



**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets - Modified Cash Basis.....	9
Statement of Activities - Modified Cash Basis.....	10
Fund Financial Statements:	
Statement of Modified Cash Basis Assets and Fund Balances – Governmental Funds	11
Statement of Receipts, Disbursements and Changes in Modified- Cash Basis Fund Balances – Governmental Funds.....	12
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis - General Fund.....	13
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – Board of Health Nursing Fund	14
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis - Help Me Grow Fund	15
Notes to the Basic Financial Statements	17
Schedule of Federal Awards Expenditures.....	25
Notes to the Schedule of Federal Awards Expenditures	26
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	27
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133.....	29
Schedule of Findings.....	31
Schedule of Prior Audit Findings.....	32

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Sandusky District Board of Health
Sandusky County
2000 Countryside Drive
Fremont, Ohio 43420-8560

To Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sandusky District Board of Health, Sandusky County, (the District), as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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 opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of District Board of Health, Sandusky County, Ohio, as of December 31, 2004, and the respective changes in modified cash financial position and the respective budgetary comparison for the General Fund, Board of Health Nursing Fund, and Help Me Grow Fund thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

For the year ended December 31, 2004, the District revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Betty Montgomery
Auditor of State

October 26, 2005

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

The discussion and analysis of the Sandusky District Board of Health, Sandusky County, Ohio (the District) financial performance provides an over all review of the District's financial activities for the year ended December 31, 2004. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

1. Ohio Department of Health's Women's Health Services grant began January 15, 2004. Use of these funds is providing comprehensive health care to women, specifically those at or below 100% of the federal poverty level. The grant includes screening for breast and cervical cancer, sexually transmitted disease and HIV. It also provides for voluntary choice of contraceptives, education regarding the dangers of smoking, alcohol and drug use and education on sexual coercion and violence.
2. Ohio Department of Alcohol and Drug Addition Services Prevention Partnership grant began on July 1, 2004. The District is a subgrantee under the Mental Health and Recovery Service Board. This is an annual grant. The District anticipates continuation of funds for 2005.
3. The Board of Health Nursing Fund provides home nursing services to the elderly and homebound persons. Charges for services were \$494,249 in fiscal year 2004.
4. Help Me Grow calendar year revenues which include the General Revenue Fund, Federal Funds Part C, and TANF funds was \$180,257 in 2003 and \$202,310 in 2004.

Using the Basic Financial Statements (BFS)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, there are three major governmental funds.

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities answer the question, "How did we do financially during 2004?" These statements include all assets, revenues, and expenses using the cash basis of accounting. The cash basis of accounting takes into accounts when cash is received or paid.

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2004
(Continued)**

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause of the changes may be the result of many financial factors.

In the Statement of Net Assets and the Statement of Activities, the District discloses the following type of activity:

Governmental Activities – All of the District's programs and services are reported here including health and general government. These services are funded primarily by charges for services, and intergovernmental revenue including federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that has been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

Fund financial reports provide detailed information about the District's major funds. The District uses several funds to account for a multitude of financial transactions. However these fund financial statements focus on the District's most significant funds. The District's major government funds are the General Fund, Board of Health Nursing Fund, and Help Me Grow Fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable sources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions.

The District maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data for the other governmental funds are combined into a single, aggregated presentation.

Notes to the Financial Statements

The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2004
(Continued)**

Government-Wide Financial Analysis

The Statement of Net Assets provides the perspective of the District as a whole. Recall that the Statement of Net Assets provides the perspective of the District as a whole. This is the first year for government-wide financial statements using the cash basis of accounting; therefore a comparison with prior years is not available. A comparative analysis will be provided in future years when prior year information is available.

The table below provides a summary of the District's net assets for 2004.

	Governmental Activities 2004
Assets	
Current and other assets	\$ 2,239,385
Total assets	\$ 2,239,385
Net Assets	
Restricted	\$ 2,071,321
Unrestricted	168,064
Total net assets	\$ 2,239,385

Over time, net assets can serve as a useful indicator of a government's financial position. The District's finances remained strong during 2004 despite the decline in the economy.

	Change in Net Assets Governmental Activities 2004
Revenues	
Program Revenue:	
Charges for Services	\$ 1,147,089
Operating Grants	585,194
General Revenue:	
Property taxes	439,235
Licenses, Permits, and Fees	203,622
Other Receipts	67,773
Total Revenue	2,442,913

(Continued)

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2004
(Continued)**

(Continued)	Change in Net Assets Governmental Activities 2004
Expenses	
Legislative and Executive	454,717
Health	1,976,015
Total Expenses	2,430,732
Change in net assets	12,181
Net Assets at Beginning of Year	2,227,204
Net Assets at End of Year	\$ 2,239,385

Governmental Activities

Net assets of the District's governmental activities increased \$12,181. Total governmental expenditures of \$2,430,732 were offset by program revenues of \$1,732,283 and general revenue of \$710,630. Program revenues supported 71% of the total governmental expenses.

