – Mike Adelman
- Aye – Gary W. Bauer
- Aye – Ralph A. Fegley

State of Ohio  
Office of Housing and Community Partnerships  
Request for Payment and Status of Funds Report

Section One: Request for Payment		Name and Address of Grantee:				
Submit to: Ohio Department of Development Office of Housing and Community Partnerships P.O. Box 1061 Columbus, Ohio 43216-1001		Huron County Commissioners 180 Milan Avenue Norwalk, OH 44857				
Contact Person/Telephone Number: Ben Kanny, WSOB CAC, Inc. 419-332-2691		Community/Nonprofit # 130				
FTI Number: 34-040072		Draw Number: 260				
Section Two: Housing/Nonprofit expenditures		State Use Only				
Grant Number *	Activity Name *	Activity #	Enter the Housing Site Address (CDBG and FHMJ: Focused Housing Activities Only)	Amount Requested	Approved Activity/ Site Address Budget	Balance of Activity/ Site Address Budget
B-C-06-036-1	Public Services (Service Contract 022-8000)	1		10,000	10,000	0
Total Amount of This Draw:				\$10,000		

\* NOTE: From the Attachment A of the Grant Agreement

Section Three: Certification of Completion of Expenditures: This Activity/Grant Status: Are Required

I certify that this Request for Payment was drawn in accordance with the terms and conditions of the Grant Agreement(s) cited and that the amount drawn is proper for payment to the drawer's depository. I also certify that the data reported above is correct and that the amount of the Request for Payment is not in excess of current needs.

Date of Signature: 10/18/07 Title: President  
 Date of Signature: 10/18/07 Title: Commissioner

State Use Only  
Approved: \_\_\_\_\_ DSS (REVISED 05/07)

07-349

**IN THE MATTER OF APPROVING OF A REQUEST FOR PAYMENT ON LETTER OF CREDIT AND STATUS OF FUNDS REPORT (FORM DS5) FOR HURON COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (B-C-06-036-1); (B-C-06-036-2) DRAW DOWN #(347), SUBMITTED TO THE BOARD OCTOBER 18, 2007**

Gary W. Bauer moved the adoption of the following resolution:

**WHEREAS**, a request for payment and status of funds report has been prepared and submitted to the Board of Huron County Commissioners as attached herein by CT Consultants, Inc., for the Board's certification; and

**WHEREAS** the Board has reviewed the request for payment and status of funds report; now therefore

**BE IT RESOLVED**, that the Board of Huron County Commissioners hereby approves of the request for payment and status of funds report as attached herein and certifies that the data reported is correct and that the amount of the Request for Payment is not in excess of current needs; and further

**BE IT RESOLVED**, that the foregoing resolution was adopted and all actions and deliberations of the Board of Commissioners of the County of Huron, Ohio relating thereto were conducted in meetings open to the public, in compliance with all applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

Mike Adelman seconded the motion. The roll being called upon its adoption, the vote resulted as follows:

- Aye – Mike Adelman
- Aye – Gary W. Bauer
- Aye – Ralph A. Fegley

State of Ohio  
Office of Housing and Community Partnerships  
Request for Payment and Status of Funds Report

**Section One - Request for Payment**

Submit to: Ohio Department of Development  
Office of Housing and Community Partnerships  
P.O. Box 1001  
Columbus, Ohio 43216-1001

Name and Address of Grantee: Huron County  
180 Milan Ave  
Norwalk, Ohio 44857

Contact Person/Telephone Number: Phyllis A. Dunlap 440-630-2230

Community/Nonprofit #: 36

Date: *10/18/07*

FTI Number: 24-6400072

Draw Number: 347

State Use Only: Voucher #  
Warrent #

**Section Two - Reimbursement of Expenditures**

Grant Number *	Activity Name *	Activity No. *	Enter the Housing Site Address (C290 and HOME Pooled Housing Activities Only)	Amount Requested	Approved Activity/Site Address Budget	Balance of Activity/Site Address Budget
B-C-08-098-1	General Administration	7		7,130	38,800	25,712
B-C-08-098-2	General Administration	7		10,614	30,000	19,386
B-C-08-098-2	Private Rehabilitation	1	319 Keefer Street, Willard	38,623	48,333	3,710
B-C-08-098-2	Private Rehabilitation	1	24 Hamilton Street, Monroeville	31,892	35,150	3,458
B-C-08-098-2	Private Rehabilitation	1	104 Lake Holiday Lane, Willard	24,176	33,000	8,824
Total Amount of This Draw:				\$110,243		

\* NOTE: From the Attachment K of the Grant Agreement

**Section Three - Certification of Reimbursement of Expenditures - Two Authorized Signatures Are Required**

I certify that this Request for Payment was drawn in accordance with the terms and conditions of the Grant Agreement(s) cited and that the amount drawn is proper for payment to the drawer's dispository. I also certify that the data reported above is correct and that the amount of the Request for Payment is not in excess of current needs.

