



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

COSHOCTON COUNTY GENERAL HEALTH DISTRICT COSHOCTON COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2013 and 2012
Fiscal Years Audited Under GAGAS: 2013 and 2012



Dave Yost • Auditor of State

Health Board Members
Coshocton General Health District
724 South Seventh Street
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of the Coshocton General Health District, Coshocton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2012 through December 31, 2013. 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 Coshocton General Health District is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

August 19, 2014

This page intentionally left blank.

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

Table of Contents

<u>TITLE</u>	<u>PAGE</u>
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, 2013.....	3
Combined Statement of Receipts, Disbursements and Changes In Fund Balances (Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2012.....	4
Notes to the Financial Statements	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

Independent Auditor's Report

Coshocton County General Health District
Coshocton County
724 South Seventh Street
Coshocton, Ohio 43812

To the District Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Coshocton County General Health District, Coshocton County, (the District), as of and for the years ended December 31, 2013 and 2012.

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 opinion.

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, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2013 and 2012, 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 Coshocton County General Health District, Coshocton County, as of December 31, 2013 and 2012, 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 May 2, 2014, 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.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
May 2, 2014

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 119,999	\$ -	\$ 119,999
Intergovernmental	29,948	334,701	364,649
Fines, Licenses, Permits	8,915	169,560	178,475
Charges for Services	31,967	19,857	51,824
Contributions	-	40,075	40,075
Other	1,100	9,893	10,993
	<u>191,929</u>	<u>574,086</u>	<u>766,015</u>
Total Cash Receipts			
	<u>191,929</u>	<u>574,086</u>	<u>766,015</u>
Cash Disbursements:			
Current:			
Health:			
Salaries	112,875	369,644	482,519
Benefits	39,177	116,565	155,742
Supplies	4,976	42,962	47,938
Remittances	-	43,409	43,409
Contracted Services	5,692	27,341	33,033
Travel	1,316	1,216	2,532
Equipment	1,930	2,000	3,930
Other Expenses	23,228	3,633	26,861
	<u>189,194</u>	<u>606,770</u>	<u>795,964</u>
Total Cash Disbursements			
	<u>189,194</u>	<u>606,770</u>	<u>795,964</u>
Excess of Receipts Over/(Under) Disbursements	2,735	(32,684)	(29,949)
Other Financing Receipts (Disbursements):			
Transfers-In	-	10,950	10,950
Transfers-Out	(2,000)	(8,950)	(10,950)
Advances-In	-	25,000	25,000
Advances-Out	(25,000)	-	(25,000)
	<u>(27,000)</u>	<u>27,000</u>	<u>-</u>
Total Other Financing Receipts (Disbursements)			
	<u>(27,000)</u>	<u>27,000</u>	<u>-</u>
Net Change in Fund Cash Balances	(24,265)	(5,684)	(29,949)
Fund Cash Balances, January 1	46,043	187,810	233,853
	<u>46,043</u>	<u>187,810</u>	<u>233,853</u>
Fund Cash Balances, December 31			
Restricted	-	182,126	182,126
Assigned	3,344	-	3,344
Unassigned (Deficit)	18,434	-	18,434
	<u>18,434</u>	<u>-</u>	<u>18,434</u>
Fund Cash Balances, December 31	<u>\$ 21,778</u>	<u>\$ 182,126</u>	<u>\$ 203,904</u>

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

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 119,651	\$ -	\$ 119,651
Intergovernmental	52,513	330,557	383,070
Fines, Licenses, Permits	4,193	181,939	186,132
Charges for Services	27,901	21,780	49,681
Contributions	-	39,059	39,059
Other	340	3,910	4,250
	<u>204,598</u>	<u>577,245</u>	<u>781,843</u>
Total Cash Receipts			
	<u>204,598</u>	<u>577,245</u>	<u>781,843</u>
Cash Disbursements:			
Current:			
Health:			
Salaries	141,148	368,069	509,217
Benefits	41,998	140,007	182,005
Supplies	4,405	15,010	19,415
Remittances	-	44,224	44,224
Contracted Services	3,748	28,053	31,801
Travel	2,048	1,383	3,431
Equipment	-	4,820	4,820
Other Expenses	31,412	3,006	34,418
	<u>224,759</u>	<u>604,572</u>	<u>829,331</u>
Total Cash Disbursements			
	<u>224,759</u>	<u>604,572</u>	<u>829,331</u>
Excess of Receipts Over/(Under) Disbursements	(20,161)	(27,327)	(47,488)
Other Financing Receipts (Disbursements):			
Advances-In	15,000	15,000	30,000
Advances-Out	(15,000)	(15,000)	(30,000)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Receipts (Disbursements)			
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Cash Balances	(20,161)	(27,327)	(47,488)
Fund Cash Balances, January 1	<u>66,204</u>	<u>215,137</u>	<u>281,341</u>
Fund Cash Balances, December 31			
Restricted	-	187,810	187,810
Assigned	3,228	-	3,228
Unassigned (Deficit)	<u>42,815</u>	<u>-</u>	<u>42,815</u>
Fund Cash Balances, December 31	<u>\$ 46,043</u>	<u>\$ 187,810</u>	<u>\$ 233,853</u>

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

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Coshocton County General Health District, Coshocton County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a five-member Board appointed by the Direct Advisory Council, which is comprised of publicly elected officials from the governmental subdivisions within the District, and a Health Commissioner, and Fiscal Administrator. The District provides general governmental services, including health services relative to communicable disease investigations, immunization clinics, tuberculosis screening, home nursing visits and various licenses and permits, including inspections, birth and death certificates and related services.