The primary source of revenue for governmental activities is derived from charges for services receipts. These revenue sources represent 47% of total governmental revenue.

The largest expense of the District is for health services. Health services expenses represented 81% of total governmental expenses for fiscal year 2004.

The Statement of Activities shows the cost of program services and operating grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by contributions and unrestricted State grants and entitlements. Comparisons for 2003 have not been presented since they are not available.

	Governmental Activities	
	Total Cost of Services 2004	Net Cost of Services 2004
Program expenses:		
Legislative and Executive	\$ 454,717	\$ 454,717
Health	1,976,015	243,732
Total Expenses	\$ 2,430,732	\$ 698,449

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2004
(Continued)**

The District's Funds

The District's governmental funds reported a combined fund balance of \$2,239,385, which is \$12,181 more than last years' total of \$2,227,204. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2004 and 2003.

	Fund Balance December 31, 2004	Fund Balance December 31, 2003	Increase (Decrease)	Percentage Change
General	\$ 168,064	\$ 186,470	\$ (18,406)	-11%
Public Home Nursing	1,056,493	1,052,078	4,415	0%
Help Me Grow	31,719	20,359	11,360	36%
Other Governmental	983,109	968,297	14,812	2%
Total	<u>\$ 2,239,385</u>	<u>\$ 2,227,204</u>	<u>\$ 12,181</u>	<u>1%</u>

Budgetary Highlights

The District's budget is prepared in accordance to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2004, the District amended its General Fund budget as needed. Final budgeted revenues and other sources did not change from the original budget. Actual revenue and other source collections, excluding advances, were just \$13,642 more than final budget estimates.

Final expenditures and other uses, excluding advances, were budgeted at \$759,495 while actual amounts were \$124,629 lower at \$634,866. This difference is the result of the District's practice to budget all available resources while being conservative when making actual expenditures.

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**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Statement of Net Assets - Modified Cash Basis
December 31, 2004**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,239,385
<i>Total Assets</i>	<u>\$ 2,239,385</u>
Net Assets	
Restricted for:	
Other Purposes	\$ 243,422
Unrestricted	<u>1,995,963</u>
<i>Total Net Assets</i>	<u>\$ 2,239,385</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2004**

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government:				
Legislative and Executive	\$ 454,717			\$ (454,717)
Health	1,976,015	\$ 1,147,089	\$ 585,194	(243,732)
<i>Total Governmental Activities</i>	\$ 2,430,732	\$ 1,147,089	\$ 585,194	(698,449)
General Receipts				
Property Taxes Levied for:				
General Purposes				439,235
Licenses, Permits, and Fees				203,622
Miscellaneous				67,773
<i>Total General Receipts</i>				710,630
Change in Net Assets				12,181
<i>Net Assets Beginning of Year</i>				2,227,204
<i>Net Assets End of Year</i>				\$ 2,239,385

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2004**

	General	Board of Health Nursing	Help Me Grow	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 168,064	\$ 1,056,493	\$ 31,719	\$ 983,109	\$ 2,239,385
<i>Total Assets</i>	<u>\$ 168,064</u>	<u>\$ 1,056,493</u>	<u>\$ 31,719</u>	<u>\$ 983,109</u>	<u>\$ 2,239,385</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	\$ 1,555	\$ 1,109	\$ 382	\$ 12,051	\$ 15,097
Unreserved:					
Undesignated, Reported in:					
General Fund	166,509				166,509
Special Revenue Funds		1,055,384	31,337	971,058	2,057,779
<i>Total Fund Balances</i>	<u>\$ 168,064</u>	<u>\$ 1,056,493</u>	<u>\$ 31,719</u>	<u>\$ 983,109</u>	<u>\$ 2,239,385</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Statement of Receipts, Disbursements and Changes in
Modified-Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2004**

