



Dave Yost • Auditor of State



HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014 .....	5
Notes to the Financial Statements .....	7
Schedule of Federal Awards Expenditures .....	13
Notes to Schedule of Federal Awards Expenditures .....	14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	15
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	17
Schedule of Findings and Questioned Costs .....	21
Schedule of Prior Audit Findings .....	29
Corrective Action Plan .....	30

**THIS PAGE INTENTIONALLY LEFT BLANK**



# 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, 2014.

### ***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, 2014, 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 present fairly, in all material respects, the combined cash balances of the Holmes County General Health District, Holmes County, Ohio, as of December 31, 2014, 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 Matters***

Our audit was conducted to opine on the financial statement taken as a whole. The Schedule of Federal Award Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statement.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statement. We subjected this schedule to the auditing procedures we applied to the financial statement. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statement taken as a whole.

***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.

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

July 24, 2015

**THIS PAGE INTENTIONALLY LEFT BLANK**

**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, 2014**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Charges for Services	\$ 24,379	\$ 444,852	\$ 469,231
Fines, Licenses and Permits	88,997	298,815	387,812
Intergovernmental	460,523	700,750	1,161,273
Earnings on Investments		1,836	1,836
Contributions and Donations	550	48,920	49,470
Miscellaneous	3,742	7,773	11,515
<i>Total Cash Receipts</i>	<u>578,191</u>	<u>1,502,946</u>	<u>2,081,137</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Personnel	337,430	1,118,761	1,456,191
Travel and Conferences	6,863	31,293	38,156
Supplies	17,813	104,392	122,205
Other Operating Expenses	58,365	176,164	234,529
Equipment	1,661	17,857	19,518
Office Space	50,976	11,192	62,168
<i>Total Cash Disbursements</i>	<u>473,108</u>	<u>1,459,659</u>	<u>1,932,767</u>
<i>Excess of Cash Receipts Over Cash Disbursements</i>	<u>105,083</u>	<u>43,287</u>	<u>148,370</u>
<b>Other Financing Receipts (Disbursements)</b>			
Grant Refund		(17,867)	(17,867)
Transfers In		8,650	8,650
Transfers Out	(8,650)		(8,650)
Advances In		3,000	3,000
Advances Out	(3,000)		(3,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(11,650)</u>	<u>(6,217)</u>	<u>(17,867)</u>
<i>Net Change in Fund Cash Balances</i>	93,433	37,070	130,503
<i>Fund Cash Balances, January 1</i>	<u>83,529</u>	<u>512,581</u>	<u>596,110</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		582,345	582,345
Assigned	11,300		11,300
Unassigned (Deficit)	165,662	(32,694)	132,968
<i>Fund Cash Balances, December 31</i>	<u>\$ 176,962</u>	<u>\$ 549,651</u>	<u>\$ 726,613</u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2014**

**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, 2014  
(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 accounts for the Special Supplemental Nutrition Program.

Small Healthcare Grant Fund - This is a Federal grant fund that accounts for the Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program.

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 2014 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, 2014  
(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, 2014  
(Continued)**

**2. Budgetary Activity**

Budgetary activity for the year ended December 31, 2014 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$432,000	\$578,191	\$146,191
Special Revenue	1,971,241	1,511,596	(459,645)
Total	\$2,403,241	\$2,089,787	(\$313,454)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$486,890	\$481,758	\$5,132
Special Revenue	1,386,708	1,477,526	(90,818)
Total	\$1,873,598	\$1,959,284	(\$85,686)

**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 2014, 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, 2014.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2014  
(Continued)**

**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 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. 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, 2014, 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, 2013 and 2014:

	<u>2013</u>	<u>2014</u>
Assets	\$34,411,883	\$35,402,177
Liabilities	<u>(12,760,194)</u>	<u>(12,363,257)</u>
Net Position	<u>\$21,651,689</u>	<u>\$23,038,920</u>

At December 31, 2013 and 2014, respectively, the liabilities above include approximately 11.6 million and \$11.1 million of estimated incurred claims payable. The assets above also include approximately \$11.1 million and \$10.8 million of unpaid claims to be billed. The Pool's membership increased from 475 members in 2013 to 488 members in 2014. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the District's share of these unpaid claims collectible in future years is approximately \$5,000.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2014  
(Continued)**

**5. Risk Management (Continued)**

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.

