



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2016 and 2015
Fiscal Years Audited Under GAGAS: 2016 and 2015

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Dave Yost • Auditor of State

Board
Logan County Health District
310 South Main Street
Bellefontaine, Ohio 43311

We have reviewed the *Independent Auditor's Report* of the Logan County Health District, Logan County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2015 through December 31, 2016. 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 Logan County Health District is responsible for compliance with these laws and regulations.

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Dave Yost
Auditor of State

June 13, 2017

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LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY, OHIO
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Independent Auditor's Report

Logan County Health District
Logan County
310 South Main Street
Bellefontaine, Ohio 43311

To the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Logan County Health District, Logan County, (the District), as of and for the years ended December 31, 2016 and 2015.

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 of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D); 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 (GAAP), to satisfy requirements.

Although the effects on the financial statements 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 these statements 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 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, 2016 and 2015, 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 Logan County Health District, Logan County, as of December 31, 2016 and 2015, 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) permits, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe 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.



BHM CPA Group, Inc.
Piketon, Ohio
March 23, 2017

**LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Federal Awards	\$ -	\$ 270,867	\$ 270,867
Intergovernmental	627,476	-	627,476
Inspection Fees	3,225	-	3,225
Permits	49,722	42,099	91,821
Other Fees	182,582	40,810	223,392
Licenses	-	175,754	175,754
Charges for Services	10,900	37,089	47,989
Contractual Services	75,000	26,837	101,837
Other Receipts	-	528	528
Total Cash Receipts	<u>948,905</u>	<u>593,984</u>	<u>1,542,889</u>
Cash Disbursements			
Salaries	575,527	360,958	936,485
Medicare	7,532	4,003	11,535
Supplies	50,535	11,636	62,171
Remittances to State	45,827	95,633	141,460
Contracts- Service	42,541	20,087	62,628
Contracts - Repair	9,310	-	9,310
Travel	15,495	7,980	23,475
Utilities and Rental	10,699	509	11,208
Advertising and Printing	401	-	401
Public Employee's Retirement	78,845	50,707	129,552
Worker's Compensation	14,837	10,578	25,415
Hospital/Life Insurance	64,220	35,248	99,468
Unemployment Compensation	-	2,824	2,824
Other	12,200	655	12,855
Capital Outlay	19,075	-	19,075
Debt Service:			
Interest and Fiscal Charges	11,400	-	11,400
Total Cash Disbursements	<u>958,444</u>	<u>600,818</u>	<u>1,559,262</u>
Excess of Receipts Over (Under) Disbursements	(9,539)	(6,834)	(16,373)
Other Financing Receipts (Disbursements)			
Reimbursements	23,507	3,971	27,478
Refunds	(223)	(19,810)	(20,033)
Transfer In	-	10,837	10,837
Transfers Out	-	(10,837)	(10,837)
Advance In	-	10,000	10,000
Advance Out	(10,000)	-	(10,000)
Total Other Financing Receipts (Disbursements)	<u>13,284</u>	<u>(5,839)</u>	<u>7,445</u>
Net Change in Fund Cash Balances	3,745	(12,673)	(8,928)
Fund Cash Balances, January 1	282,461	442,851	725,312
Fund Cash Balances, December 31			
Restricted	7,773	430,178	437,951
Assigned	64,964	-	64,964
Unassigned (Deficit)	213,469	-	213,469
Fund Cash Balances, December 31	<u>\$ 286,206</u>	<u>\$ 430,178</u>	<u>\$ 716,384</u>

See accompanying notes to the financial statements.

**LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Federal Awards	\$ -	\$ 264,617	\$ 264,617
Intergovernmental	562,259	-	562,259
Inspection Fees	3,225	-	3,225
Permits	39,834	37,240	77,074
Other Fees	206,435	39,989	246,424
Licenses	-	175,256	175,256
Charges for Services	14,990	432,992	447,982
Contractual Services	85,000	-	85,000
Other Receipts	228	600	828
Total Cash Receipts	<u>911,971</u>	<u>950,694</u>	<u>1,862,665</u>
Cash Disbursements			
Salaries	584,920	648,614	1,233,534
Medicare	7,389	7,260	14,649
Supplies	28,301	32,626	60,927
Remittances to State	48,696	95,801	144,497
Equipment	358	-	358
Contracts- Service	56,507	197,691	254,198
Contracts - Repair	5,733	-	5,733
Travel	16,525	24,100	40,625
Utilities and Rental	5,061	6,096	11,157
Advertising and Printing	943	-	943
Public Employee's Retirement	82,747	90,102	172,849
Worker's Compensation	7,737	6,198	13,935
Hospital/Life Insurance	89,883	84,476	174,359
Other	16,230	5,138	21,368
Total Cash Disbursements	<u>951,030</u>	<u>1,198,102</u>	<u>2,149,132</u>
Excess of Receipts Over (Under) Disbursements	(39,059)	(247,408)	(286,467)
Other Financing Receipts (Disbursements)			
Reimbursements	20,589	2	20,591
Refunds	-	(253)	(253)
Transfer In	-	7,515	7,515
Transfers Out	-	(7,515)	(7,515)
Advance In	-	20,000	20,000
Advance Out	(20,000)	-	(20,000)
Total Other Financing Receipts (Disbursements)	<u>589</u>	<u>19,749</u>	<u>20,338</u>
Net Change in Fund Cash Balances	(38,470)	(227,659)	(266,129)
Fund Cash Balances, January 1	320,931	670,510	991,441
Fund Cash Balances, December 31			
Restricted	11,247	442,851	454,098
Assigned	170,566	-	170,566
Unassigned (Deficit)	100,648	-	100,648
Fund Cash Balances, December 31	<u>\$ 282,461</u>	<u>\$ 442,851</u>	<u>\$ 725,312</u>

See accompanying notes to the financial statements.

**LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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 Logan County Health District, Logan County, (the District) as a body corporate and politic. A six-member Board and Health Commissioner govern the District. The District's services include communicable disease surveillance and investigation, immunization clinics, inspections, public health nursing services, and issuance of health-related licenses and permits, and maintenance of county birth and death records.

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 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 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 Logan 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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds (Continued)

Public Home Nursing Services Fund – This fund receives fees for providing home nursing services to elderly and homebound persons. The District ceased providing home health operations in February of 2016.

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

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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash of January 1. The County Budget Commission must also 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 re-appropriated.

A summary of 2016 and 2015 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.

**LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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.

**LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

2. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$912,000	\$972,412	\$60,412
Special Revenue	670,794	618,792	(52,002)
Total	<u>\$1,582,794</u>	<u>\$1,591,204</u>	<u>\$8,410</u>

2016 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,093,813	\$996,514	\$97,299
Special Revenue	779,456	672,609	106,847
Total	<u>\$1,873,269</u>	<u>\$1,669,123</u>	<u>\$204,146</u>

2015 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$900,000	\$932,560	\$32,560
Special Revenue	1,205,439	978,211	(227,228)
Total	<u>\$2,105,439</u>	<u>\$1,910,771</u>	<u>(\$194,668)</u>

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,218,885	\$1,020,263	\$198,622
Special Revenue	1,418,021	1,233,289	184,732
Total	<u>\$2,636,906</u>	<u>\$2,253,552</u>	<u>\$383,354</u>

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.

**LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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 2016 and 2015, OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2016.

5. LONG-TERM OBLIGATION

The change in the District's long-term obligations during 2015 and 2016 were as follows:

	Balance at 1/1/2015	Additions	Deductions	Balance at 12/31/2016
Building Purchase Loan with Logan County Commissioners	\$ 166,250	\$ -	\$ -	\$ 166,250

On January 9, 2001, the Logan County Commissioners agreed to loan the funds necessary for the purchase of the District Board of Health office facility to the District.

6. RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employee.

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 the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. At December 31, 2015, the Pool retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

**LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

6. RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other accountants) confirm with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016 and 2015 (the latest information available).

	<u>2015</u>	<u>2014</u>
Assets	\$ 38,307,677	\$ 35,402,177
Liabilities	<u>(12,759,127)</u>	<u>(12,363,257)</u>
Net Position	\$ 25,548,550	\$ 23,038,920

At December 31, 2015 and 2014, the liabilities above include approximately \$11.5 million and \$11.2 million of estimated incurred claims payable. The assets above also include approximately \$11.0 million and \$10.8 million of unpaid claims to be billed to approximately 499 member governments in the future, as of December 31, 2015 and 2014. These amounts will be included in future contributions from members when related claims are due for payment. As of December 31, 2015, the District's share of these unpaid claims collectible in future years is approximately \$0.

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>2015</u>	<u>2014</u>
Contributions to PEP	<u>\$7,714</u>	<u>\$7,465</u>

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 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.

7. 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.

**LOGAN COUNTY HEALTH DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

8. INTERFUND TRANSACTIONS

During 2015, the Women, Infants, and Children (WIC) Fund transferred \$7,515 to the Contingency Fund for the purpose of transferring unused sick and vacation time for future use. The District's General Fund also advanced \$10,000 each to the WIC Fund and the Public Health Infrastructure Fund due to slow receipts of federal grant money in those funds. These advances may be reimbursed to the General Fund in the future if the cash flow for the funds becomes more stable.

During 2016, the Women, Infants, and Children (WIC) Fund transferred \$10,837 to the Contingency Fund for the purpose of transferring unused sick and vacation time for future use. The District's General Fund also advanced \$10,000 to the WIC Fund due to slow receipts of federal grant money in the fund. This advance may be reimbursed to the General Fund in the future if the cash flow for the fund becomes more stable.



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

Logan County Health District
Logan County
310 South Main Street
Bellefontaine, Ohio 43311

To the Board:

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 Logan County Health District, Logan County, (the District) as of and for the years ended December 31, 2016 and 2015 and the related notes to the financial statements, and have issued our report thereon dated March 23, 2017, wherein we noted the District followed accounting financial reporting provisions of 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 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 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.

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 testing 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
March 23, 2017



Dave Yost • Auditor of State

LOGAN COUNTY DISTRICT BOARD OF HEALTH

LOGAN 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
JUNE 27, 2017