



June 2, 2026

City of Galion Board of Health  
Crawford County  
113 Harding Way East  
Galion, Ohio 44833

This letter of arrangement between **City of Galion Board of Health**, Crawford County, Ohio (the Board of Health) and Perry & Associates CPAs, A.C. describes the objective and scope of the services we will provide, the Board of Health's required involvement and assistance in support of our services, the related fee arrangements, and other terms and conditions designed to ensure that our professional services satisfy the Board of Health's audit requirements.

### **Summary of Services**

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

We will audit the Board of Health's basic financial statements as of and for the year ended December 31, 2025, to express our opinion concerning whether the basic financial statements and related disclosures present fairly, in all material respects, the Board of Health's financial position, changes in financial position, and cash flows (where applicable), in conformity with U.S. generally accepted accounting principles.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements for each opinion unit and related disclosures are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the financial audit standards in the Comptroller General of the United States' Government Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We will also opine on whether supplementary information is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

We will apply certain limited procedures to required supplementary information. However, we will not opine or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We expect to deliver our report on or about June 30, 2026.

We will apply certain limited procedures to required supplementary information. However, we will not opine or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

### **Engagement Team**

The engagement will be led by:

- \* Ryan Lynn, Senior Audit Manager, who will be responsible for assuring the overall quality, value, and timeliness of our services to you.
- \* Landon Baker, In Charge Auditor, who will be responsible for managing the delivery of our services to you

### **The Auditing Process**

#### **Our Responsibilities:**

We will conduct our audit in accordance with GAAS and the Comptroller General of the United States' standards for financial audits included in *Government Auditing Standards*. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Significant risks identified as part of our audit planning will be disclosed to you in a separate communication.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
4. Test the Board of Health's compliance with certain provisions of laws, regulations, contracts, and grants if noncompliance might reasonably directly and materially affect the financial statements. However, our objective is not to opine on overall compliance with these provisions.
5. Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about your ability to continue as a going concern for a reasonable period of time.

Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatement, whether due to fraud or error, may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. It is not cost-efficient to design procedures to detect immaterial error or immaterial fraud. Also, because of the characteristics of fraud noted above, a properly designed and executed audit may not detect a material fraud.

#### **Additional Auditor Communication**

As part of this engagement the we will communicate certain additional matters (if applicable) to the appropriate members of management and to those charged with governance. These matters include:

1. Misstatements for correction, whether corrected or uncorrected
  - a. We will present those charged with governance our Summary of Identified Misstatements

(if any) at the conclusion of our audit;

2. Instances where we believe fraud may exist. These would include instances where we:
  - a. Have persuasive evidence that fraud occurred.
  - b. Determined fraud risks exist and were unable to obtain convincing evidence to determine that fraud was unlikely;
3. Noncompliance that comes to our attention. However, our audit provides no assurance that noncompliance generally will be detected and only reasonable assurance that we will detect noncompliance directly and materially affecting the determination of financial statement amounts;
4. Significant risks identified during the audit;
5. Any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the financial statements or our opinion;
6. Our views about matters that were the subject of management's consultation with other accountants about auditing and accounting matters;
7. Significant, unusual transactions;
8. Major issues that were discussed with management related to retaining our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards;
9. Significant difficulties we encountered during the audit, including significant delays by management, the unavailability of Board of Health's personnel, or an unwillingness by management to provide information necessary to perform our procedures; and
10. Matters that are difficult or contentious for which we consulted outside the engagement team and that are, in our professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process.

We will also communicate pertinent information, as necessary in our professional judgment, to those that have ongoing oversight responsibilities for the audited entity, including contracting parties or legislative committees, if any.

Our evaluation of internal control may provide evidence of waste or abuse. Because the determination of waste and abuse is subjective, we are not required to perform specific procedures to detect waste or abuse. If we detect waste or abuse, we will determine whether and how to communicate such matters.

