



**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2005**



**Mary Taylor, CPA**  
Auditor of State



**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

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Mary Taylor, CPA  
Auditor of State

Cuyahoga County District Board of Health  
Cuyahoga County  
5550 Venture Drive  
Parma, Ohio 44130

To the Board of Trustees:

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 13, 2007

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Cuyahoga County District Board of Health  
Cuyahoga County  
5550 Venture Drive  
Parma, Ohio 44130

To the Board of Trustees:

We have audited the accompanying financial statements of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District), as of and for the year ended December 31, 2005. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2005. Instead of the combined funds the accompanying financial statements present for 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2005, or its changes in financial position for the year then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Cuyahoga County District Board of Health, Cuyahoga County, Ohio, as of December 31, 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2005. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the financial statements that collectively comprise the District's financial statements. The federal awards expenditure schedule is required by the 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 the federal awards expenditure schedule to the auditing procedures applied in the audit of the financial statements. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Mary Taylor, CPA  
Auditor of State

February 13, 2007



**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Fund Types		Memorandum Only
	General	Special Revenue	Totals
<b>Cash Receipts:</b>			
Cities, Villages, and Townships Revenue	\$2,778,906		\$2,778,906
Intergovernmental	904,725		904,725
Permits - Environmental Division	611,578		611,578
Fees - Environmental Division	828,083		828,083
Licenses - Environmental Division	1,896,287		1,896,287
Contractual services - Nursing Division	1,421,696		1,421,696
Grants - Federal and Private	284,646	6,862,187	7,146,833
Charges for Services	914,292		914,292
Reimbursements	9,783		9,783
Miscellaneous	116,129		116,129
<b>Total Cash Receipts</b>	<b>9,766,125</b>	<b>6,862,187</b>	<b>16,628,312</b>
<b>Cash Disbursements:</b>			
Salaries	6,096,131	1,878,575	7,974,706
Public Employee's Retirement and Other Benefits	906,314	281,069	1,187,383
Flex Benefits	857,620	262,545	1,120,165
Unemployment Compensation	1,150	0	1,150
Worker's Compensation	84,334	451	84,785
Supplies	338,634	45,025	383,659
Equipment	107,933	384,039	491,972
Contracts/Services	225,269	4,157,170	4,382,439
Travel and Expenses	170,660	48,667	219,327
Advertising and printing	97,057	89,248	186,305
Project Expenditures - Federal and Private	0	0	0
Statutory Administrative Fees	349,911	0	349,911
Bond Repayment	185,948	17,571	203,519
Miscellaneous	162,433	59,456	221,889
<b>Total Disbursements</b>	<b>9,583,394</b>	<b>7,223,816</b>	<b>16,807,210</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>182,731</b>	<b>(361,629)</b>	<b>(178,898)</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	115,584	115,584
Transfers-Out	(115,584)	0	(115,584)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(115,584)</b>	<b>115,584</b>	<b>0</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	67,147	(246,045)	(178,898)
Fund Cash Balances, January 1, 2005	3,492,534	403,946	3,896,480
<b>Fund Cash Balances, December 31, 2005</b>	<b>\$3,559,681</b>	<b>\$157,901</b>	<b>\$3,717,582</b>
Reserves for Encumbrances, December 31, 2005	\$920	\$0	\$920

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

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Agency Fund</b>
<b>Cash Receipts:</b>	
Reimbursements	124,574
Total Cash Receipts	124,574
<b>Cash Disbursements:</b>	
Health Insurance	121,955
Total Disbursements	121,955
Total Receipts Over/(Under) Disbursements	2,619
<b>Other Financing Receipts/(Disbursements):</b>	
Transfers-In	0
Transfers-Out	0
Total Other Financing Receipts/(Disbursements)	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,619
Fund Cash Balances, January 1, 2005	12,370
<b>Fund Cash Balances, December 31, 2005</b>	<b>\$14,989</b>

