



**Auditor of State  
Betty Montgomery**



**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

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**Auditor of State  
Betty Montgomery**

Delaware General Health District  
Delaware County  
1 West Winter Street  
Columbus, Ohio 43015

To the Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your District 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. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

September 30, 2005

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Delaware General Health District  
Delaware County  
1 West Winter Street  
Delaware, Ohio 43015

To the Members of the Board:

We have audited the accompanying financial statements of the Delaware General Health District, Delaware County, Ohio, (the District) as of and for the year ended December 31, 2004. 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.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use GAAP to measure financial statement amounts, 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.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 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, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Delaware General Health District, Delaware County, Ohio, as of December 31, 2004, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2004. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2005, 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.

We conducted our audit to opine on the District's combined financial statements. The U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, require presenting the federal awards expenditure schedule. The schedule is not a required part of the combined financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the combined financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole.



**Betty Montgomery**  
Auditor of State

September 30, 2005



**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$ 1,751,782	\$ -	\$ 1,751,782
Federal/State Funds	-	1,214,834	1,214,834
Subdivisions	300,000	-	300,000
Inspection fees	82,510	-	82,510
Permits	803,299	15,722	819,021
Other Fees	189,651	27,944	217,595
Licenses	-	243,668	243,668
Contractual services	43,426	-	43,426
Other receipts	26,351	60,750	87,101
	<u>3,197,019</u>	<u>1,562,918</u>	<u>4,759,937</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Salaries	1,835,394	192,525	2,027,919
Benefits	610,559	59,879	670,438
Supplies	187,817	65	187,882
Remittances to State	30,013	21,611	51,624
Equipment	29,226	-	29,226
Contracts - Repair	101,652	-	101,652
Contracts - Services	89,518	1,448	90,966
Rentals	6,257	-	6,257
Travel	28,466	1,929	30,395
Project Expenses	-	1,214,225	1,214,225
Utilities and rentals	78,344	-	78,344
Advertising and printing	46,557	-	46,557
Worker's compensation	15,328	1,692	17,020
Debt Payments - Principal	65,909	-	65,909
Debt Payments - Interest	36,721	-	36,721
Other	140,777	12,831	153,608
	<u>3,302,538</u>	<u>1,506,205</u>	<u>4,808,743</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(105,519)</u>	<u>56,713</u>	<u>(48,806)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	-	47,000	47,000
Advances-In	48,200	600	48,800
Transfers-Out	(47,000)	-	(47,000)
Advances-Out	(600)	(48,200)	(48,800)
Reimbursements	43,515	-	43,515
Other sources	77,544	3,284	80,828
	<u>121,659</u>	<u>2,684</u>	<u>124,343</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	16,140	59,397	75,537
Fund Cash Balances, January 1	749,337	595,560	1,344,897
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 765,477</b></u>	<u><b>\$ 654,957</b></u>	<u><b>\$ 1,420,434</b></u>
Reserves for Encumbrances, December 31	<u>\$ 85,807</u>	<u>\$ 30,273</u>	<u>\$ 116,080</u>

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

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**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Delaware General Health District, Delaware County, Ohio (the District) is a combined general health district as defined by section 3709.07 of the Ohio Revised Code. It was established as a contractual union of the Delaware City Health District and Powell City Health District with the Delaware City Health District. The District is directed by a nine-member Board under section 3709.02 and section 3709.07 of the Ohio Revised Code, and is responsible for the administration of all health programs established by the Ohio Revised Code, Administrative Codes, and any programs deemed necessary by the District. The District's services include communicable disease investigations, review of health programs, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

By law, the Delaware County Auditor is the fiscal agent of the District.

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 basis of accounting the Auditor of State prescribes or permits. 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 adequately disclose material matters the Auditor of State's accounting basis requires.

**C. Cash**

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The County's cash and investment pool holds the District's assets, valued at the County 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 accounts for all financial resources except those restricted by law or contract.

**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

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

Women, Infants, and Children (WIC) Fund - This federal grant fund is used to account for the Special Supplemental Nutrition Program.

Early Intervention Nursing (EIN) Fund - This federal grant fund is used to account for the Help Me Grow 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 Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2004 budgetary activity appears in Note 2.

**F. 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.

**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. 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.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2004 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,291,059	\$3,318,078	\$27,019
Special Revenue	1,597,578	1,613,202	15,624
Total	\$4,888,637	\$4,931,280	\$42,643

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,832,747	\$3,435,345	\$397,402
Special Revenue	1,754,016	1,536,478	217,538
Total	\$5,586,763	\$4,971,823	\$614,940

**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 subdivision receipts.

The County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide the District with sufficient funds for health programs. The levy generated \$1,751,782 in 2004. The financial statements present these amounts as intergovernmental receipts.

**4. RETIREMENT SYSTEM**

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare and survivor and disability benefits.

**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**4. RETIREMENT SYSTEM (Continued)**

The Ohio Revised Code also prescribes contribution rates. For 2004, OPERS members required contribution was 8.5 percent of their gross salaries. District employees contributed 3.5 percent of their required 8.5 percent contribution, while the District contributed the remaining 5 percent on their behalf. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2004.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The District also provides health insurance and dental coverage to full and part time employees through a private carrier.

