



Dave Yost • Auditor of State

HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Holmes County General Health District
Holmes County
85 North Grant Street
Millersburg, Ohio 44654

To the Board of Health:

Report on the Financial Statement

We have audited the accompanying financial statement and related notes of the Holmes County General Health District, Holmes County, Ohio, (the District) as of and for the year ended December 31, 2013.

Management's Responsibility for the Financial Statement

Management is responsible for preparing and fairly presenting this financial statement 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 a financial statement free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on this financial statement 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 statement 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 opinion.

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

As described in Note 1 of the financial statement, the District prepared this financial statement 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, to satisfy these requirements.

Although the effects on the financial statement 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 this statement 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 statement referred to above does 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, 2013, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined cash balances of the Holmes County General Health District, Holmes County, Ohio, as of December 31, 2013, and its combined cash receipts and disbursements for the year 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 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2015, 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

July 24, 2015

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Charges for Services	\$ 37,982	\$ 403,480	\$ 441,462
Fines, Licenses and Permits	82,251	298,165	380,416
Intergovernmental	397,454	558,132	955,586
Earnings on Investments		1,982	1,982
Contributions and Donations	1,410	120,893	122,303
Miscellaneous	13,364	5,406	18,770
	532,461	1,388,058	1,920,519
<i>Total Cash Receipts</i>			
Cash Disbursements			
Current:			
Health:			
Personnel	314,098	949,617	1,263,715
Travel and Conferences	4,344	22,082	26,426
Supplies	15,801	104,128	119,929
Other Operating Expenses	71,484	383,033	454,517
Equipment	1,359	16,109	17,468
Office Space	48,445	12,492	60,937
	455,531	1,487,461	1,942,992
<i>Total Cash Disbursements</i>			
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	76,930	(99,403)	(22,473)
Other Financing Receipts (Disbursements)			
Transfers In	35	38,500	38,535
Transfers Out	(38,500)	(35)	(38,535)
Advances In	13,750	20,000	33,750
Advances Out	(20,000)	(13,750)	(33,750)
	(44,715)	44,715	-
<i>Total Other Financing Receipts (Disbursements)</i>			
<i>Net Change in Fund Cash Balances</i>	32,215	(54,688)	(22,473)
<i>Fund Cash Balances, January 1</i>	51,314	567,269	618,583
Fund Cash Balances, December 31			
Restricted		531,162	531,162
Assigned	62,450		62,450
Unassigned (Deficit)	21,079	(18,581)	2,498
	83,529	512,581	596,110
<i>Fund Cash Balances, December 31</i>	\$ 83,529	\$ 512,581	\$ 596,110

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

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**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2013**

1. Summary of Significant Accounting Policies

A. Description of the District

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

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Accounting Basis

This financial statement follows 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).

This statement includes 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.

C. Deposits and Investments

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

D. Fund Accounting

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

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. 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:

HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY

NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2013
(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Hospice Endowment Fund - This fund receives donations for providing hospice care to county residents. The Hospice program was discontinued at the end of 2011 but still received significant donations in 2013.

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

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. 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 approve estimated resources.

3. Encumbrances

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

A summary of 2013 budgetary activity appears in Note 2.

F. 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:

1. Nonspendable

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

HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY

NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2013
(Continued)

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

2. 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.

3. Committed

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amend 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.

4. 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.

5. 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.

G. Property, Plant, and Equipment

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

H. 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.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2013
(Continued)**

2. Budgetary Activity

Budgetary activity for the year ended December 31, 2013 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$464,500	\$532,496	\$67,996
Special Revenue	1,649,090	1,426,558	(222,532)
Total	\$2,113,590	\$1,959,054	(\$154,536)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$425,660	\$494,031	(\$68,371)
Special Revenue	1,722,776	1,487,496	235,280
Total	\$2,148,436	\$1,981,527	\$166,909

3. Intergovernmental Funding

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as intergovernmental receipts.

4. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2013, 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, 2013.