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

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**NOTES TO THE FINANIAL STATEMENTS  
DECEMBER 31, 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Cuyahoga County District Board of Health, Cuyahoga County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District (general health) administers and enforces, within its jurisdiction, all public health and sanitation laws of the State of Ohio. The District provides public health services for the prevention or restriction of disease. In addition to the required programs, the District adopts regulations and provides programs to enable residents of the district to live in a healthy and environmentally safe community. The District is comprised of 35 cities, 19 villages and two townships within Cuyahoga County representing 815,000 residents. The five member Board of Trustees is appointed by the District Advisory Council which consists of the President of the Board of County Commissioners, the chief executive of each municipal corporation not constituting a city health district and the chairman of the board of township trustees of each township. The District appoints the Health Commissioner and can hire and fix compensation of employees. The District is dependent upon the County to provide facilities and legal counsel and act as custodian for its funds. The budget is approved by the District which is responsible for fiscal management through its authority to enter into contracts and prepare financial reports. The District is not part of the reporting entity of the County of Cuyahoga.

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:

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

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

**D. Fund Accounting (Continued)**

**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 or to be accounted for in another fund.

**2. Special Revenue Funds**

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

*Wellness Block Grant Fund* – This fund is used to account for reducing out of wedlock pregnancies within the target population of male and female youths between the ages of 14 to 21 in targeted areas within Cuyahoga County.

*Breast and Cervical Cancer Grant Fund* – This fund is used to account for federal grants for the prevention of breast and cervical cancer.

*Preventative Health Grant Fund* – This fund is used to account for federal grants used to provide education and awareness related to cardiovascular health disease to African American and Hispanic male's ages 18 to 54 in targeted areas within Cuyahoga County.

*Lead Based Paint Hazard Control in Housing Grant Fund* – This fund is used to account for the encouragement of effective action to prevent childhood lead poisoning by establishing a workable framework for lead-based paint hazard identification and control.

*Immunization Action Plan Grant Fund* – This fund is used to account for the reduction and ultimate elimination of vaccine preventable diseases.

*Public Health Infrastructure Grant Fund* - This fund is used to increase public health response and capacity regarding infectious disease, acts of bio-terrorism and other major public health events.

*Tobacco Reduction Initiative Grant Fund* - These funds are used for the prevention and reduction of tobacco use.

*Healthy Homes Demonstration Grant Fund* – This fund is used to implement programming for education, outreach, and home remediation to reduce incidence of respiratory disease in children.

*Greater Cleveland Lead Reduction Grant Fund* – This fund is used to account for encouragement of effective action to prevent childhood lead poisoning by establishing a workable framework for lead-based paint hazard identification and control.

*CFHS Grant Fund* – This fund is used to eliminate health disparities, improve birth outcomes, and improve the health addressed problems.

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Nonpoint Source Implementation Grant Fund* – This fund is used to implement and utilize best management practices in educational outreach and water quality monitoring in the Rocky River Watershed.

**3. Agency Fund**

The fund for which the District is acting in an agency capacity is classified as an Agency Fund. The District had the following significant Agency Fund:

*Trust and Agency Fund* – This fund is used to account for payroll deductions from employees for their health insurance co-payments that are then paid to the health insurance carrier.

**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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission also approves estimated resources.

**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 reappropriated in the subsequent year.

A summary of 2005 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**NOTES TO THE FINANIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED CASH**

As required by Ohio Revised Code, the Cuyahoga County Auditor is the fiscal agent of the District. The District's cash pool, used by all funds, is deposited with the Cuyahoga County Treasurer. The cash pool is commingled with Cuyahoga County's cash and investment pool and is not identifiable as to demand deposits or investments. As collections are remitted to the Cuyahoga County Treasurer for deposit and all disbursements are made by warrants prepared by the Cuyahoga County Auditor drawn on deposits held in the name of Cuyahoga County. GASB 3 requirements for the County of Cuyahoga are presented in the December 31, 2005 Comprehensive Annual Financial Report. The fund balances are expressed in cash equivalents. Cash equivalents are available for immediate expenditure or liquid investments which are immediately marketable, have negligible credit risk, and mature within three months. The carrying amount of cash on deposit with Cuyahoga County Treasurer at December 31, 2005 was \$3,723,259. The District also had fully collateralized immunization checking account with a year-end balance of \$8,662 and petty cash amount of \$650.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2005 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$10,485,597	\$9,766,125	(\$719,472)
Special Revenue	10,305,731	7,062,771	(3,242,960)
Total	<u>\$20,791,328</u>	<u>\$16,828,896</u>	<u>(\$3,962,432)</u>