	General	Board of Health Nursing	Help Me Grow	Other Governmental Funds	Total Governmental Funds
Receipts					
Property Taxes	\$ 397,519				\$ 397,519
Charges for Services		\$ 494,249	\$ 202,310	\$ 450,530	1,147,089
Licenses and Permits	41,074			80,249	121,323
Fees	82,299				82,299
Intergovernmental	95,189			531,721	626,910
Other	31,586	11,084		25,103	67,773
<i>Total Receipts</i>	<u>647,667</u>	<u>505,333</u>	<u>202,310</u>	<u>1,087,603</u>	<u>2,442,913</u>
Disbursements					
Current:					
General Government:					
Legislative and Executive	454,717				454,717
Health	178,594	500,918	205,950	1,090,553	1,976,015
<i>Total Disbursements</i>	<u>633,311</u>	<u>500,918</u>	<u>205,950</u>	<u>1,090,553</u>	<u>2,430,732</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>14,356</u>	<u>4,415</u>	<u>(3,640)</u>	<u>(2,950)</u>	<u>12,181</u>
Other Financing Sources (Uses)					
Other Sources	22,238				22,238
Other Uses				(22,238)	(22,238)
Advances In	40,000		30,000	65,000	135,000
Advances Out	(95,000)		(15,000)	(25,000)	(135,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(32,762)</u>		<u>15,000</u>	<u>17,762</u>	
<i>Net Change in Fund Balances</i>	(18,406)	4,415	11,360	14,812	12,181
<i>Fund Balances Beginning of Year</i>	<u>186,470</u>	<u>1,052,078</u>	<u>20,359</u>	<u>968,297</u>	<u>2,227,204</u>
<i>Fund Balances End of Year</i>	<u>\$ 168,064</u>	<u>\$ 1,056,493</u>	<u>\$ 31,719</u>	<u>\$ 983,109</u>	<u>\$ 2,239,385</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual Comparison - Budget Basis
General Fund**

For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property Taxes	\$ 401,000	\$ 401,000	\$ 397,520	\$ (3,480)
Charges for Services	75,000	75,000	82,299	7,299
Licenses and Permits	40,000	40,000	41,074	1,074
Intergovernmental	97,525	97,525	95,188	(2,337)
Other	20,500	20,500	31,586	11,086
<i>Total receipts</i>	<u>634,025</u>	<u>634,025</u>	<u>647,667</u>	<u>13,642</u>
Disbursements				
Current:				
Salaries	355,000	355,000	313,608	41,392
Supplies	10,000	10,050	6,473	3,577
Equipment	15,000	16,970	1,473	15,497
Contract - Repair	500	500	250	250
Contract - Services	40,000	45,000	39,847	5,153
Travel & Expenses	32,000	33,053	26,329	6,724
Dog Fund	500	500	200	300
Advertising & Printing	10,000	10,000	4,433	5,567
OPERS	85,000	85,000	69,174	15,826
Workers' Compensation	4,000	4,000	183	3,817
Unemployment Compensation	2,000	2,000		2,000
Medicare	6,000	6,000	2,079	3,921
Other Expenses	190,000	186,422	170,817	15,605
<i>Total Disbursements</i>	<u>750,000</u>	<u>754,495</u>	<u>634,866</u>	<u>119,629</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(115,975)</u>	<u>(120,470)</u>	<u>12,801</u>	<u>133,271</u>
Other Financing Sources (Uses)				
Other Sources			22,238	22,238
Transfers Out	(50,000)	(5,000)		5,000
Advances In			40,000	40,000
Advances Out			(95,000)	(95,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>(5,000)</u>	<u>(32,762)</u>	<u>(27,762)</u>
<i>Net Change in Fund Balance</i>	<u>(165,975)</u>	<u>(125,470)</u>	<u>(19,961)</u>	<u>105,509</u>
<i>Fund Balance Beginning of Year</i>	186,470	186,470	186,470	
Prior Year Encumbrances Appropriated	3,222			
<i>Fund Balance End of Year</i>	<u>\$ 23,717</u>	<u>\$ 61,000</u>	<u>\$ 166,509</u>	<u>\$ 105,509</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual Comparison - Budget Basis
Board of Health Nursing Fund
For the Year Ended December 31, 2004**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 17,000	\$ 17,000	\$ 17,904	\$ 904
Intergovernmental	610,000	610,000	476,345	(133,655)
Other	12,000	12,000	11,084	(916)
<i>Total receipts</i>	<u>639,000</u>	<u>639,000</u>	<u>505,333</u>	<u>(133,667)</u>
Disbursements				
Current:				
Salaries	280,000	280,000	275,669	4,331
Supplies	25,000	25,602	12,899	12,703
Contract Services	150,000	150,000	100,373	49,627
Travel & Expenses	17,000	17,450	11,047	6,403
OPERS	70,000	70,000	62,792	7,208
Workers' Compensation	3,000	3,000		3,000
Medicare	5,000	5,000	3,568	1,432
Other Expenses	50,000	50,738	34,202	16,536
Transfers	50,000	50,000		50,000
Equipment	15,000	15,000	1,476	13,524
<i>Total Disbursements</i>	<u>665,000</u>	<u>666,790</u>	<u>502,026</u>	<u>164,764</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(26,000)</u>	<u>(27,790)</u>	<u>3,307</u>	<u>31,097</u>
<i>Fund Balance Beginning of Year</i>	1,052,078	1,052,078	1,052,078	
Prior Year Encumbrances Appropriated	1,790			
<i>Fund Balance End of Year</i>	<u>\$ 1,027,868</u>	<u>\$ 1,024,288</u>	<u>\$ 1,055,385</u>	<u>\$ 31,097</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual Comparison - Budget Basis
Help Me Grow Fund
For the Year Ended December 31, 2004**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 150,000	\$ 150,000	\$ 202,310	\$ 52,310
<i>Total receipts</i>	<u>150,000</u>	<u>150,000</u>	<u>202,310</u>	<u>52,310</u>
Disbursements				
Current:				
Salaries	139,000	139,000	137,249	1,751
Supplies	8,567	8,817	8,923	(106)
Equipment		2,000	1,476	524
Contract Services	9,500	9,500	4,584	4,916
Travel & Expenses	7,600	7,872	6,822	1,050
OPERS	30,700	30,700	22,580	8,120
Workers' Compensation	250			
Medicare	2,025	2,025	1,906	119
Other Expenses	22,000	20,000	22,792	(2,792)
<i>Total Disbursements</i>	<u>219,642</u>	<u>219,914</u>	<u>206,332</u>	<u>13,582</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(69,642)</u>	<u>(69,914)</u>	<u>(4,022)</u>	<u>65,892</u>
Other Financing Sources (Uses)				
Advances In			30,000	30,000
Advances Out			(15,000)	(15,000)
<i>Total Other Financing Sources (Uses)</i>			<u>15,000</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	(69,642)	(69,914)	10,978	80,892
<i>Fund Balance Beginning of Year</i>	20,359	20,359	20,359	
Prior Year Encumbrances Appropriated	<u>272</u>			
<i>Fund Balance End of Year</i>	<u>\$ (49,011)</u>	<u>\$ (49,555)</u>	<u>\$ 31,337</u>	<u>\$ 80,892</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Notes to the Financial Statements
December 31, 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Sandusky District Board of Health, Sandusky County, (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 an eight-member Board with one member appointed by the City of Clyde, two members appointed by the City of Fremont, four members appointed by the District Advisory Council and one member appointed by the District Licensing Advisory Council.

