



# Balestra, Harr & Scherer, CPAs, Inc.

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

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## COSHOCTON COUNTY GENERAL HEALTH DISTRICT COSHOCTON COUNTY

### REGULAR AUDIT

For the Years Ended December 31, 2011 and 2010  
Fiscal Years Audited Under GAGAS: 2011 and 2010





# Dave Yost • Auditor of State

Board of Health  
Coshocton County General Health District  
724 S. Seventh Street  
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of the Coshocton County General Health District prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2010 through December 31, 2011. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 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

September 18, 2012

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**COSHOCTON COUNTY GENERAL HEALTH DISTRICT  
COSHOCTON COUNTY**

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# Balestra, Harr & Scherer, CPAs, Inc.

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## Independent Auditor's Report

Coshocton County General Health District  
Coshocton County  
724 S. Seventh Street  
Coshocton, Ohio 43812

To the District Board of Health:

We have audited the accompanying financial statements of Coshocton County General Health District, Coshocton County, Ohio, (the District) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

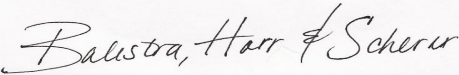
Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of Coshocton County General Health District, Coshocton County, Ohio, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 7, during 2011 the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2012 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

  
Balestra, Harr & Scherer, CPAs, Inc.  
May 11, 2012



**COSHOCTON COUNTY GENERAL HEALTH DISTRICT  
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Taxes	\$ 120,375	\$ -	\$ 120,375
Intergovernmental	46,325	469,692	516,017
Fees, Licenses, Permits	2,988	164,594	167,582
Charges for Services	17,326	17,883	35,209
Contributions	-	47,558	47,558
Other	3,584	1,224	4,808
	<u>190,598</u>	<u>700,951</u>	<u>891,549</u>
<b>Total Cash Receipts</b>			
	<u>190,598</u>	<u>700,951</u>	<u>891,549</u>
<b>Cash Disbursements:</b>			
Current:			
Health	<u>170,278</u>	<u>682,473</u>	<u>852,751</u>
	<u>170,278</u>	<u>682,473</u>	<u>852,751</u>
<b>Total Cash Disbursements</b>			
	<u>170,278</u>	<u>682,473</u>	<u>852,751</u>
Total Cash Receipts Over/(Under) Cash Disbursements	20,320	18,478	38,798
Fund Cash Balances, January 1	<u>45,884</u>	<u>196,659</u>	<u>242,543</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	215,137	215,137
Assigned	1,114	-	1,114
Unassigned (Deficit)	<u>65,090</u>	<u>-</u>	<u>65,090</u>
Fund Cash Balances, December 31	<u>\$ 66,204</u>	<u>\$ 215,137</u>	<u>\$ 281,341</u>

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

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT  
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Taxes	\$ 119,626	\$ -	\$ 119,626
Intergovernmental	40,337	413,475	453,812
Fees, Licenses, Permits	7,135	179,830	186,965
Charges for Services	12,932	20,578	33,510
Contributions	-	41,052	41,052
Other	309	1,744	2,053
	<u>180,339</u>	<u>656,679</u>	<u>837,018</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
Health	211,083	687,004	898,087
	<u>211,083</u>	<u>687,004</u>	<u>898,087</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	(30,744)	(30,325)	(61,069)
<b>Other Financing Receipts (Disbursements):</b>			
Transfers-In	-	2,837	2,837
Transfers-Out	-	(2,837)	(2,837)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Receipts (Disbursements)			
Net Change in Fund Cash Balances	(30,744)	(30,325)	(61,069)
Fund Cash Balances, January 1	76,628	226,984	303,612
<b>Fund Cash Balances, December 31</b>	<u>\$ 45,884</u>	<u>\$ 196,659</u>	<u>\$ 242,543</u>
Reserves for Encumbrances, December 31	<u>\$ 3,068</u>	<u>\$ 3,275</u>	<u>\$ 6,343</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, 2011 AND 2010**

**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, 2011 AND 2010**

**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 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:

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 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. Due to the H1N1 pandemic, the District also received Public Health Emergency Response (PHER) funds during 2010 to handle the crisis.