2005 Budgeted vs. Actual Budgetary Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$13,866,741	\$9,699,898	\$4,166,843
Special Revenue	10,906,443	7,308,816	3,597,627
Total	<u>\$24,773,184</u>	<u>\$17,008,714</u>	<u>\$7,764,470</u>

**4. SUBDIVISION REVENUE**

The cities, villages and townships that receive services from the District contribute to the operations of the District. The County Auditor assesses each subdivision their share of the operating cost, which is calculated by the District, through property tax collections. When the County Auditor disburses property tax to the subdivision, the appropriate deduction is made on the subdivision settlement and transmitted to the District.

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

**5. DEBT**

In 2003, the Board of Trustees submitted to the City of Parma a bond issue to be used for the purchase of land and construction of a new facility. The bonds were sold and the proceeds of \$2,700,000 were transferred to U.S. Title Agency, Inc., as part of the escrow for the project, in addition to the \$5,300,000 that the District had previously transferred to U.S. Title Agency, Inc. Construction began in July 2003 and was concluded on or about December 1, 2003.

The cost of the project was \$5,715,385. The purpose of the \$5,300,000 transferred to escrow, at the start of the project, was to satisfy the requirement of Geis Construction, Inc., that sufficient funds were on deposit, in escrow for the project. This was a turn key project. In other words, no funds were to transfer to Geis Construction, Inc., until after final completion and occupancy of the premises by the District. The Board assumed occupancy on December 5, 2003. All funds were transferred on December 31, 2003.

The Board made a determination early in the process that it would expend approximately \$3,000,000 of its own funds for the project and obtain additional funding for completion. Hence, at the conclusion of the project and the final payout to Geis Construction, Inc., approximately \$2,300,000 was returned to the Board and deposited in the General Fund.

The bonds are general obligations of the City of Parma.

In 2005, the District made principal and interest payments of \$197,278, to the City of Parma. \$185,948 was paid from the General Fund and \$11,330 was paid from grant funds.

A summary of the District's future loan payment obligations to the City of Parma (to repay the general obligation debt) as of December 31, 2005 follows:

Loan Obligation Repayment

<u>Due In</u>	<u>Principal</u>	<u>Interest</u>
2006	105,000	95,278
2007	105,000	93,178
2008	110,000	90,815
2009	110,000	87,955
2010	115,000	84,930
2011-23	<u>1,955,000</u>	<u>638,633</u>
	<u>\$2,500,000</u>	<u>\$1,090,789</u>

**6. RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2005, OPERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants gross salaries. The District has paid all contributions required through December 31, 2005.

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**NOTES TO THE FINANIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

**7. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

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

The District provides health insurance and dental and vision coverage to employees through a private carrier.