<b><u>Contributions to PEP</u></b>
<b><u>2014</u></b>
\$7,781

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, 2014, consisted of the following individual fund receivables and payables.

Fund	Interfund Receivable	Interfund Payable
General Fund	\$212,317	-
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	-	57,472
Food Fund	20,000	7,000
<b>Totals</b>	<b>\$233,267</b>	<b>\$233,267</b>

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Number	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	03810011WA0714 03810011WA0815	\$ 119,698 <u>32,385</u>
Total Special Supplemental Nutrition Program for Women, Infants and Children			<u>152,083</u>
Total U.S. Department of Agriculture			<u>152,083</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed through Ohio Department of Health</i>			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	03810012PH0514 03810012PH0615	62,234 <u>22,770</u>
Total Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			85,004
Family Planning_Services	93.217	03810011RH0314 03810011RH0415	12,756 <u>59,303</u>
Total Family Planning_Services			72,059
Preventive Health and Health Services Block Grant	93.991	03810014IP01114	63,812
Maternal & Child Health Services Block Grant to the States	93.994	03810011MC0714 03810011RH0314 03810011RH0415	11,499 3,124 <u>22,268</u>
Total Maternal & Child Health Services Block Grant to the States			36,891
Medical Assistance Program	93.778	N/A	35,686
<i>Direct Program</i>			
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	G20RH26391-02-01	143,476 <u>27,540</u>
Total Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program			<u>171,016</u>
Total U.S. Department of Health and Human Services			<u>464,468</u>
Total			<u>\$ 616,551</u>

The accompanying note is an integral part of this schedule.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Holmes County General Health District's (the District's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.



# 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

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, 2014, 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 and questioned costs 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 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. We consider findings 2014-001 and 2014-002 described in the accompanying schedule of findings and questioned costs 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 and questioned costs as item 2014-001.

***District's Responses to Findings***

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Health:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Holmes County General Health District's, Holmes County, Ohio, (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Holmes County General Health District's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings and questioned costs identifies the District's major federal programs.

### ***Management's Responsibility***

The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

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

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Basis for Qualified Opinion on Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program***

As described in Findings 2014-003, 2014-005 and 2014-006 in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2014-003	93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	Period of Availability
2014-005	93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	Reporting
2014-006	93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	Allowable Costs/Cost Principles

Compliance with these requirements is necessary, in our opinion, for the District to comply with the requirements applicable to this program.

***Qualified Opinion on Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program* paragraph, the Holmes County General Health District complied, in all material respects, with the requirements referred to above that could directly and materially affect its Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program for the year ended December 31, 2014.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, the Holmes County General Health District complied in all material respects with the requirements referred to above that could directly and materially affect its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2014.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings and questioned costs as items 2014-003 and 2014-004. This finding did not require us to modify our compliance opinion on each major federal program.

The District's responses to our noncompliance findings are described in the accompanying corrective action plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and a deficiency we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-003, 2014-005 and 2014-006 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-004 to be a significant deficiency.

The District's responses to our internal control over compliance findings are described in the accompanying corrective action plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 24, 2015

**THIS PAGE INTENTIONALLY LEFT BLANK**

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2014**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Supplemental Nutrition Program for Women, Infants and Children CFDA # 10.557  Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program CFDA # 93.912
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2014  
(Continued)**

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

**FINDING NUMBER 2014-001**

**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	57,472	57,472			57,472
E19	Food	7,000	7,000			7,000

Significant amounts are due to the General Fund at December 31, 2014. 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 AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2014  
(Continued)

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

**FINDING NUMBER 2014-001 (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 2014-002**

**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:

- \$149,710 of General Fund and \$10,976 of Special Revenue Fund intergovernmental receipts were classified as miscellaneous receipts and transfers in.
- \$24,379 of General Fund and \$444,852 of Special Revenue Fund charges for services receipts were classified as miscellaneous receipts, contracts, and fees, licenses and permits.
- \$550 of General Fund and \$48,920 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.
- \$11,300 of General Fund assigned fund balance related to the subsequent year appropriations exceeding estimated receipts was classified as unassigned fund balance.

HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2014  
(Continued)

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

**FINDING NUMBER 2014-002 (Continued)**

**MATERIAL WEAKNESS (Continued)**

**Financial Reporting (Continued)**

- \$3,000 of Special Revenue Fund advances in were classified as transfers in. In addition, a \$1,300 advance was erroneously posted, resulting in an adjustment made to remove the advance in and the advance out posted as a disbursement.

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 FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2014  
(Continued)**

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

**1. Period of Availability**

<b>Finding Number</b>	2014-003
<b>CFDA Title and Number</b>	CFDA # 93.912 - Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program CFDA # 10.557 – Special Supplemental Nutrition Program for Women, Infants and Children
<b>Federal Award Number / Year</b>	G20RH26391-02-01/2014 03810011WA0714
<b>Federal Agency</b>	Health Resources and Services Administration U.S. Department of Agriculture
<b>Pass-Through Agency</b>	N/A Ohio Department of Health

**Questioned Cost - Noncompliance/Material Weakness**

**2 CFR Section 215.28** states that where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal Awarding Agency. The Ohio Department of Health requires the funds to be encumbered by September 30 and liquidated within 45 days after the end of the program period (November 15). For the Small Healthcare Provider Quality Improvement Grant, the Health Resources and Services Administration requires funds to be obligated during the grant period, which is September 1, 2013 through July 31, 2014, and the District has 90 days after the grant period to liquidate all obligations, which would be October 31, 2014.

For the Women, Infants, Children (WIC) grant, the District entered into obligations in the amount of \$868, with a projected amount of \$3,535, of nonpayroll expenditures that were charged to the FY14 grant, but the obligation occurred after September 30, which is after the period of availability.

For the Small Health Care Provider Quality Improvement Grant, the District entered into obligations in the amount of \$9,866 of nonpayroll and payroll expenditures that were charged to the FY14 grant, but the obligation occurred after July 31, which is after the period of availability.

Total questioned costs for the Small Health Care Provider Quality Improvement Grant expenditures obligated outside the period of availability are \$9,866, with a projected amount of \$21,999, of the District's \$171,016 spent on the Small Health Care Provider Quality Improvement Grant program during fiscal year 2014.

We recommend the District implement procedures to help ensure each expenditure is charged to the appropriate grant year based on its obligation and liquidation dates, as required by the grants' period of availability requirements.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2014  
(Continued)**

<b>3. FINDINGS FOR FEDERAL AWARDS (Continued_</b>
---

**2. Eligibility**

<b>Finding Number</b>	2014-004
<b>CFDA Title and Number</b>	10.557 – Special Supplemental Nutrition Program for Women, Infants and Children
<b>Federal Award Number / Year</b>	03810011WA0714
<b>Federal Agency</b>	U.S. Department of Agriculture
<b>Pass-Through Agency</b>	Ohio Department of Health

**Noncompliance/Significant Deficiency**

**7 CFR Section 246.7 (g)** states in part that program benefits will be based upon certifications established in accordance with the following timeframes: Breastfeeding woman - Approximately every 6 months. The State agency may permit its local agencies to certify a breastfeeding woman up to the last day of the month in which her infant turns 1 year old, or until the woman ceases breastfeeding, whichever occurs first.

It was noted that one breastfeeding woman received WIC benefits from January 1, 2014 to June 30, 2014. The woman last received certification on August 14, 2013 and did not receive recertification during 2014 . As a result, recertification did not occur every 6 months as required.

Without recertifying individuals as required, it would be possible for an individual that no longer qualified for services to receive service.

The District should ensure that all recertifications are done in a timely manner in accordance with federal guidelines to ensure compliance with federal requirements.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2014  
(Continued)**

<b>3. FINDINGS FOR FEDERAL AWARDS (Continued)</b>
---

**3. Reporting**

<b>Finding Number</b>	2014-005
<b>CFDA Title and Number</b>	CFDA # 93.912 - Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program
<b>Federal Award Number / Year</b>	G20RH26391-02-01/2014
<b>Federal Agency</b>	Health Resources and Services Administration
<b>Pass-Through Agency</b>	N/A

**Noncompliance/Material Weakness**

**34 C.F.R. 80.50(b)** requires that the grantee submit all financial, performance, and other reports required as a condition of the grant within 90 days after the expiration or termination of the grant. **The U.S. Department of Health and Human Services, Health Resources and Services Administration, Office of Rural Health Policy for the Small Health Care Provider Quality Improvement Grant Program, Section VI, part 3b**, indicates the Federal Financial Report (FFR) Cash Transaction Reports must be filed within 30 days of the end of each calendar quarter. Further, the **Notice of Award, Terms and Conditions, Grant Specific Terms # 3**, indicates grantees must report on clinical measures by six months after the project start date, and then quarterly thereafter.