The District's is responsible for the provisions of public health, the prevention or restriction of disease, and the prevention, abatement, and suppression of nuisances. The Sandusky County Auditor acts as fiscal agent for the District and the Sandusky County Treasurer acts as custodian of all funds.

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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash

In accordance with Ohio Revised Code, the District's cash is held and invested by the Sandusky County Treasurer, who acts as custodian for District monies. The District's assets are held in the County Treasurer's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District classifies each fund as governmental.

Governmental: The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The following are the District's major governmental funds:

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Notes to the Financial Statements
December 31, 2004
(Continued)**

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract.

Board of Health Nursing Fund - This fund receives fees for providing home nursing services to elderly and homebound persons.

Help Me Grow Fund - This fund receives a grant from the Family and Children First Council. Revenue provided by the council is to be used for programs aimed at identifying at risk children ages zero to three. It provides assessments and services for children at risk with participation delays.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

E. Budgetary Process

Ohio law requires the District to budget and appropriate all funds. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which use the budgetary basis of accounting. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts the District may appropriate. The appropriation resolution is the District's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the District selects. The District uses the object level within each fund and function as its legal level of control.

The certificate of estimated resources may be amended during the year if the Director of Support Services projects increases or decreases in receipts. The amounts reported as the original budget in the budgetary statements reflect the amounts in the certificate when the District adopted the original appropriations. The amounts reported as the final budget in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The District may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for a fund covering the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the District passed during the year.

F. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Notes to the Financial Statements
December 31, 2004
(Continued)**

G. Capital Assets

Acquisitions of capital assets are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

H. Compensated Absences

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's basis of accounting.

I. Long-term Obligations

These modified-cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt when cash is received and debt service disbursements for debt principal payments.

2. BASIS OF PRESENTATION

The District's basic financial statements consist of a government-wide statement of activities and fund financial statements providing more detailed financial information.

Government-wide Financial Statement of Activities: This statement displays information about the District as a whole.

The government-wide statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the modified-cash basis or draws from the District's general receipts.

Fund Financial Statements: Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column and aggregate nonmajor funds in a single column.