**CUYAHOGA COUNTY BOARD OF HEALTH  
CUYAHOGA COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH ENTITY NUMBER</b>	<b>EXPENDITURES</b>
<b>U.S. Department of Health and Human Services</b>			
<i>Passed Through the State Department of Health:</i>			
03/04 Breast & Cervical Cancer Project	93.919	18-1-01-2-AE-04	\$308
04/05 Breast & Cervical Cancer Project	93.919	18-1-01-2-AE-05	112,412
05/06 Breast & Cervical Cancer Project	93.919	18-1-01-2-AE-06	147,599
			<u>260,319</u>
03/04 Public Health Infrastructure	93.283	18-1-001-2-BI-04	8,750
04/05 Public Health Infrastructure	93.283	18-1-001-2-BI-05	1,233,370
05/06 Public Health Infrastructure	93.283	18-1-001-2-BI-06	7,121
			<u>1,249,241</u>
2004 STD Control Program	93.977	18-1-001-2-BX-05	27,510
2005 STD Control Program	93.977	18-1-001-2-BX-06	98,100
			<u>125,610</u>
2003 Immunization Action Plan	93.268	18-1-001-2-AZ-03	106
2004 Immunization Action Plan	93.268	18-1-001-2-AZ-04	84,126
2005 Immunization Action Plan	93.268	18-1-001-2-AZ-05	332,743
			<u>416,975</u>
04/05 OPTIONS Regional Referral	93.994	18-1-001-2-BL-05	31,073
05/06 OPTIONS Regional Referral	93.994	18-1-001-2-BL-06	16,248
05/06 CFHSP	93.994	18-1-001-1-MC-06	105,893
			<u>153,214</u>
2003 Cardiovascular Health	93.991	18-1-001-2-ED-03	65
2004 Cardiovascular Health	93.991	18-1-001-2-ED-04	1,636
2005 Cardiovascular Health	93.991	18-1-001-2-ED-05	137,520
2005 Injury Prevention	93.991	18-1-001-2-EE-05	27,123
			<u>166,344</u>
04/05 CDC Lead Program	93.197	18-1-001-2-BD-05	44,545
05/06 CDC Lead Program	93.197	18-1-001-2-BD-06	41,727
			<u>86,272</u>
<i>Passed Through the Ohio Department of Aging to Western Reserve Area Agency on Aging</i>			
Older Americans Act/Senior Community Services	93.043	N/A	38,556
			<u>38,556</u>
<b>Total U.S. Department of Health and Human Services</b>			<b>2,496,531</b>
<b>U.S. Department of Housing and Urban Development</b>			
<i>Direct</i>			
02/04 Lead-Based Paint Hazard In Housing	14.900	N/A	396,546
04/07 Lead-Based Paint Hazard In Housing	14.900	N/A	421,747
			<u>818,293</u>
Healthy Homes Demonstration	14.901	N/A	175,699
			<u>175,699</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>993,992</b>

**CUYAHOGA COUNTY BOARD OF HEALTH**  
**CUYAHOGA COUNTY**  
**SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY NUMBER</u>	<u>EXPENDITURES</u>
<b>U.S. Environmental Protection Agency</b>			
<i>Passed Through the State Environmental Protection Agency</i>			
04/06 Nonpoint Source Implementation	66.460	C997550003	<u>128,669</u>
<b>Total U.S. Environmental Protection Agency</b>			<b>128,669</b>
<b>National Oceanic and Atmospheric Administration</b>			
<i>Passed Through the State Department of Natural Resources</i>			
05/06 Mill Creek Watershed Action Plan	11.419	M363306-8	<u>6,615</u>
<b>Total National Oceanic and Atmospheric Administration</b>			<b>6,615</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b><u><u>\$3,625,807</u></u></b>

**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
DECEMBER 31, 2005**

**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. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and non-Profit Organizations*.

**NOTE B -- SUBRECIPIENTS**

The District passes-through certain Federal assistance received from the Ohio Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the District records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the District is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

**NOTE C -- MATCHING REQUIREMENTS**

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

N/A – not applicable.

CFDA – Catalog of Federal domestic Assistance.

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# Mary Taylor, CPA

## Auditor of State

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

Cuyahoga County District Board of Health  
Cuyahoga County  
5550 Venture Drive  
Parma, Ohio 44130

To the Board of Trustees:

We have audited the financial statements of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District), as of and for the year ended December 31, 2005, and have issued our report thereon dated February 13, 2007, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated February 13, 2007, we reported another matter involving internal control over financial reporting we did not deem a reportable condition.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

We intend this report solely for the information and use of the audit committee, management, Board of Trustees, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA  
Auditor of State

February 13, 2007



# Mary Taylor, CPA

## Auditor of State

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

Cuyahoga County District Board of Health  
Cuyahoga County  
5550 Venture Drive  
Parma, Ohio 44130

To the Board of Trustees:

#### Compliance

We have audited the compliance of the Cuyahoga County District Board of Health, Cuyahoga County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. 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 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, 2005.

#### 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 Trustees, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA  
Auditor of State

February 13, 2007



**CUYAHOGA COUNTY DISTRICT BOARD OF HEALTH  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2005**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Adverse: GAAP Unqualified: Regulatory basis
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Lead Based Paint Hazard in Housing, CFDA# 14.900 Public Health Infrastructure, CFDA # 93.283 Immunization Action Plan, CFDA # 93.268
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

**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.





**Mary Taylor, CPA**  
Auditor of State

**DISTRICT BOARD OF HEALTH**

**CUYAHOGA 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  
MARCH 27, 2007**