



**Auditor of State
Betty Montgomery**

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

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**Auditor of State
Betty Montgomery**

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

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 statement 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 statement in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement presents are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

October 30, 2006

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statement of the Delaware General Health District, Delaware County, Ohio (the District) as of and for the year ended December 31, 2005. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement 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.

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

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 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 October 30, 2006, 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.

Our audit was performed to form an opinion on the financial statements that collectively comprise the District's financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 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, this information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Betty Montgomery
Auditor of State

October 30, 2006

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$2,986,625	\$0	\$2,986,625
Federal/State Funds	0	1,031,785	1,031,785
Subdivisions	250,000	0	250,000
Inspection Fees	117,421	0	117,421
Permits	586,238	17,528	603,766
Other fees	252,961	14,425	267,386
Licenses	0	284,458	284,458
Contractual Services	13,111	0	13,111
Other receipts	196,556	220,453	417,009
Total Cash Receipts	<u>4,402,912</u>	<u>1,568,649</u>	<u>5,971,561</u>
Cash Disbursements:			
Salaries	1,853,315	887,685	2,741,000
Benefits	660,961	287,224	948,185
Supplies	191,876	85,584	277,460
Equipment	22,000	39,236	61,236
Contracts - Repair	114,873	36,357	151,230
Contracts - Services	178,287	44,866	223,153
Rentals	123,688	6,300	129,988
Travel	29,535	9,559	39,094
Project Expenses	0	72,854	72,854
Utilities and Rentals	142,098	162	142,260
Advertising and printing	58,791	15,367	74,158
Worker's compensation	13,891	0	13,891
Debt Payments - Principal	67,913	0	67,913
Debt Payments - Interest	34,291	0	34,291
Other	54,431	28,324	82,755
Total Disbursements	<u>3,545,950</u>	<u>1,513,518</u>	<u>5,059,468</u>
Total Receipts Over Disbursements	<u>856,962</u>	<u>55,131</u>	<u>912,093</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	31,200	31,200
Transfers-Out	(1,200)	(30,000)	(31,200)
Total Other Financing Receipts/(Disbursements)	<u>(1,200)</u>	<u>1,200</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	855,762	56,331	912,093
Fund Cash Balances, January 1	<u>765,477</u>	<u>654,957</u>	<u>1,420,434</u>
Fund Cash Balances, December 31	<u>\$1,621,239</u>	<u>\$711,288</u>	<u>\$2,332,527</u>
Reserves for Encumbrances, December 31	<u><u>\$58,674</u></u>	<u><u>\$15,201</u></u>	<u><u>\$73,875</u></u>

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

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**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Basis of Accounting

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement adequately discloses material matters the Auditor of State's accounting basis requires.

C. Cash

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

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund accounts for all financial resources except those restricted by law or contract.

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds 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 accounts for the Special Supplemental Nutrition Program.

E. Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2005 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

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

2. 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	\$4,613,248	\$4,402,912	(\$210,336)
Special Revenue	1,705,209	1,599,849	(105,360)
Total	\$6,318,457	\$6,002,761	(\$315,696)

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,001,252	\$3,605,824	\$395,428
Special Revenue	1,689,136	1,558,719	130,417
Total	\$5,690,388	\$5,164,543	\$525,845

3. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. The financial statements present these amounts as subdivision receipts.

The County Commissioners serve as a special taxing authority for a special levy outside the ten-mill limitation to provide the District with sufficient funds for health programs. The levy generated \$2,986,625 in 2005. The financial statements present these amounts as intergovernmental receipts.

4. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2005, OPERS members required contribution was 8.5 percent of their gross salaries. District employees contributed 3.5 percent of their required 8.5 percent contribution, while the District contributed the remaining 5 percent on their behalf. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2005.

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

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

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

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

6. DEBT

Debt outstanding at December 31, 2005 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$1,095,756	3%

The general obligation notes were issued to finance the purchase of an office building in downtown Delaware in 2004. The building houses the District offices, a local bank and law offices. The initial rate of interest is 3% for the first 3 years. For the next three years the rate will increase/decrease to the prime + ½%, at the date of assessment, for the years four through six, and adjust subsequently every three years thereafter. The District makes monthly installments through January 1, 2019. The notes are secured by the District's tax authority.