Date: *10/18/07* Signature: *Phyllis A. Dunlap* Title: *President*

Date: *10-18-07* Countersignature: *Mike Stadelman* Title: *Commissioner*

**IN THE MATTER OF REQUEST FOR LEAVE**

- Larry Burdue/Buildings & Grounds/Personal Time/7:30 a.m. – 4:30 p.m. November 9, 2007.
- Ronald Ackerman/Buildings & Grounds/vacation/6:00 a.m. -3:00 p.m. November 21, 2007; personal time/6:00 a.m. – 3:00 p.m. November 23, 2007.
- Royal Chisholm/buildings & grounds/sick/12:00 p.m. – 4:30 p.m. October 4, 2007
- Jeff Deeble/Buildings & Grounds/Compensatory Time/6:30 p.m. – 3:00 p.m. October 16, 2007.
- Merlin Baker/Buildings & Grounds/sick/7:30 a.m. – 4:30 p.m. October 22, 2007;personal time/7:30 p.m. – 4:30 p.m. October 23, 2007.
- Maria Lyons/Buildings & Grounds/vacation/6:30 p.m. October 9, 2007 – 3:00 p.m. October 11, 2007.
- Jerry Huffman/Compensatory Time/12:30 p.m. -3:00 p.m. October 5, 2007.

**Administrator/Clerk's Report**

**SIGNINGS**

REQUEST FOR DISBURSEMENT

NOTE: FUNDS CANNOT BE DISBURSED EXCEPT FOR PROJECT COSTS (I) ALREADY INCURRED BY THE BORROWER AND CURRENTLY DUE AND PAYABLE OR (II) PAID BY THE BORROWER FOR WHICH THE BORROWER IS SEEKING REIMBURSEMENT.

The undersigned, the duly authorized Executive of the County of Huron, Ohio (the "Borrower"), submits this Request for Disbursement on behalf of the Borrower for \$ *14,457.69* pursuant to Section 3.02 of that certain Loan Agreement by and between the County of Butler, Ohio (the "Lender") and the Borrower dated as of April 5, 2007, as the same may be supplemented and amended (the "Loan Agreement"). The Trustee shall disburse the amount requested herein to the following parties for the following purpose(s) in connection with the Project (as defined in the Loan Agreement):

Payee	Amount	Purpose
<i>Huron County</i>	<i>455.00</i>	<i>Printing Technology</i>
	<i>5,847.00</i>	<i>Custom Metal Works</i>
	<i>14,457.69</i>	<i>Atlas Electrical Mfg. Inc.</i>

The undersigned, on behalf of the Borrower, hereby certifies that:

- The portion of the Project for which disbursement of money is hereby requested either (i) has been acquired, constructed or installed by the Borrower and payment therefore is due and owing or (ii) has been previously paid by Borrower and the disbursement of the funds herein requested has been approved by the Borrower.
- The representations and warranties of the Borrower set forth in the Loan Agreement are true and correct on the date hereof, and the Borrower is in compliance with all terms, covenants and conditions of the Loan Agreement on the date hereof.

Dated: *10-18-07*

COUNTY OF HURON, OHIO  
By: *Robert A. Baker*  
County Commissioner



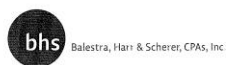
**REGULAR SESSION**

**THURSDAY**

**OCTOBER 18, 2007**

as well as Balestra, Harr and Scherer CPAs, Inc. current policy, current audits are performed utilizing a sample of all transactions rather than attempting to audit all assets, liabilities, net assets, revenues, expenses/expenditures etc. The audit was concluded on June 29, 2007.

Audit Report was reviewed as follows:



**FINAL RESULTS OF AUDIT**

**EXIT CONFERENCE**  
October 18, 2007

**HURON COUNTY**

**JANUARY 1, 2006 THROUGH DECEMBER 31, 2006**

**COMMUNICATION TO AUDIT COMMITTEES (AND EQUIVALENT BODIES) REQUIRED BY SAS 61**

REQUIRED COMMUNICATION	BHS, CPAs, INC. RESPONSE
The auditor's responsibility under generally accepted auditing standards and Government Auditing Standards.	We communicated our responsibilities in our original contract with the County and Auditor of State.
The initial selection or changes in significant accounting policies, or unusual accounting policies	There County implemented Governmental Accounting Standards Board (GASB) No 44, <i>Economic Condition Reporting</i> , The <i>Statistical Section, No 46, Net Assets Restricted By Enabling Legislation</i> and GASB Statement No 47, <i>Accounting for Termination Benefits</i> .
Significant management judgments and accounting estimates.	Depreciation of Capital Assets
Significant audit adjustments:	
Adjustments recorded	All audit adjustments were made to the audit report.
Adjustments waived	Unadjusted differences were deemed immaterial.
The auditor's responsibilities for other information in documents containing audited financial statements.	BHS, CPAs, Inc did not opine on the MDA or on the introductory section and statistical sections of the CAFR.
Disagreements with management, whether or not satisfactorily resolved.	There were no disagreements with management.
Consultation with other accountants	There was no consultation with other accountants.
Major issues discussed with management prior to retention.	There were no major issues discussed prior to retention.
Difficulties encountered in performing the audit.	There were no difficulties in performing the audit.