If for any reason we are unable to complete the audit or are unable to form an opinion, we may disclaim an opinion on your financial statements. In this unlikely event, we will communicate the reason for disclaiming an opinion to you, and to those charged with governance, in writing.

#### **YOUR MANAGEMENT RESPONSIBILITIES AND IDENTIFICATION OF THE APPLICABLE REPORTING FRAMEWORK**

We will audit assuming that management and those charged with governance acknowledge and understand they are responsible for:

1. Preparing the financial statements and other financial information, including related disclosures and selecting and applying accounting principles in accordance with accounting principles generally accepted in the United States of America. This includes compliance with Ohio Admin. Code 117-2-01 which requires designing, implementing and maintaining internal controls relevant to preparing and fairly presenting financial statements free from material misstatement whether due to fraud or error.

2. Providing us with:
  - a. draft financial statements, including all information relevant to their preparation and fair presentation, whether obtained from within or outside of the general and subsidiary ledgers (including all information relevant to the preparation and fair presentation of disclosures) and any accompanying other information in time to allow the auditor to complete the audit in accordance with the proposed timeline;
  - b. access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including an expectation that management will provide access to information relevant to disclosures;
  - c. written representations as part of the engagement, from management and/or attorneys, understanding separate legal fees from attorneys may result;
  - d. additional information that we may request from management for the audit;
  - e. unrestricted access to persons within the Board of Health from whom we determine it necessary to obtain audit evidence;
  - f. the initial selection of and changes in significant accounting policies and their application; and
  - g. the process management uses to formulate particularly sensitive accounting estimates and the basis for their conclusions regarding the reasonableness of those estimates.
3. Informing us of events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements.
4. Preparing supplementary information in accordance with the applicable criteria.
  - a. Include our report on the supplementary information in any document that includes the supplementary information and that indicates that the auditor has reported on this supplementary information.
  - b. Present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the Board of Health of the supplementary information and the auditor's report thereon.
5. Reporting fraud and noncompliance of which you are aware to us.
6. Reviewing drafts of the audited financial statements, disclosures, any supplemental information, auditor's reports and any findings; and informing us of any edits you believe may be necessary.
7. Designing and implementing programs and controls to prevent and detect fraud.

***You should not rely on our audit as your primary means of detecting fraud.***

Compliance with Laws and Regulations

Management and those charged with governance are responsible for:

1. Being knowledgeable of, implementing systems designed to achieve compliance with, and complying with, laws, regulations, contracts, and grants applicable to the Board of Health.
2. Identifying for us other financial audits, attestation engagements, performance audits, internal audits, reports from regulators or other studies related to the Board of Health (if any), and the corrective actions taken to address these audits' significant findings and recommendations.
3. Tracking the status of prior audit findings.

4. Taking timely and appropriate steps to remedy fraud, noncompliance, violations of provisions of laws, regulations, contracts or grant agreements, waste or abuse we may report.
5. Providing your views and planned corrective action on audit findings we may report.

#### Internal Control

Management and those charged with governance are responsible for designing, implementing and maintaining internal control relevant to compliance and the preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error. Appropriate supervisory reviews are necessary to reasonably assure that adopted policies and prescribed procedures are followed.

#### Service Organizations

Service organizations are other governmental entities, organizations, or companies that provide services to you, as the user Board of Health, relevant to your internal controls over financial reporting. Service organizations process transactions reflected in your Board of Health's financial statements, and therefore fall within the scope of our audit. While service organizations are responsible for establishing and maintaining their internal control, you are responsible for being aware of the service organizations your Board of Health uses, and for establishing controls to monitor the service organization's performance. Because the complexity of service organization transaction processing can vary considerably, your monitoring activities can vary accordingly.

