

***CARROLL GENERAL HEALTH DISTRICT***

***CARROLL COUNTY, OHIO***

**AUDIT REPORT**

**For the Years Ended December 31, 2014 and 2013**







# Dave Yost • Auditor of State

Board of Directors  
Carroll County District Board of Health  
PO Box 98  
Carrollton, Ohio 44615

We have reviewed the *Independent Auditor's Report* of the Carroll County District Board of Health, Carroll County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2013 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Carroll County District Board of Health is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 21, 2015

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**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

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**INDEPENDENT AUDITOR'S REPORT**

Carroll General Health District  
Carroll County  
PO Box 98  
Carrollton, Ohio 44615

To the Board of Directors:

***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Carroll General Health District, Carroll County, (the District) as of and for the years ended December 31, 2014 and 2013.

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

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

***Auditor's Responsibility***

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

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

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

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

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

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


In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Carroll General Health District, Carroll County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 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.



***Charles E. Harris & Associates, Inc.***

June 18, 2015



**CARROLL COUNTY GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Charges for Services	\$ 36,799	\$ 135,073	\$ 171,872
Fines, Licenses and Permits	31,856	157,542	189,398
Intergovernmental:			
Apportionments	175,604	-	175,604
Grants	31,951	295,733	327,684
Other	-	29,833	29,833
Subdivisions	-	6,581	6,581
<i>Total Cash Receipts</i>	<u>276,210</u>	<u>624,762</u>	<u>900,972</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Personal Services	82,158	375,555	457,713
Employee Fringe Benefits	38,975	152,588	191,563
Contractual Services	13,836	89,544	103,380
Equipment and Repairs	6,527	16,413	22,940
Materials and Supplies	31,583	78,505	110,088
Advertising	3,539	4,696	8,235
Remittance to State	14,983	19,212	34,195
<i>Total Cash Disbursements</i>	<u>191,601</u>	<u>736,513</u>	<u>928,114</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	84,609	(111,751)	(27,142)
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	18,554	99,870	118,424
Transfers Out	(99,870)	(18,554)	(118,424)
Advances In	2,164	6,489	8,653
Advances Out	(6,489)	(2,164)	(8,653)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(85,641)</u>	<u>85,641</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(1,032)	(26,110)	(27,142)
<i>Fund Cash Balances, January 1</i>	<u>50,547</u>	<u>146,332</u>	<u>196,879</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	120,222	120,222
Assigned	4,346	-	4,346
Unassigned	45,169	-	45,169
<i>Fund Cash Balances, December 31</i>	<u>\$ 49,515</u>	<u>\$ 120,222</u>	<u>\$ 169,737</u>

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

**CARROLL COUNTY GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Charges for Services	\$ 10,311	\$ 140,598	\$ 150,909
Fines, Licenses and Permits	30,798	143,249	174,047
Intergovernmental:			
Apportionments	175,604	-	175,604
Grants	5,005	353,338	358,343
Other	-	43,283	43,283
Subdivisions	-	5,810	5,810
<i>Total Cash Receipts</i>	<u>221,718</u>	<u>686,278</u>	<u>907,996</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Personal Services	57,192	338,701	395,893
Employee Fringe Benefits	33,994	144,371	178,365
Contractual Services	13,536	120,697	134,233
Equipment and Repairs	-	4,718	4,718
Materials and Supplies	19,594	104,040	123,634
Advertising	2,106	5,403	7,509
Remittance to State	14,185	17,745	31,930
<i>Total Cash Disbursements</i>	<u>140,607</u>	<u>735,675</u>	<u>876,282</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	81,111	(49,397)	31,714
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	17,599	68,382	85,981
Transfers Out	(68,382)	(17,599)	(85,981)
Advances In	6,696	2,164	8,860
Advances Out	(2,164)	(6,696)	(8,860)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(46,251)</u>	<u>46,251</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	34,860	(3,146)	31,714
<i>Fund Cash Balances, January 1</i>	<u>15,687</u>	<u>149,478</u>	<u>165,165</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	146,332	146,332
Assigned	5,997	-	5,997
Unassigned	44,550	-	44,550
<i>Fund Cash Balances, December 31</i>	<u>\$ 50,547</u>	<u>\$ 146,332</u>	<u>\$ 196,879</u>

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

**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

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

The District participates in the Public Entity Risk Pool of Ohio (PEP). PEP is a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. Note 5 to the financial statements provides additional information about this entity.

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

As required by the Ohio Revised Code, the Carroll 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.

**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. Summary of Significant Accounting Policies (continued)**

**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 Fund:

Public Home Nursing Services (PHNF) Fund - This fund receives fees for providing home nursing services to elderly and homebound persons.

**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 fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2014 and 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.