**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.

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**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 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 reappropriated.

A summary of 2011 and 2010 budgetary activity appears in Note 2.

**F. Fund Balance**

For December 31, 2011, 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, 2011 AND 2010**

**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.

**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, 2011 AND 2010**

**2. Budgetary Activity**

Budgetary activity for the years ended December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$208,980	\$190,598	(\$18,382)
Special Revenue	750,655	700,951	(49,704)
Total	\$959,635	\$891,549	(\$68,086)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$183,068	\$170,278	\$12,790
Special Revenue	731,672	682,473	49,199
Total	\$914,740	\$852,751	\$61,989

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$179,178	\$180,339	\$1,161
Special Revenue	864,836	659,516	(205,320)
Total	\$1,044,014	\$839,855	(\$204,159)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$239,527	\$214,151	\$25,376
Special Revenue	884,432	693,116	191,316
Total	\$1,123,959	\$907,267	\$216,692

**3. Intergovernmental Funding**

The County apportions the excess of the District's appropriations over other estimated receipts among the Districts 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, 2011 AND 2010**

**4. Retirement System**

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement benefits, including post-retirement health care, and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, 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 contribution required through December 31, 2011.

**5. Risk Management**

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

The District insures again 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 their contracts. At December 31, 2010, 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, 2010 and 2009 (the latest information available).

	<u>2010</u>	<u>2009</u>
Assets	\$34,952,010	\$36,374,898
Liabilities	<u>(14,320,812)</u>	<u>(15,256,862)</u>
Net Assets	<u>\$20,631,198</u>	<u>\$21,118,036</u>



**COSHOCTON COUNTY GENERAL HEALTH DISTRICT  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**5. Risk Management (Continued)**

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010, and 2009, 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 \$6,475.

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><b>Contributions to PEP</b></u>	
2011		\$6,962
2010		5,276

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of 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 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**

The District is defendant in a lawsuit. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the District's financial condition.

Amounts greater 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. Change in Accounting Principle and Fund Balances**

For fiscal year 2011, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on the fund balance for the fund types are presented below for December 31, 2011:

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**7. Change in Accounting Principle and Fund Balances (continued)**

Fund Balances	General fund	Special Revenue Funds	Total Governmental Funds
<b>Restricted for:</b>			
Health Services	\$ -	\$ 215,137	\$ 215,137
Total Restricted	<u>-</u>	<u>215,137</u>	<u>215,137</u>
<b>Assigned</b>	<u>1,114</u>	<u>-</u>	<u>1,114</u>
<b>Unassigned (Deficit)</b>	<u>65,090</u>	<u>-</u>	<u>65,090</u>
Total Fund Balances	<u>\$ 66,204</u>	<u>\$ 215,137</u>	<u>\$ 281,341</u>

**8. Transfers**

Transfers made during the year ended December 31, 2010 were as follows:

Special Revenue Funds:	Transfers Out	Transfers In
WIC Fund	\$2,837	-
WIC Reserve Fund	<u>-</u>	<u>2,837</u>
Total Special Revenue Funds	<u>\$2,837</u>	<u>\$2,837</u>

The transfer from 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.



## Balestra, Harr & Scherer, CPAs, Inc.

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

[www.bhscpas.com](http://www.bhscpas.com)

### **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 S. Seventh Street  
Coshocton, Ohio 43812

To the District Board of Health:

We have audited the financial statements of Coshocton County General Health District, Coshocton County, Ohio, (the District), as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated May 11, 2012 wherein we noted that the District followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America and that the District implemented Governmental Accounting Standards Board Statement No. 54 during 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

*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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

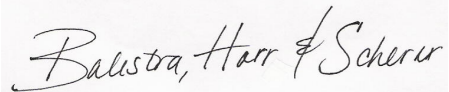
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

District Board of Health  
Coshocton County General Health District  
Coshocton County  
Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by *Government Auditing Standards*  
Page 2

### **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, providing an opinion 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*.

We intend this report solely for the information and use of management, the District Board of Health, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.  
May 11, 2012



# Dave Yost • Auditor of State

**COSHOCTON COUNTY 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  
OCTOBER 04, 2012**