When transaction processing is complex and the volume of transactions is relatively high, obtaining and reviewing a service organization auditor's *Independent Service Auditor's Report on Management's Description of a Service Organization's System and the Suitability of the Design and Operating Effectiveness of Controls* Report (Type 2 Service Organization Control Report (SOC 1)) may be the most effective method of meeting your responsibility to monitor a service organization, and may also be the only efficient means by which we can obtain sufficient evidence regarding their internal controls. AT-C Section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting* discusses the aforementioned report. (In some circumstances, we can accept a suitably designed agreed-upon procedures report (AUP) in lieu of a SOC 1 report.)

***You are responsible for informing our staff of the service organizations your Board of Health uses, and for monitoring these service organizations' performance.***

Service organizations of which we are aware are:

- City of Galion

Please confirm to us that, to the best of your knowledge, the above listing is complete.

#### **REPRESENTATIONS FROM MANAGEMENT**

Upon concluding our engagement, management and, when appropriate, those charged with governance will provide to us written representations about the audit that, among other things, will confirm, to the best of their knowledge and belief:

- management's responsibility for preparing the financial statements and relevant disclosures in conformity with generally accepted accounting principles;
- the availability of original financial records and related data, the completeness and availability of all minutes of the legislative or other bodies and committee meetings;
- management's responsibility for the Board of Health's compliance with laws and regulations;
- the identification and disclosure to the auditor of all laws, regulations, and provisions of

- contracts and grant agreements directly and materially affecting the determination of financial statement amounts; and
- the absence of fraud involving management or employees with significant roles in internal control.

Additionally, we will request representations, as applicable, regarding:

- the proper classification of funds, net position and fund balances;
- the proper approval of reserves of fund equity;
- appropriate accounting and disclosure of related party transactions;
- compliance with laws, regulations, and provisions of contracts and grant agreements, including budget laws or ordinances; compliance with any tax or debt limits, and any debt covenants;
- representations relative to required supplementary information;
- the identification of compliance with grant requirements; and
- events occurring subsequent to the fiscal year end requiring adjustment to or disclosure in the financial statements.

Management is responsible for adjusting the financial statements to correct misstatements we may detect during our audit and for affirming to us in the representation letter that the effects of any uncorrected misstatements we aggregate during our engagement and pertaining to the latest period the statements present are immaterial, both individually and in the aggregate, to the opinion units. (*Financial statements* include the related disclosures and required and other supplemental information).

#### **Terms and Conditions Supporting Fee**

As a result of our planning process, the Board of Health and Perry & Associates CPAs, A.C. have agreed to an approach designed to meet the Board of Health's objectives for an agreed-upon fee, subject to the following conditions.

##### **Our Responsibilities:**

In providing our services, we will consult with the Board of Health regarding matters of accounting, financial reporting or other significant business issues. Accordingly, our fee includes estimated time necessary for this consultation. However, should a matter require research, consultation or audit work beyond this estimate, Perry & Associates CPAs, A.C. and the Board of Health will agree to an appropriate revision in services and fees. These revisions will also be set forth in the form of an additional engagement letter.

##### **Your Responsibilities:**

The Board of Health will provide in a timely manner all financial records and related information to us, an initial list of which has been furnished to you, including timely communication of all significant accounting and financial reporting matters, as well as working space and clerical assistance as mutually agreed upon and as is normal and reasonable in the circumstances. When and if for any reason the Board of Health is unable to provide these schedules, information and assistance, Perry & Associates CPAs, A.C. and the Board of Health will mutually revise the fee to reflect additional services, if any, we require to achieve these objectives. These revisions will be set forth in the form of an additional engagement letter.

##### **Confidential Information:**

You should make every attempt to minimize or eliminate the transmission of personal information to Perry & Associates CPAs, A.C. All documents you provide in connection with our services including financial records and reports, payroll records, employee rosters, health and medical records, tax records, etc. should be redacted of any personal information. Personal information includes social security numbers, date of birth, drivers' license numbers or financial institution account numbers associated with an individual. The public office should redact all personal information from electronic records before they are transmitted to us. This information should be fully blacked out in all paper documents prior to sending to us. If personal information cannot be redacted from any records or documents; the public office must identify these records to us.