**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. Summary of Significant Accounting Policies (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 amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**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 cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Accumulated Leave**

In certain circumstances, such as leaving employment or retirement, employees are entitled to cash payouts for unused leave. The financial statements do not include a liability for unpaid leave.

**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**2. Budgetary Activity**

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 296,928	\$ 294,764	\$ (2,164)
Special Revenue	731,123	724,632	(6,491)
Total	\$ 1,028,051	\$ 1,019,396	\$ (8,655)

2014 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 302,512	\$ 295,817	\$ 6,695
Special Revenue	771,589	768,417	3,172
Total	\$ 1,074,101	\$ 1,064,234	\$ 9,867

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 246,013	\$ 239,317	\$ (6,696)
Special Revenue	756,826	754,660	(2,166)
Total	\$ 1,002,839	\$ 993,977	\$ (8,862)

2013 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 232,506	\$ 214,986	\$ 17,520
Special Revenue	802,103	768,004	34,099
Total	\$ 1,034,609	\$ 982,990	\$ 51,619

**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.

**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**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 and 2013, OPERS members contributed 10% of their earnable salaries and the District contributed an amount equaling 14% of participants' earnable salaries. The District has paid all contributions required through December 31, 2014.

**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>

**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**5. Risk Management (continued)**

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 \$6,800.

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>2013</u></b>	<b><u>2014</u></b>
\$8,967	\$10,326

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**

Management believes there are no pending claims or lawsuits.

**7. Transfers**

During 2014 and 2013, transfers were made from the general fund to subsidize operations of the District. Transfers were also made from various special revenue funds to the general fund for the purpose of reimbursing for expenses originally paid from general funds in compliance with the Ohio Revised Code requirements.



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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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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**

Carroll General Health District  
Carroll County  
P.O. Box 98  
Carrollton, Ohio 44615

To the Board of Directors:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Carroll General Health District, Carroll County (the District) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated June 18, 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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

**Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2014-001.

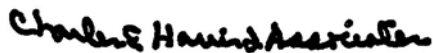
We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 18, 2015.

**Entity's Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

**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.



**Charles E. Harris and Associates, Inc.**  
June 18, 2015

**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number: 2014-001 – Material Weakness and Noncompliance**

**Audit Adjustments and Reclassifications**

Ohio Administrative Code Section 117-2-02(A) provides that all local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance and finance-related legal and contractual requirements and prepare financial statements.

The Auditor of State's financial statement shells provide suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example). Using these classifications will provide the District with information required to monitor compliance, budgetary matters and preparation of annual reports in the format required by the Auditor of State.

During audit procedures performed, errors were noted in the District's financial statements that required audit adjustments and reclassifications as follows:

- During 2014 and 2013, material amounts were aggregated into an "Other Expenses" line item that required reclassification in both the General and Special Revenue funds.
- During 2014 and 2013, Intergovernmental apportionments were improperly classified as Subdivision revenue.
- During 2014 and 2013, Intergovernmental apportionments originally posted as unrestricted funds in the General Fund were incorrectly decreased and posted as restricted funds in the Special Revenue funds. Proper treatment of this transaction is to post the total received as unrestricted funds in the General fund and transfer amounts committed by Board action to the Special Revenue funds.
- During 2013, Help Me Grow grant reimbursements were incorrectly posted as Subdivision receipts.
- During 2014 and 2013, fees received from nursing services provided were misclassified as Fines, Licenses and Permits instead of Charges for Services.
- During 2014 and 2013, fees received for services provided were misclassified as Other Intergovernmental revenue instead of Charges for Services in the General Fund.
- During 2014 and 2013, fees received for inspections performed were recorded as Fines, Licenses and Permits revenue instead of Charges for Services. The District did not maintain records sufficient to separate out the revenue attributable to each revenue stream.

The accompanying financial statements and the District's records have been adjusted to properly reflect these transactions.

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. We recommend the District adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Auditor of State guidance to aid in properly identifying account classifications.

**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**SCHEDULE OF FINDINGS - continued  
DECEMBER 31, 2014 AND 2013**

<p><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued</b></p>
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**Finding Number: 2014-001 – Material Weakness and Noncompliance (continued)**

**Management's Response:**

The District will review the financial statements prior to submission to the Auditor of State for errors and omissions in the future. The District will also monitor and track revenues from Licenses, Permits and Inspections more closely for reporting purposes.

**CARROLL GENERAL HEALTH DISTRICT  
CARROLL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2014 AND 2013**

The prior audit report, for the years ended December 31, 2012 and 2011, reported no material citations or recommendations.

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# Dave Yost • Auditor of State

**CARROLL COUNTY DISTRICT BOARD OF HEALTH**

**CARROLL 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  
AUGUST 4, 2015**