



**Auditor of State
Betty Montgomery**

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance - Proprietary Fund Type - For the Year Ended December 31, 2003.....	4
Notes to the Financial Statements	5
Schedule of Federal Awards Expenditures	11
Notes to Schedule of Federal Awards Expenditures	12
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133	15
Schedule of Findings.....	17

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

General Health District
Allen County
P.O. Box 1503
219 East Market Street
Lima, Ohio 45802

To the Members of the Board:

We have audited the accompanying financial statements of the General Health District, Allen County, (the District), as of and for the year ended December 31, 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting, prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the District as of December 31, 2003, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

General Health District
Allen County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of management, the Board and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by 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

May 25, 2004

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Federal Funds		\$1,013,559	\$1,013,559
Intergovernmental Revenue	\$761,122	144,468	905,590
Inspection Fees	150,493		150,493
Permits		42,484	42,484
Fees	406,226	227,734	633,960
Licenses	25,674	260,224	285,898
Contractual Service	95,609	251,517	347,126
Other Receipts	17,453		17,453
Total Cash Receipts	1,456,577	1,939,986	3,396,563
Cash Disbursements:			
Salaries	997,885	1,153,598	2,151,483
Remittances to State		27,215	27,215
Contract Services	22,581	56,199	78,780
Utilities	22,962	16,454	39,416
Advertising and Printing	1,193		1,193
PERS	128,847	150,923	279,770
Medicare Tax	11,001	13,267	24,268
Health and Life Insurance	1,701	210,256	211,957
Workers' Compensation	2,572	1,678	4,250
Rent	90,846	38,090	128,936
Supplies	39,249	107,001	146,250
Equipment	49,698	48,932	98,630
Travel	16,283	26,771	43,054
Other Expenses	157,243	65,318	222,561
Total Cash Disbursements	1,542,061	1,915,702	3,457,763
Total Receipts Over/(Under) Disbursements	(85,484)	24,284	(61,200)
Other Financing Receipts/(Disbursements):			
Transfers-In	60,000		60,000
Transfers-Out	(50,000)	(95,000)	(145,000)
Total Other Financing Receipts/(Disbursements)	10,000	(95,000)	(85,000)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(75,484)	(70,716)	(146,200)
Fund Cash Balances, January 1, 2003	240,407	186,686	427,093
Fund Cash Balances, December 31, 2003	\$164,923	\$115,970	\$280,893

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

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS,
AND CHANGE IN FUND CASH BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Proprietary Fund Type
	Internal Service
Cash Receipts:	
Charges for Services	\$33,957
Total Cash Receipts	33,957
 Cash Disbursements:	
Claims and Premium Expenses	158,525
Total Cash Disbursements	158,525
 Total Reipts Under Disbursements	 (124,568)
 Other Financing Receipts	
Transfers-In	85,000
Total Other Financing Receipts	85,000
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	 (39,568)
 Fund Cash Balance, January 1, 2003	 57,054
 Fund Cash Balance, December 31, 2003	 \$17,486

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

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The General Health District, Allen 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 a seven-member Board and a Health Commissioner. The District's services include recording of vital statistics, communicable disease investigations, immunization clinics, inspections, public health nursing services and issues, and health-related licenses and permits.

The District maintains directs fiscal control over the funds deposited with the Allen County Treasurer. The Allen County Auditor serves as fiscal officer.

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

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

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

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

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

Child and Family Health Service (Nursing) Fund – This account provides funds for improvement of the health of all mothers and children.

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Proprietary Fund

Internal Service Fund

This fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the District, or to other governmental units, on a cost-reimbursement basis. The District had the following significant Internal Service Fund:

Health Benefits Fund – This account provides funds for the payment of insurance claims and premiums.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2003 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

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 District's basis of accounting.

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2003 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,453,490	\$1,516,577	\$63,087
Special Revenue	2,067,507	1,939,986	(127,521)
Proprietary	34,000	118,957	84,957
Total	\$3,554,997	\$3,575,520	\$20,523

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,971,057	\$1,592,061	\$1,378,996
Special Revenue	460,940	2,010,702	(1,549,762)
Proprietary	385,000	158,525	226,475
Total	\$3,816,997	\$3,761,288	\$55,709

3. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over 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.

4. RETIREMENT SYSTEM

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contribute 8.5 percent of their gross salaries, and the District contributes an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2003.

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

5. CONTRACTUAL OBLIGATIONS

The District is a party to a twenty year lease for rental of office space, which was effective November 1, 1991 and terminates October 31, 2011. This lease requires the District to remit monthly payments on the first day of each month. The lease payments were fixed for the first five years at \$78,500 per year. At the end of the first five years, the lease rental payments increase by five percent to \$82,425 per year and will remain fixed through the tenth year. At the end of the tenth year, the lease rental payments increase by five percent to \$86,526 per year and will remain fixed through the fifteenth year. At the end of the fifteenth year, the lease rental payments increase by five percent to \$90,874 per year and will remain fixed through the conclusion of the original lease. Total payments required to fulfill this lease, as of December 31, 2003 are \$699,989.

During 1993, an amendment was attached to the above lease agreement. Construction was performed on the building to provide additional office space for the WIC division. The additional lease was effective July 21, 1993 and terminates October 31, 2011. The lease requires the District to remit monthly payments of \$325. At the end of the first five years, the lease rental payments increase by five percent and will remain fixed through the tenth year. At the end of the tenth year, the lease rental payments increase by five percent and will remain fixed through the fifteenth year. At the end of the fifteenth year, the lease rental payments increase by five percent and will remain fixed through the conclusion of the original lease. Total payments required to fulfill this lease, as of December 31, 2003, are \$35,475.