The FFR Cash Transaction Report for the quarter ending December 31, 2014 was due on January 31, 2015 but was not submitted until February 9, 2015. In addition, when the District completed these quarterly reports for the Small Healthcare Provider Quality Improvement Grant, the District only included cash disbursements equal to the cash receipts rather than showing the actual cash disbursements made during the quarter. This could lead to inaccurate information being provided to the federal awarding agency.

We also noted the Performance Measures Report should have been submitted on February 1, 2014 and then there should have been a report submitted for the 1st, 2nd and 3rd quarters in 2014. The District only submitted one report during the audit period on November 7, 2014.

Failure to submit the required reports timely and accurately may result in the inability to access award funds.

The District should ensure all reports are filed timely and accurately to ensure compliance with the federal guidelines.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2014  
(Continued)**

<b>3. FINDINGS FOR FEDERAL AWARDS (Continued)</b>
---

**4. Allowable Costs / Cost Principles - Time and Effort**

<b>Finding Number</b>	2014-006
<b>CFDA Title and Number</b>	CFDA # 93.912 - Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program
<b>Federal Award Number / Year</b>	G20RH26391-02-01/2014
<b>Federal Agency</b>	Health Resources and Services Administration
<b>Pass-Through Agency</b>	N/A

**Questioned Cost - Noncompliance/Material Weakness**

**2 CFR Part 225, Appendix B Section 8(h)** provides, in part, that salaries and wages shall be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official of the government unit. When employees work on multiple activities or cost objectives, a distribution of compensation shall be supported by personnel activity reports that reflect the actual activity and total activity of the employees, unless certain time study requirements are met. An employee whose compensation is allocated solely to a single cost objective must furnish semiannual certificates that he/she has been engaged solely in activities supportive of the cost objectives.

During 2014, we noted four employees partially paid from the Small Health Care Provider grant totaling \$1,769 that did not complete a detailed bi-weekly timesheet or any other time and effort to support the amount of time worked on the grant.

Total questioned costs for payroll expenditures with no time and effort supporting documentation are \$1,769, with a projected amount of \$30,439, of the District's \$52,479 spent on the Small Health Care Provider Quality Improvement Grant program payroll during fiscal year 2014.

Not certifying or documenting time spent working on the grant could lead to unsupported payroll expenditures paid for with Federal awards.

We recommend the District maintain time and effort records that reflect the actual federal and nonfederal activity of each employee, account for the total activity for which each employee is compensated, and contain a signature of the employee and their Supervisor. These records should be used to ensure the employee is spending at least the required amount of time on the grant according to the grant budget.

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2013-001	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 2014-001
2013-002	Financial Reporting – The District had multiple reclassifications to the financial statements.	No	See Finding 2014-002

**HOLMES COUNTY GENERAL HEALTH DISTRICT  
HOLMES COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
DECEMBER 31, 2014**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2014-003	We will be more cognizant in the future of grant ending periods and increase planning procedures to ensure funds are properly obligated and liquidated according to grant requirements.	Completed May 30, 2015	Michael Derr, Health Commissioner
2014-004	The intake clerk personnel have been retrained in certifying to prevent this from happening again.	Completed May 30, 2015	Michael Derr, Health Commissioner
2014-005	The reporting for the Small Health Care Provider was a learning deficiency as we had never had a federal grant straight from HRSA. We followed what we were told when we called support but unfortunately that was not what the code states. We have reviewed the terms and conditions and will follow the guidelines within those notes.	Completed May 30, 2015	Michael Derr, Health Commissioner
2014-006	Payroll without time or activity sheets has been addressed and is under recommendation that all staff do time sheets. Over the years we have incorporated this with more and more staff. We now will incorporate the rest of the staff or move to an indirect system of accounting for staff who work across all funds.	Completed May 30, 2015	Michael Derr, Health Commissioner



# 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**