**AUDIT PERSONNEL ASSIGNED:**

Senior Partner:	Michael Balestra, CPA, CFE, CGFM, CTPP
Partner:	Natalie Stang, CPA
Senior Audit Manager:	Brenden Balestra
Audit Manager:	Alooune Gueye

**INVITATION TO ATTEND:**

The exit conference was scheduled in consultation with the County Auditor.

**ATTENDEES:**

All attendees are listed on the acknowledgment page

**AUDIT APPROACH:**

In line with the current *AICPA Audit and Accounting Guide – State and Local Governments*, Government Auditing Standards, and directives issued by the Auditor of State as well as Balestra, Harr & Scherer, CPAs, Inc current policy, current audits are performed utilizing a sample of all transactions rather than attempting to audit all assets, liabilities, net assets, revenues, expenses/expenditures, etc.

**ADJUSTMENTS:**

All audit adjustments are appropriately reflected in the audit report. The aggregate unadjusted differences were discussed with management and agreed to by the management of the County and the audit firm to be immaterial

**CONCLUSION OF AUDIT:**

Our audit was completed on June 29, 2007.

**REPORTS ISSUED:**

- Independent Auditor's Report
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards*
- Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With *OMB Circular A-133*
- Management Letter

**AUDIT REPORT:**

A copy of the final audit report and management letter have been supplied to the County Auditor and can be reviewed in his office

**HURON COUNTY  
AP: 01/01/06 – 12/31/06**

**REPORT COMMENTS**

*Ending No. 2006-001*

*Inexistence of a comprehensive capital asset policy and inventory*

The County does not have a comprehensive capital assets policies and procedures manual to assist in defining items to be capitalized and depreciated. The County does not have a capital asset software package. Currently, all capital assets are maintained on an excel spreadsheet which is not a comprehensive listing. The lack of a comprehensive capital assets policies and procedures manual and adequate capital asset software program can result in errors or irregularities occurring and not being detected in a timely manner

In order to address the items mentioned above, the County should implement the following procedures:

- Develop a comprehensive capital assets policies and procedures manual which encompass all types of capital assets, including land, land improvements, buildings, infrastructure, machinery and equipment, and any other capital assets. This manual needs to address capitalization areas such as dollar amounts over which items will be capitalized, potential capitalization or large batch purchases of capital assets under the dollar threshold, estimated useful lives for various types of capital assets, defining which networks of infrastructure will and will not be reported and how much information should be maintained for these items, incorporation of infrastructure capital assets for governmental and business-type activities into the capital asset management system, and other pertinent areas, such as procedures for the disposal of capital assets
- Perform a comprehensive capital asset inventory either by a detailed County-wide inventory or by an appraisal
- Reconcile the detailed capital asset report with the capital asset amounts reported in the financial statements and make appropriate corrections and adjustments to the County's capital asset records. Maintain a detailed file documenting differences noted, how items were corrected, and explanations regarding all changes made to the County's capital asset system
- Provide or obtain appropriate training for all County personnel who will be involved in capital asset accounting and reporting

**Client Response:**

The county is working to determine the most effective manner to address this deficiency

## MANAGEMENT LETTER COMMENTS

An asterisk (\*) indicates a comment similar to one issued in the prior management letter.

## Noncompliance Citations

- 1 Ohio Revised Code Section 5705.36(A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. ORC Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation. The County had appropriations in excess of its available resources (defined as actual receipts plus unencumbered beginning balances) for several funds in fiscal year 2006.
- 2\* Ohio Revised Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contracts has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Several exceptions to this basic requirement are provided by statute, including: Then and Now Certificates - This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing authority.

Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

There were several instances when invoices dates preceded purchase order dates. Not properly certifying funds can result in deficit spending. The County should properly certify funds prior to making an obligation.

3 Ohio Revised Code Section 5705.39 states that the total appropriations from each fund shall not exceed estimated resources. We noted that the General Fund and Community Corrections Other Special Revenue Fund had budgets had appropriations in excess of estimated resources by an immaterial amount.