The District is a party to a three year lease for rental of office space for its Family Planning Division. This lease was effective December 1, 2002 and terminates on November 31, 2005. This lease requires the District to remit monthly payments of \$1,000. Total payments required to fulfill this lease, as of December 31, 2003, are \$23,000.

The District is a party to a one year lease for rental of office space for its Women, Infants, and Children's Division (WIC). This lease was effective October 1, 2003 and terminates on September 30, 2004. This lease requires the District to remit monthly payments of \$1,400. Total payments required to fulfill this lease, as of December 31, 2003, are \$12,600.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the audit period, the District contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Maximum	Deductible
Indiana Insurance Co.	Business Personal Property (90% co-insurance)	\$356,940	\$250
	Extra Expense	50,000	0
	Commercial Crime	20,000	250
	Electronic Data Processing	102,267	250
	Liability/ Uninsured Motorists	1,000,000	250
CNA Insurance Company	Dishonesty/Forgery or Alteration	5,000/ emp*	250

*effective September 6, 2003

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

6. RISK MANAGEMENT (Continued)

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. Claims exceeding \$250,000 are reinsured with APEEP 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. The District has selected the following coverage:

Type of Coverage	Maximum	Deductible
Legal Liability – Third Party Claims	\$2,000,000 Each Occurrence	\$1,000
Automobile Liability	2,000,000 Each Accident	0
Wrongful Acts	2,000,000 Each Occurrence	1,000

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 \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed 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 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, 2002 and 2001 (the latest information available):

Casualty Coverage	2002	2001
Assets	\$20,174,977	\$19,358,458
Liabilities	<u>(8,550,749)</u>	<u>(8,827,588)</u>
Retained earnings	<u>\$11,624,228</u>	<u>\$10,530,870</u>
Property Coverage	2002	2001
Assets	\$2,565,408	1,890,323
Liabilities	<u>(655,318)</u>	<u>(469,100)</u>
Retained earnings	<u>\$1,910,090</u>	<u>\$1,421,223</u>

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Continued)**

6. RISK MANAGEMENT (Continued)

Self Insurance

The District is also self insured for employee health insurance. Interfund rates are charged based on claims approved by the claims administrator. The Self Insurance Fund cash balance and claims information as of December 31 of the last two years follow:

		2003	2002
Cash		<u>\$17,486</u>	<u>\$57,054</u>
	Current-Year	Claims	Claims
Year	Claims	Payments	End of Year
2002	\$193,516	\$172,599	\$20,917
2003	143,155	147,657	16,415

For the year ended December 31, 2003, the District did not obtain an actuarially prepared report of reserves and liabilities in accordance with Ohio Rev. Code Section 9.833.

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.

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003**

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>Pass Through Number</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Receipts</u>	<u>Disbursements</u>
U.S. Department of Agriculture					
<i>Passed Through Ohio Department of Health</i>					
Special Supplement Nutrition Program for Women, Infants and Children (WIC)	FY03 CL03 FY04 CL04	10.557	\$440,503 434,430	\$332,092 106,360	\$342,096 115,285
Total U.S. Department of Agriculture				438,452	457,381
U.S. Department of Health and Human Services					
<i>Passed Through Ohio Department of Health</i>					
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	FY03 AE03	93.919	94,148	62,632	65,477
Preventive Health and Health Services Block Grant Injury Grant	FY03 EE03	93.991	26,666	25,995	26,470
Cardiovascular Disease Grant	FY03 ED03		67,500	67,500	67,499
Subtotal Preventive Health Block Grant				93,495	93,969
Center for Disease Control and Prevention - Investigations and Technical Assistance Tobacco Prevention Grant	FY02 CJ02	93.283	52,000	16,382	23,836
Breast and Cervical Cancer Project	FY04 AE04		130,989	65,495	61,849
Public Health Infrastructure Grant	FY03 BI03		131,959	46,743	86,988
Public Health Infrastructure Grant	FY04 BI04		155,177	66,301	39,255
Subtotal Center for Disease Control Grant				194,921	211,928
Maternal and Child Health Services Block Grant to the States	FY03 AI03 FY04 MC04	93.994	132,408 92,258	87,741 92,258	107,303 61,090
Subtotal Maternal and Child Health Block Grant				179,999	168,393
Immunization Grant	FY03 AZ03	93.268	44,060	44,060	44,060
Total U.S. Department of Health and Human Services				575,107	583,827
Total Federal Financial Assistance				<u>\$1,013,559</u>	<u>\$1,041,208</u>

See accompanying notes to the schedule of federal awards expenditures.

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2003**

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.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

General Health District
Allen County
P.O. Box 1503
219 East Market Street
Lima, Ohio 45802

To the Members of the Board:

We have audited the accompanying financial statements of the General Health District, Allen County, (the District), as of and for the year ended December 31, 2003, and have issued our report thereon dated May 25, 2004. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated May 25, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated May 25, 2004.

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This report is intended solely for the information and use of management, the Board, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by 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

May 25, 2004



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

General Health District
Allen County
P.O. Box 1503
219 East Market Street
Lima, Ohio 45802

To the Members of the Board:

Compliance

We have audited the compliance of the General Health District, Allen County, (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 are applicable to each of its major federal programs for the year ended December 31, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs 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 obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as 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 District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the District 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 have a direct and material effect on a major federal program in order 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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**Internal Control Over Compliance
(Continued)**

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 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 that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by 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

May 25, 2004

**GENERAL HEALTH DISTRICT
ALLEN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003**

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):	CFDA #93.283 Centers for Disease Control & Prevention Investigations and Technical Assistance CFDA #93.994 Maternal and Child Health Services Block Grant to States
<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.

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**Auditor of State
Betty Montgomery**

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Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

GENERAL HEALTH DISTRICT

ALLEN 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
JULY 6, 2004**