As health districts are structured in Ohio, the County Auditor and County Treasurer serve respectively as fiscal officer and custodian of funds for the District. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments. As the custodian of public funds, the County Treasurer invests District monies held on deposit in the county treasury.

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 the Auditor of State prescribes or permits. The basis is similar to the cash receipts and disbursements accounting basis. The District 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 Auditor of State prescribes or permits.

C. Deposits

As required by the Ohio Revised Code, the Coshocton 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.

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies (Continued)

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 from 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:

Child and Family Health Services Fund - This is a combination of Federal and State grant funds used to fund services for well children and pregnant women. Patient fees and charitable donations also help this fund with revenues for the Maternal and Child Health Center.

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

Solid Waste Grant Fund - This fund is used to account for permits issued and grants from the Four County Solid Waste District.

Public Health Emergency Preparedness Fund - This is a Federal grant fund used to assure the District is prepared for any public health emergencies, both natural and man-made.

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.

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

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 2013 and 2012 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.

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.

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

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 disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do 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.

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

2. Budgetary Activity

Budgetary activity for the years ended December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$187,999	\$191,929	\$3,930
Special Revenue	881,447	610,036	(271,411)
Total	\$1,069,446	\$801,965	(\$267,481)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$228,647	\$219,538	\$9,109
Special Revenue	941,570	620,097	321,473
Total	\$1,170,217	\$839,635	\$330,582

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$219,581	\$219,598	\$17
Special Revenue	881,332	592,245	(289,087)
Total	\$1,100,913	\$811,843	(\$289,070)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$244,413	\$242,987	\$1,426
Special Revenue	1,045,228	623,302	421,926
Total	\$1,289,641	\$866,289	\$423,352

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.

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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 and 2012, 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 Worker's Compensation.

The District is a member of the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), 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 their contracts. At December 31, 2012 (the latest information available), PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments or 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 retained earnings at December 31, 2012 and 2011 (the latest information available).

	<u>2012</u>	<u>2011</u>
Assets	\$34,389,569	\$33,362,404
Liabilities	(14,208,353)	(14,187,273)
Retained Earnings	<u>\$20,181,216</u>	<u>\$19,175,131</u>

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

5. Risk Management (Continued)

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and \$13.0 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$12.1 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future, as of December 31, 2012, and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$4,000.

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.

	<u>Contributions to PEP</u>	
2013		\$5,140
2012		5,127

After completing 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 claims 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. Transfers and Advances

Transfers made during the year ended December 31, 2013 were as follows:

	Transfers Out	Transfers In
General Fund	\$2,000	\$ -
Special Revenue Funds:		
Campground Fund		3,044
WIC Fund	5,906	-
Trailer Parks Fund	3,044	
WIC Reserve Fund	-	7,906
Total Special Revenue Funds	8,950	10,950
Total Transfers	\$10,950	\$10,950

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

7. Transfers and Advances (continued)

The transfer from the General Fund and the WIC Fund to the WIC Reserve Fund is to add funding for the payment of accrued vacation and sick leave at retirement for WIC employees. The transfer from the Trailer Parks Fund to the Campground Fund was ordered by the Court of Common Pleas.

Advances made during the year ended December 31, 2013 were as follows:

	Advances Out	Advances In
General Fund	\$25,000	\$ -
Special Revenue Funds:		
PHEP Fund	-	25,000
Total Special Revenue Funds	-	25,000
Total Advances	\$25,000	\$25,000

The General Fund advanced \$25,000 to the PHEP Fund in anticipation of grant funding.

Advances made during the year ended December 31, 2012 were as follows:

	Advances Out	Advances In
General Fund	\$15,000	\$15,000
Special Revenue Funds:		
PHEP Fund	15,000	15,000
Total Special Revenue Funds	15,000	15,000
Total Advances	\$30,000	\$30,000

The General Fund advanced \$15,000 to the PHEP Fund in anticipation of grant funding, and that advance was repaid during the year.



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Coshocton County General Health District
Coshocton County
724 South Seventh Street
Coshocton, Ohio 43812

To the District Board of Health:

We have audited, in accordance with the auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Coshocton County General Health District, Coshocton County, (the District) as of and for the years ended December 31, 2013 and 2012 and the related notes to the financial statements, and have issued our report thereon dated May 2, 2014, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control testing 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.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.

Piketon, Ohio

May 2, 2014

This page intentionally left blank.



Dave Yost • Auditor of State

COSHOCTON GENERAL HEALTH DISTRICT

COSHOCTON 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 02, 2014**