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

Year ending December 31:	
2006	\$101,895
2007	101,895
2008	101,895
2009	101,895
2010	101,895
2011 – 2015	509,475
2016 – 2019	305,685
Total	\$1,324,635

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

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refund of any disallowed costs. Management cannot presently determine any amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Health:</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	21-1-001-1-CL-05	10.557	\$ 305,379
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Public Safety:</i>			
State and Community Highway Safety	5069	20.600	30,647
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through Ohio Department of Health:</i>			
Special Education Grant for Infants and Families With Disabilities	21-1-001-1-EG-05	84.181	91,429
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Health:</i>			
Immunization Grants	21-1-001-2-AZ-04	93.268	17,917
Center for Disease Control and Prevention Investigations and Technical Assistance	21-1-001-2-BI-04 21-1-001-2-BI-05	93.283	147,446
Preventive Health and Human Services Block Grant	21-1-001-2-ED-04	93.991	58,711
Maternal and Child Health Services Block Grant	21-1-001-1-MC-04 21-1-001-1-MC-05	93.994	72,741
Total US Department of Health and Human Services			<u>296,815</u>
Total Federal Awards Expenditures			<u>\$ 724,270</u>

The accompanying notes are an integral part of this schedule.

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

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

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***

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

To the Board of Trustees:

We have audited the financial statement of the Delaware General Health District, Delaware County, Ohio (the District) as of and for the year ended December 31, 2005, and have issued our report thereon dated October 30, 2006, 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 October 30, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the District's management dated October 30, 2006, we reported an other matter related to noncompliance we deemed immaterial.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 30, 2006



Auditor of State Betty Montgomery

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

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

To the Board of Trustees:

Compliance

We have audited the compliance of the Delaware General Health District, Delaware County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that apply to 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 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.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal programs 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. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated October 30, 2006.

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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 30, 2006

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants and Children (WIC) – CFDA# 10.557 Center for Disease Control and Prevention Investigations and Technical Assistance – CFDA# 93.283
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

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

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

Finding Number	2005-001
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District Owned Cell Phones

The District provides cell phones for various District employees. The District's policy does allow for personal calls as long as they are within plan minutes. Any overages due to personal use are required to be repaid to the district.

No formal monitoring function has been established to ensure payment of cell phone usage and charges made by District employees. Individuals have been subject to the honor system to make repayment to the District for personal usage above plan minutes.

Within the cell phone billings tested, a total of \$147.90 in personal charges above plan minutes were incurred by employees with no evidence of repayment to the District.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued in favor of the Delaware General Health District General Fund against the employees listed in the chart below, individually, for the corresponding dollar amounts which was repaid as indicated, and against Tyson Wheeler, Operations Director, jointly and severally, in his supervisory capacity for assuring that all such payments are in accordance with District policy.

Employee Name	Finding Amount	Finding Repaid Under Audit	Date Finding Repaid
Tyson Wheeler	\$39.90	\$39.90	7/27/2006
Jim Cogar	\$108.00	\$108.00	12/6/2006

We recommend the District establish an updated cell phone policy. The policy at a minimum should: identify authorized users, method of reimbursement (for personal use), guidelines for allowable and unallowable uses, reporting, monitoring of use by appropriate levels of management, and other guidelines the Board deems appropriate.

We also recommend the District implement formal monitoring procedures to enforce the District's policy and guidelines for cell phone usage. Identified personal usage above plan minutes should result in repayment to the District for costs incurred. We further recommend the District re-evaluate the individuals who have been assigned cellular phones to determine if the plan minutes for individuals who demonstrate a necessity for a cellular phone should be evaluated to determine that the minutes included in the plan are proportionate to the required need of the employees' job duties.

Official's Response:

We did not receive a response from Officials to this finding.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

**DELAWARE GENERAL HEALTH DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	The District had a Finding for Recovery Repaid Under Audit for travel expenses paid for a Board member's spouse.	Yes	



**Auditor of State
Betty Montgomery**

88 East Broad Street
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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

GENERAL HEALTH DISTRICT

DELAWARE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 28, 2006**