5. 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 Workers' Compensation.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2013
(Continued)**

5. Risk Management (Continued)

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. 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, 2013, 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 accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2012 and 2013:

	<u>2012</u>	<u>2013</u>
Assets	\$34,389,569	\$34,411,883
Liabilities	<u>(14,208,353)</u>	<u>(12,760,194)</u>
Net Position	<u>\$20,181,216</u>	<u>\$21,651,689</u>

At December 31, 2012 and 2013, respectively, the liabilities above include approximately \$13.1 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$11.1 million of unpaid claims to be billed to approximately 475 member governments in the future, as of December 31, 2012 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the District's share of these unpaid claims collectible in future years is approximately \$5,400.

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.

Contributions to PEP

2013
\$7,722

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2013
(Continued)**

5. Risk Management (Continued)

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.

6. Contingent Liabilities

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

7. Interfund Balances

The balances for advances to/from other funds at December 31, 2013, consisted of the following individual fund receivables and payables.

Fund	Interfund Receivable	Interfund Payable
General Fund	\$209,317	-
Sewage Program Fund	-	\$54,350
Clinic Fund	-	77,500
Special Services Fund	-	22,000
Swimming Pool Fund	-	7,695
Manufactured Home Fund	950	7,250
Private Water Fund	-	54,472
Food Fund	20,000	7,000
Totals	\$230,267	\$230,267



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

Holmes County General Health District
Holmes County
85 North Grant Street
Millersburg, Ohio 44654

To the Board of Health:

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 statement of the Holmes County General Health District, Holmes County, Ohio, (the District) as of and for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated July 24, 2015, 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 statement, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a 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 statement. 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. We consider findings 2013-001 and 2013-002 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statement is 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

District's Response to Findings

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

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.



Dave Yost
Auditor of State
Columbus, Ohio

July 24, 2015

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013**

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

FINDING NUMBER 2013-001

FINDING FOR ADJUSTMENT / NONCOMPLIANCE AND MATERIAL WEAKNESS

Repayment of Advances

Advances are inter-fund transactions that require repayment, in equal amount, from the debtor fund to the creditor fund. **AOS Bulletin 97-003** provides the District with guidance on making advances between funds, including the following:

- Any advance must be clearly labeled as such, and must be distinguished from a transfer. Advances on the other hand, are intended to temporarily reallocate cash from one fund to another and involve an expectation of repayment;
- In order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the "creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established;
- The reimbursement from the debtor fund to the creditor fund must not violate any restrictions on use of the money to be used to make the reimbursement; and
- Advances must be approved by a formal resolution of the taxing authority of the subdivision. This resolution must include:
 - A specific statement that the transaction is an advance of cash, and
 - An indication of the money (fund) from which it is expected that repayment will be made.

Also, under GASB Codification 1800.102, if repayment is not expected within a reasonable time, the interfund advances should be reduced and the amount that is not expected to be repaid should be reclassified as a transfer from that fund that made the advance to the fund that received the advance.

The District had the following outstanding advances which included unpaid advances from prior years:

Fund #	Fund Name	Due From	Due To			Total
			E00	E12	E19	
E01	Sewage Program Fund	\$54,350	\$34,350		\$20,000	\$54,350
E03	Clinic Fund	77,500	77,500			77,500
E06	Special Services Fund	22,000	22,000			22,000
E12	Swimming Pool	7,695	7,695			7,695
E13	Manufactured Home	7,250	6,300	\$950		7,250
E14	Private Water	54,472	54,472			54,472
E19	Food	7,000	7,000			7,000

Significant amounts are due to the General Fund at December 31, 2013. Additionally, the District has previously made advances utilizing restricted revenues to finance other funds established for dissimilar purposes. Prior advances made in 2012 from the Swimming Pool Fund to the Manufactured Home Fund are unallowable as Swimming Pool Fund revenue is restricted under Ohio Rev. Code Section 3749.04(F) for purposes different than that of the Manufactured Home Fund. Prior advances made in 2012 from the Food Fund to the Sewage Program Fund are unallowable as Food Fund revenue is restricted under Ohio Rev. Code Section 3717.25(A) for purposes different than that of the Sewage Program Fund.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2013-001 (Continued)