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. These amounts are included in intergovernmental receipts in the financial statements.

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Notes to the Financial Statements
December 31, 2004
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by the Board of Health. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. EQUITY IN POOLED CASH

The Sandusky County Treasurer maintains a cash pool used by all of the agency's funds, including those of the District Board of Health. The Ohio Revised Code prescribes allowable deposits and investments. The District's carrying amount of cash on deposit with the County at December 31, 2004 was \$2,239,385. The Sandusky County Treasurer, as fiscal agent for the District, is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts.

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demand upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts, or in money market deposit accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the county treasurer, by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States:
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Notes to the Financial Statements
December 31, 2004
(Continued)**

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's Investment Pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper for a period not to exceed five percent of the County's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

6. RETIREMENT SYSTEMS

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Notes to the Financial Statements
December 31, 2004
(Continued)**

directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2004, the members of all three plans were required to contribute 8.5 percent of their annual covered salaries. The District picks up the employees 8.5 percent contribution amount. The District's employer contribution rate for pension benefits for 2004 was 13.55 percent, 9.55 percent of which was used to fund pension benefits. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were, \$125,066, \$119,686 and \$114,029 respectively; 92 percent has been contributed for 2004 and 100 percent has been contributed for 2003, and 2002. The District and plan members did not make any contributions to the member-directed plan for 2004.

7. POSTEMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post employment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 1.00 to 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund post-employment benefits were

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Notes to the Financial Statements
December 31, 2004
(Continued)**

\$52,384. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

8. RISK MANAGEMENT

Risk Pool Membership

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 insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). 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 Coverage

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective local 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, 2004:

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Notes to the Financial Statements
December 31, 2004
(Continued)**

<u>Casualty Coverage</u>	<u>2004</u>
Assets	\$30,547,049
Liabilities	<u>(16,989,918)</u>
Retained earnings	<u><u>\$13,557,131</u></u>

<u>Property Coverage</u>	<u>2004</u>
Assets	\$3,652,970
Liabilities	<u>(544,771)</u>
Retained earnings	<u><u>\$3,108,199</u></u>

9. 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.

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2004**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Health</i>			
Special Supplemental Food Program for Women, Infants, and Children (WIC)	72-1-001-1-CL-04 72-1-001-1-CL-05	10.557	\$ 161,119 38,842
Total U. S. Department of Agriculture			<u>199,961</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES <i>Passed Through Ohio Department of Health</i>			
Family Planning - Title X	72-1-001-1-XX-03 72-1-001-1-XX-04	93.217	53,024 63,885
			<u>116,909</u>
Preventive Health and Health Service Block Grant	72-1-001-2-EE-04	93.268	<u>25,021</u>
Maternal and Child Health Services Block Grant	72-1-001-1-MC-04 72-1-001-1-MC-05	93.994	43,201 32,418
			<u>75,619</u>
Public Health Infrastructure	72-1-001-2-BI-04 72-1-001-2-BI-05	93.283	102,181 26,094
			<u>128,275</u>
Total U. S. Department of Health and Human Services			<u>345,824</u>
Total			<u>\$ 545,785</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Notes to the Schedule of Federal Awards Expenditures
Fiscal Year Ended December 31, 2004**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (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***

Sandusky District Board of Health
Sandusky County
2000 Countryside Drive
Fremont, Ohio 43420-8560

To Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sandusky District Board of Health (the District) as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 26, 2005, wherein, we noted the District uses a comprehensive basis of accounting other than generally accepted accounting principles. 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 in order 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 October 26, 2005, we reported a 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

District Board of Health
Sandusky County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

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*. In a separate letter to the District's management dated October 26, 2005, we reported a matter related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, Board of Health, 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

October 26, 2005



Auditor of State Betty Montgomery

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

Sandusky District Board of Health
Sandusky County
2000 Countryside Drive
Fremont, Ohio 43420-8560

To Members of the Board:

Compliance

We have audited the compliance of Sandusky District Board of Health (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. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 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 District 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.

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 of Health, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

October 26, 2005

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

Schedule of Findings
OMB Circular A -133 § .505
December 31, 2004

1. SUMMARY OF AUDITOR'S RESULTS

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

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**SANDUSKY DISTRICT BOARD OF HEALTH
SANDUSKY COUNTY**

**Schedule of Prior Audit Findings
December 31, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	Ohio Revised Code § 5705.41(D) requiring expenditures to be certified prior to expenditure.	No	Partially corrected. Reported in the management letter.



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140
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800-282-0370
Facsimile 614-466-4490

**DISTRICT BOARD OF HEALTH
SANDUSKY 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
NOVEMBER 29, 2005**