**6. DEBT**

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$1,163,669	3%

The general obligation notes were issued to finance the purchase of an office building in downtown Delaware. The building houses the District offices, a local bank and law offices. The initial rate of interest is 3% for the first three years. For the next three years the rate will increase/decrease to the prime + ½ %, at the date of assessment, for years four through six, and adjust subsequently every three years thereafter. The District makes monthly installments through January 1, 2019. The Notes are secured by the District's tax authority.

Amortization of the above debt, including interest of 3% annually, is scheduled as follows:

Year ending December 31:	
2005	\$101,895
2006	101,895
2007	101,895
2008	101,895
2009	101,895
2010 – 2014	509,474
2015 – 2019	407,581
Total	\$1,426,530

**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004  
(Continued)**

**6. DEBT (Continued)**

The annual interest rate is subject to change every three years throughout the life of the Note. Consequently, the payments could vary from those demonstrated in the above amortization schedule.

**7. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Health:</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	21-1-001-1-CL-04	10.557	\$234,319
	21-1-001-1-CL-05		<u>57,457</u>
Total U.S. Department of Agriculture			<u>291,776</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed Through Ohio Department of Public Safety:</i>			
State and Community Highway Safety	4138	20.600	28,896
	5069		<u>6,049</u>
Total U.S. Department of Transportation			<u>34,945</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Passed Through Ohio Department of Health:</i>			
Special Education Grant for Infants and Families With Disabilities	21-1-001-1-EG-04	84.181	31,839
	21-1-001-1-EG-05		<u>20,872</u>
Total U.S. Department of Education			<u>52,711</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed Through Ohio Department of Health:</i>			
Immunization Grants	21-1-001-2-AZ-04	93.268	12,603
Center for Disease Control and Prevention Investigations and Technical Assistance	21-1-001-2-BI-04	93.283	126,192
	21-1-001-2-BI-05		<u>40,965</u>
Total CFDA 93.283			<u>167,157</u>
Preventive Health and Human Services Block Grant	21-1-001-2-ED-04	93.991	43,336
Maternal and Child Health Services Block Grant	21-1-001-1-MC-04	93.994	3,556
	21-1-001-1-MC-05		<u>31,125</u>
Total CFDA 93.994			<u>34,681</u>
Total U.S. Department of Health and Human Services			<u>257,777</u>
<b>Total Federal Awards Expenditures</b>			<b><u>\$ 637,209</u></b>

The accompanying notes to this schedule are an integral part of this schedule.

**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2004**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



## Auditor of State Betty Montgomery

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

Delaware General Health District  
Delaware County  
1 West Winter Street  
Delaware, Ohio 43015

To the Members of the Board:

We have audited the financial statements of the Delaware General Health District, Delaware County, Ohio (the District) as of and for the year ended December 31, 2004, and have issued our report thereon dated September 30, 2005, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated September 30, 2005, we reported an other matter involving internal control over financial reporting we did not deem a reportable condition.

#### **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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2004-001. In a separate letter to the District's management dated September 30, 2005, we also reported other matters related to noncompliance we deemed immaterial.

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Delaware General Health District  
Delaware County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the audit committee, management, the Board, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 30, 2005



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Delaware General Health District  
Delaware County  
1 West Winter Street  
Delaware, Ohio 43015

To the Members of the Board:

#### Compliance

We have audited the compliance of the Delaware General Health District, Delaware County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that apply to its major federal program for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. Compliance with the requirements of laws, regulations, contracts, and grants applicable to the major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Delaware General Health District, Delaware County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2004.

#### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We intend this report solely for the information and use of the audit committee, management, the Board, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 30, 2005

**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2004**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – CFDA 10.557
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2004  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>2004-001</b>
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**Travel Expenses- Finding Repaid Under Audit**

The Ohio Supreme Court case of State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), along with Auditor of State Bulletin 2003-005 and Attorney General Opinion 82-006 set forth guidance as to the expenditure of funds for a proper public purpose. The two criteria established under the Attorney General Opinion for determination of proper public purpose are that the expenditure is required for the general good of all inhabitants and the primary objective of the expenditure is to further a public purpose, even if an incidental private end is advanced. The decision of what constitutes a proper public purpose should be memorialized by a duly enacted ordinance or resolution of the District Board that sets forth the policy of the District and that has prospective effect only.

In May 2004, the District paid for Randy Smith, Board Member, to attend a health conference in Denver. Further, in May 2004 the District paid \$448 for airfare for Mr. Smith's wife, Linda Smith, who is not an employee of the District, to accompany him on the trip.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money "illegally expended" is hereby issued against Randy Smith, Board Member, Ty Wheeler, Operations Director, and the Public Entities Risk Pool of Ohio, their bonding company, jointly and severally, in the amount of four hundred and forty-eight dollars (\$448) in favor of the Delaware General Health District.

The amount of \$448 was repaid by Randy Smith on July 8, 2005.

In addition, we recommend that the District develop and implement procedures to ensure expenditures are made for proper public purpose and meet the requirements numerated in the Auditor of State Bulletin 2003-005 and 1982 Op. Atty. Gen No. 82-006.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None



**DELAWARE GENERAL HEALTH DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2003-001	Ohio Revised Code, Section 5705.41(D), District did not properly certify expenditure of funds.	No	Partially Corrected – Reissued in Management Letter





**Auditor of State  
Betty Montgomery**

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800-282-0370  
Facsimile 614-466-4490

**GENERAL HEALTH DISTRICT**

**DELAWARE 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  
DECEMBER 6, 2005**