If redacting this personal information compromises the audit or the ability to prepare financial statements, the public office and we will consider these exceptions on a case-by-case basis. Additionally, if redacting this information creates a hardship on the public office in terms of resources, recordkeeping or other issues, the public office and we may collaborate on alternative methods of providing the public office's data to us without compromising the personal information of individuals served by the public office. We are willing to work with the public office and it is our intent to greatly reduce the amount of personal information submitted to us for audit or financial statement preparation purposes. It is important that the public office review internal policies to find ways to eliminate as much personal information from financial records as possible by substituting non-personal information (i.e., change social security numbers to employee identification numbers).

### **Fee**

Except for any changes in fees and expenses which may result from the circumstances described above, we expect our fees and expenses for our audit services will not exceed **\$10,318**.

Pursuant to Ohio Rev. Code Section 117.13, you may charge all of this audit's cost to the general fund or you may allocate the cost among the general fund and other eligible funds in accordance with Auditor of State Bulletin 2009-011.

### **Reporting**

We will issue a written report upon completing our audit of your financial statements. We will address our report to those charged with governance. We cannot assure you that that we will issue an unqualified opinion expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter paragraph(s), or withdraw from the engagement.

Upon completing our audit, we will also issue a written report in accordance with *Government Auditing Standards* on internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

### **Access to Our Reports and Working Papers**

AU-C 905—*Alert That Restricts the Use of the Auditor's Written Communication* requires our reports to disclose the following:

#### ***Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards:***

This report describes only the scope of our tests of internal control over financial reporting and on compliance and other matters and the results of these tests, and does not opine on the effectiveness of the Board of Health's internal control over financial reporting or on compliance or other matters. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

#### ***Independent Accountants' Report on Compliance With Requirements Applicable To the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance:***

This report only describes the scope of our tests of internal control over compliance and the results of these tests based on Single Audit requirements. Accordingly, this report is not suitable for any other purpose.

AU-C 905 requires us to include this restrictive language in our reports due to concerns that other readers may not fully understand the purpose of the report, the nature of the procedures applied in its preparation, the basis or assumptions used in its preparation, the extent to which the procedures performed are generally known or understood, and the potential for the report to be misunderstood, when taken out of the context for which it was intended.

However, under Revised Code Section 117.26, an audit report becomes a public record under Section 149.43, Revised Code, when we file copies of the report with the public officers enumerated in the Revised Code. When we file the reports, our working papers become available to the public upon request, subject to information protected for criminal investigations, by attorney-client privilege or by local, state or federal law. AU-C 905 does not affect public access to our reports or working papers.

Under generally accepted auditing standards, we must retain working papers for five years after the release date of our opinion.

**Peer Review Report**

As required by *Government Auditing Standards*, we have attached a copy of our most recent external quality control review report (Peer Review) as part of our bid proposal. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. We received a peer review rating of pass.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us. If you have any questions, please call us at (740) 373-0056.



**Perry and Associates**  
Certified Public Accountants, A.C.

Andrea Cinadr  
ACCEPTED BY

Health Commissioner  
TITLE



**BUCKLER, McKENNEY & NADZADI, P.C.**

Certified Public Accountants

116 Fox Plan Road

Monroeville, PA 15146-2799

(412) 856-7880

FAX (412) 856-0510

11 West Market Street

Blairsville, PA 15717

(724) 459-5025

FAX (724) 459-5051

Mitchell K. McKenney, CPA  
Jennifer Nadzadi, CPA

Merle L. Buckler, CPA (1931-1996)

**Report on the Firm's System of Quality Control**

June 27, 2024

To the Partners of Perry & Associates CPAs AC and the Peer Review Committee of the Ohio Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Perry & Associates CPAs AC in effect for the year ended September 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

**Firm's Responsibility**

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of

applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Perry & Associates CPAs AC in effect for the year ended September 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Perry & Associates CPAs AC has received a peer review rating of *pass*.



Buckler, McKenney & Nadzadi PC