

***MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2015 & 2014



Dave Yost • Auditor of State

Board Members
Meigs County General Health District
112 East Memorial Drive
Pomeroy, Ohio 45769

We have reviewed the *Independent Auditor's Report* of Meigs County General Health District, Meigs County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. 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. Meigs County 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

July 26, 2016

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MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY
AUDIT REPORT
For Years Ending December 31, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Meigs County General Health District
Meigs County
112 East Memorial Drive
Pomeroy, Ohio 45769

To the Board of Health:

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 Meigs County General Health District, Meigs County, (the District) as of and for the years ended December 31, 2015 and 2014.

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 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, 2015 and 2014, 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 Meigs County General Health District, Meigs County as of December 31, 2015 and 2014, 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 28, 2016, 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 28, 2016

**MEIGS COUNTY GENERALHEALTH DISTRICT
MEIGS COUNTY**

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

	General	Special Revenue	Total
Cash Receipts:			
Property and Other Local Taxes	\$ 248,124	\$ -	\$ 248,124
Charges for Services	18,233	19,610	37,843
Fees, Licenses and Permits	74,367	39,122	113,489
Intergovernmental	86,736	428,110	514,846
Miscellaneous	17,346	16,012	33,358
	<u>444,806</u>	<u>502,854</u>	<u>947,660</u>
<i>Total Cash Receipts</i>			
Cash Disbursements:			
Current:			
Salaries	203,249	275,354	478,603
Fringe Benefits			
Employee Health Insurance	26,330	11,761	38,091
Ohio Public Employees Retirement	27,478	37,233	64,711
Workers Compensation	817	1,350	2,167
Medicare	2,921	3,954	6,875
Supplies	2,242	43,846	46,088
Contract Services	28,971	36,486	65,457
Travel	4,051	7,046	11,097
Advertising and Printing	88	9,506	9,594
Remittances to State	33,019	3,908	36,927
Community Health Assessment	12,711	-	12,711
Equipment	-	48,281	48,281
Other	8,689	35,159	43,848
	<u>350,566</u>	<u>513,884</u>	<u>864,450</u>
<i>Total Cash Disbursements</i>			
<i>Excess Receipts Over (Under) Disbursements</i>	94,240	(11,030)	83,210
<i>Other Financing Receipts/(Disbursements):</i>			
Other Financing Uses	-	(5,945)	(5,945)
Advance in	25,432	71,561	96,993
Advance out	(71,561)	(25,432)	(96,993)
	<u>(46,129)</u>	<u>40,184</u>	<u>(5,945)</u>
<i>Total other financing receipts/(disbursements)</i>			
Net Change in Fund Cash Balances	48,111	29,154	77,265
<i>Fund Cash Balances, January 1</i>	<u>133,327</u>	<u>110,022</u>	<u>243,349</u>
Fund Cash Balances, December 31			
Restricted	-	139,176	139,176
Unassigned	181,438	-	181,438
	<u>181,438</u>	<u>139,176</u>	<u>320,614</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 181,438</u>	<u>\$ 139,176</u>	<u>\$ 320,614</u>

**MEIGS COUNTY GENERALHEALTH DISTRICT
MEIGS 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	Total
Cash Receipts:			
Property and Other Local Taxes	\$ 242,074	\$ -	\$ 242,074
Charges for Services	14,990	404,340	419,330
Fees, Licenses and Permits	67,320	39,661	106,981
Intergovernmental	60,244	19,220	79,464
Miscellaneous	8,661	21,530	30,191
	<u>393,289</u>	<u>484,751</u>	<u>878,040</u>
<i>Total Cash Receipts</i>			
Cash Disbursements:			
Current:			
Salaries	237,975	278,101	516,076
Fringe Benefits			
Employee Health Insurance	27,546	13,484	41,030
Ohio Public Employees Retirement	31,500	37,121	68,621
Workers Compensation	6,017	6,848	12,865
Medicare	3,370	3,957	7,327
Supplies	3,305	38,796	42,101
Contract Services	20,514	38,556	59,070
Travel	3,123	6,034	9,157
Advertising and Printing	217	2,880	3,097
Remittances to State	28,582	3,890	32,472
Equipment	-	41,366	41,366
Other	8,960	39,846	48,806
	<u>371,109</u>	<u>510,879</u>	<u>881,988</u>
<i>Total Cash Disbursements</i>			
<i>Excess Receipts Over (Under) Disbursements</i>	22,180	(26,128)	(3,948)
<i>Other Financing Receipts/(Disbursements):</i>			
Other Financing Uses	-	(19,720)	(19,720)
Transfers in	-	12,884	12,884
Transfers out	(12,884)	-	(12,884)
	<u>(12,884)</u>	<u>(6,836)</u>	<u>(19,720)</u>
Total other financing receipts/(disbursements)			
Net Change in Fund Cash Balances	9,296	(32,964)	(23,668)
<i>Fund Cash Balances, January 1</i>	124,031	142,986	267,017
	<u>124,031</u>	<u>142,986</u>	<u>267,017</u>
Fund Cash Balances, December 31			
Restricted	-	110,022	110,022
Unassigned	133,327	-	133,327
	<u>133,327</u>	<u>-</u>	<u>133,327</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 133,327</u>	<u>\$ 110,022</u>	<u>\$ 243,349</u>

MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014

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 District Board of Health, Meigs County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the Health District. These members are appointed by the Health District Advisory Council which is made up of the chairman of each Township within Meigs County, the mayor of each Village within Meigs County, and the chairman of the Meigs County Commissioners. The Health District's services include vital statistics, communicable disease investigations, immunization clinics, environmental health services, inspections, public health nursing services, and issues health-related licenses and permits.

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

B. BASIS OF ACCOUNTING

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

As required by the Ohio Revised Code, the Meigs 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.

MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. FUND ACCOUNTING - (Continued)

General Fund: The general fund reports all financial resources except those required to be accounted for in another fund.

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 expenditures for specific purposes. 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 fund accounts for and reports federal grant monies restricted to the Women, Infants and Children program.
- Public Health Emergency Preparedness (PHEP) 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 that each fund be budgeted annually.

1. Appropriations

Budgetary disbursements (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 Board of Health must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. BUDGETARY PROCESS

3. Encumbrances

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

A summary of 2015 and 2014 budgetary activity appears in Note 4.

F. FUND BALANCES

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted

Fund balance is reported as 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.

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. FUND BALANCES – (Continued)

Assigned

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes.

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

2. CASH AND INVESTMENTS

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the county's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. The District's carrying amount of cash on deposit with the County at December 31, 2015, was \$320,614 and at December 31, 2014, was \$243,349. The Meigs County Treasurer's Office is located at 100 E. Second Street, Pomeroy, Ohio 45769.

MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014

3. PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

<u>Fund:</u>	<u>2015 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 459,865	444,806	\$ (15,059)
Special Revenue Funds	485,223	502,854	17,631

<u>Fund:</u>	<u>2015 Budgeted vs Actual Budgetary Basis Disbursements</u>		
	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General Fund	\$ 448,375	\$ 350,566	\$ 97,809
Special Revenue Funds	574,804	519,829	54,975

<u>Fund:</u>	<u>2014 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 421,950	\$ 393,289	\$ (28,661)
Special Revenue Funds	486,515	497,635	11,120

<u>Fund:</u>	<u>2014 Budgeted vs Actual Budgetary Basis Disbursements</u>		
	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General Fund	\$ 440,413	\$383,993	\$ 56,420
Special Revenue Funds	573,646	530,599	43,047

MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014

5. 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 plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14%, of participants' gross salaries. The District has paid all contributions required through December 31, 2015.

6. RISK MANAGEMENT

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, 2015, 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, 2015 and 2014:

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

**MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014**

6 RISK MANAGEMENT – (Continued)

At December 31, 2015 and 2014, respectively, the liabilities above include approximately \$11.5 million and \$11.1 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. The Pool’s membership increased from 488 members in 2014 to 499 members in 2015. These amounts will be included in future contributions from members when the 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 \$2,300.

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>	
<u>2014</u>	<u>2015</u>
\$2,230	\$3,615

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.

7. CONTINGENT LIABILITIES / SUBSEQUENT EVENTS

The District may be defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially affect the District’s financial condition.

MEIGS COUNTY GENERAL HEALTH DISTRICT
MEIGS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014

8. INTERFUND TRANSFERS

Following is a summary of transfers in and out of all funds for 2014:

Funds	Transfers In	Transfers Out
General Fund	\$0	\$12,884
Special Revenue Funds		
Public Health Infrastructure Fund	561	0
Medical Reserve Corps	<u>12,323</u>	<u>0</u>
Totals	<u>\$12,884</u>	<u>\$12,884</u>

The general fund transfers unrestricted funds to the other governmental funds to provide additional resources for current operations

Following is a summary of advances in and out of all funds for 2015:

Funds	Advances In	Advances Out
General Fund	\$25,432	\$71,561
Special Revenue Funds		
Food Service	6,000	6,000
Public Health Emergency Preparedness	10,000	1,831
Women, Infants and Children	30,000	0
EBOLA	25,561	15,000
Child and Family Health	<u>0</u>	<u>2,601</u>
Totals	<u>\$96,993</u>	<u>\$96,993</u>

The General fund advances unrestricted funds to the Special Revenue funds to provide funding before the receipt of grant monies.

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

Meigs County General Health District
Meigs County
112 East Memorial Drive
Pomeroy, Ohio 45769

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Meigs County General Health District, Meigs County, (District) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2016, wherein we noted the District followed the 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.

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.

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 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 & Associates, Inc.

June 28, 2016

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Dave Yost • Auditor of State

MEIGS COUNTY DISTRICT BOARD OF HEALTH

MEIGS 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 9, 2016**