FINDING FOR ADJUSTMENT / NONCOMPLIANCE AND MATERIAL WEAKNESS (Continued)

Repayment of Advances (Continued)

Unpaid advances made from the Swimming Pool Fund and the Food Fund should be immediately repaid as they were made from restricted funds established for purposes different than the funds receiving the advance. Additionally, the District should consider converting the unpaid advances owed to the General Fund to transfers, if they do not intend for the debtor fund to repay the creditor fund. This will help ensure management is aware of all outstanding advances, and that this activity is properly recorded and tracked.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 3749.04(F) a Finding for Adjustment for public monies incorrectly expended is hereby issued against the E13 Manufactured Home Fund and in favor of the E12 Swimming Pool Fund in the amount of \$950. Additionally, in accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 3717.25(A) a Finding for Adjustment for public monies incorrectly expended is hereby issued against the E01 Sewage Fund and in favor of the E19 Food Fund in the amount of \$20,000.

Officials' Response: To correct the advances that were not repaid, staff are going to present to the Board of Health a resolution to change them from advances to transfers. For the advances from Swimming Pools to Manufactured Homes and from Food to Sewage staff will review these transactions and if after review they were not reversed then a motion to move to repay these funds will be done.

FINDING NUMBER 2013-002

MATERIAL WEAKNESS

Financial Reporting

As a result of audit procedures performed, errors were noted in the District's financial statements that required reclassifications as follows:

- \$171,266 of General Fund and \$9,092 of Special Revenue Fund intergovernmental receipts were classified as miscellaneous receipts and transfers in.
- \$37,982 of General Fund and \$403,480 of Special Revenue Fund charges for services receipts were classified as miscellaneous receipts, contracts, and fees, licenses and permits.
- \$1,410 of General Fund and \$120,893 of Special Revenue Fund contribution and donation receipts were classified as miscellaneous receipts.
- \$600 of Special Revenue Fund fines, licenses and permit receipts were classified as contracts.
- \$62,450 of General Fund assigned fund balance related to the subsequent year appropriations exceeding estimated receipts was classified as unassigned fund balance.
- \$1,982 of Special Revenue Fund interest receipts were classified as miscellaneous receipts.

HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2013
(Continued)

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

FINDING NUMBER 2013-002 (Continued)

MATERIAL WEAKNESS (Continued)

Financial Reporting (Continued)

Sound financial reporting is the responsibility of the District and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The District's financial statements have been adjusted accordingly.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate, the District should adopt policies and procedures to identify and correct errors and omissions. In addition, the District should review the financial statements and notes prior to submission for audit to ensure all revenue line items are appropriately presented in the financial statements.

Officials' Response: Staff at the Health District break our receipts down to a very descriptive level. As a point of clarification, there was no training given for doing this report, along with the difficulty to do accounting at one level for the county and another level for state and still another level for our Board of Health. Staff will make every attempt to meet what is needed, the noted findings will assist in filing future annual reports. We hope training for the annual report will be forth coming as this report was compiled with help from the staff at the County Auditor's Office.

**HOLMES COUNTY GENERAL HEALTH DISTRICT
HOLMES COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Ohio Rev. Code § 5705.41(B) – Expenditures exceeding appropriations.	No	Partially Corrected – Reissued in Management Letter
2012-002	Ohio Rev. Code § 3709.28(E) and Ohio Admin Code § 117-2-02(C)(1) – Board approved appropriations did not agree with posted appropriations.	No	Partially Corrected – Reissued in Management Letter
2012-003	Repayment of Advances – AOS Bulletin 97-003 – The District had outstanding advances from prior years in the amount of \$224,017, including \$20,950 of advances from restricted funds with dissimilar purposes.	No	See Finding 2013-001
2012-004	Financial Reporting – The District had multiple reclassifications to the financial statements.	No	See Finding 2013-002
2012-005	Approval of Transfers – The District made multiple transfers between funds that were not formally approved by the Board.	Yes	



Dave Yost • Auditor of State

HOLMES COUNTY 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
SEPTEMBER 8, 2015**