## Suggestions for Improvements

- 1 Several outstanding checks issued in prior years were still outstanding at year end for the Probate and Juvenile Courts. This results in cumbersome bank reconciliations and may lead to errors or irregularities. The Courts should follow appropriate procedures for unclaimed funds for these old outstanding checks.
- 2\* The County does not have a formal policy in place regarding the usage of credit accounts. A policy should include, at a minimum, a listing of credit accounts with authorized users and credit limits; allowable and unallowable types of charges; and procedures to be implemented to review, approve, and monitor charges. The lack of a formal policy could lead to inappropriate usage of credit accounts. The County should adopt a formal policy to govern usage of its credit accounts.

V

Management Letter

Page 2-

## Noncompliance Citations (continued)

- 2\* Ohio Revised Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contracts has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Several exceptions to this basic requirement are provided by statute, including: Then and Now Certificates - This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing authority.

Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

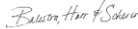
There were several instances when invoices dates preceded purchase order dates. Not properly certifying funds can result in deficit spending. The County should properly certify funds prior to making an obligation.

3 Ohio Revised Code Section 5705.39 states that the total appropriations from each fund shall not exceed estimated resources. We noted that the General original budget had appropriations in excess of estimated resources by an immaterial amount.

## Suggestions for Improvements

- 1 Several outstanding checks issued in prior years were still outstanding at year end for the Probate and Juvenile Courts. This results in cumbersome bank reconciliations and may lead to errors or irregularities. The Courts should follow appropriate procedures for unclaimed funds for these old outstanding checks.
- 2\* The County does not have a formal policy in place regarding the usage of credit accounts. A policy should include, at a minimum, a listing of credit accounts with authorized users and credit limits; allowable and unallowable types of charges; and procedures to be implemented to review, approve, and monitor charges. The lack of a formal policy could lead to inappropriate usage of credit accounts. The County should adopt a formal policy to govern usage of its credit accounts.

This report is intended solely for the information and use of the audit committee, management, County Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer CPAs, Inc.  
June 29, 2007

## BALESTRA, HARR &amp; SCHERER, CPAS, INC.

528 South West Street, P.O. Box 687  
Pikettown, Ohio 43061

Telephone (740) 298-4131  
Fax (740) 298-9629  
www.bhs200.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## Management Letter

Board of County Commissioners  
Huron County  
123 East Main Street  
Norwalk, Ohio 44857-1545

In accordance with *Government Auditing Standards*, we have audited the basic financial statements of Huron County (the County) as of and for the year ended December 31, 2006, and have issued our report thereon dated June 29, 2007.

*Government Auditing Standards* also requires that we describe the scope of our testing of compliance with laws and regulations and internal controls and report any irregularities, illegal acts, other material noncompliance and significant deficiencies in internal controls. We have issued the required report dated June 29, 2007, for the year ended December 31, 2006.

*Office of Management and Budget Circular A-133* requires that we report all material (and certain immaterial) instances of noncompliance, and significant deficiencies in internal control, related to major federal financial assistance programs. We have issued the required report dated June 29, 2007, for the year ended December 31, 2006.

In addition to the matters we communicated to you in the reports described above, we are submitting for your consideration the following comments on the County's compliance with applicable laws and regulations and on its internal control structure. These comments reflect matters that, while in our opinion do not represent material instances of noncompliance or significant internal control structure deficiencies, we believe represent matters for which improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, these comments reflect our continuing desire to assist your government. If you have questions or concerns regarding these comments, please do not hesitate to contact us.

An asterisk (\*) indicates a comment similar to one issued in the prior management letter.

## Noncompliance Citations

- 1 Ohio Revised Code Section 5705.36(A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. ORC Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation. The County had appropriations in excess of its available resources (defined as actual receipts plus unencumbered beginning balances) for several funds in fiscal year 2006.

Board of County Commissioners  
Huron County

Dennis Stieber, Deputy Auditor, stated that some of the issues have been addressed, and are still looking at the inventory situation.

**At 10:50 a.m.** Gary W. Bauer moved to adjourn. Mike Adelman seconded the motion. The meeting stood adjourned.

## IN THE MATTER OF OPEN SESSION

The Huron County Commissioners hereby attest that all actions and deliberations of the Board legally required to be public were conducted in an open session on this date and that the foregoing minutes represent the official action of the Board.

## IN THE MATTER OF CERTIFICATION

The Clerk to the Board does hereby attest that the foregoing is a true and correct record of all actions taken by the Board of Huron County Commissioners on October 18, 2007.

**REGULAR SESSION  
IN THE MATTER OF ADJOURNING**

**THURSDAY**

**OCTOBER 18, 2007**

The meeting was called to order at 9:00 a.m. With no further business to come before the Board, the meeting was adjourned at 11:50 a.m.

Signatures on file.