



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TRUMBULL DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Trumbull District Board of Health
176 Chestnut Street N.E.
Warren, Ohio 44430

We have audited the accompanying financial statements of the District Board of Health, Trumbull County, (the District) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the District Board of Health'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 Board of Health 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 and reserves for encumbrances of the District Board of Health, Trumbull County, as of December 31, 2000 and December 31, 1999, 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 September 21, 2001 on our consideration of the District Board of Health'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.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

September 21, 2001

**TRUMBULL DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
State Grants	\$70,360	\$222,468	\$292,828
Subdivision Assessments	316,828		316,828
Intergovernmental Receipts	33,491		33,491
Inspection Fees	47,650		47,650
Fees	22,370	22,837	45,207
Federal Grants		65,727	65,727
Sale of New Installation Permits		32,300	32,300
Licenses / Permits	311,422	190,044	501,466
Charges for Services		132,592	132,592
Other Receipts	3,408	42,882	46,290
	<u>805,529</u>	<u>708,850</u>	<u>1,514,379</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries - Employees	700,989	284,956	985,945
Supplies and Materials	34,159	60,326	94,485
Equipment	19,822	3,812	23,634
Contracts - Repair	25,799	52,848	78,647
Contracts - Service	32,127	59,658	91,785
Rentals	1,391	3,126	4,517
Refunds and Reimbursements	1,058	39,440	40,498
Travel and Expenses	49,828	12,122	61,950
Compensation and Damages	19,504		19,504
Advertising and Printing		1,680	1,680
Public Employees Retirement / Employer Share	76,505	28,623	105,128
Worker's Compensation and Disabled Workers Relief	4,343	2,063	6,406
Hospitalization and Other Employee Benefits	118,676	311	118,987
Remittances - State		21,671	21,671
Medicare	9,204	3,242	12,446
Other Expenses	3,060	1,176	4,236
	<u>1,096,465</u>	<u>575,054</u>	<u>1,671,519</u>
Total Cash Disbursements			
Total Receipts over/(under) Disbursements	<u>(290,936)</u>	<u>133,796</u>	<u>(157,140)</u>
Other Financing Receipts (Disbursements):			
Reimbursements	71,756		71,756
Other Uses		(95,229)	(95,229)
Other Receipts	14,868		14,868
	<u>86,624</u>	<u>(95,229)</u>	<u>(8,605)</u>
Total Other Financing Receipts (Disbursements)			
Excess of Cash Receipts and Other Financing Receipts over/(under) Cash Disbursements and Other Financing Disbursements	(204,312)	38,567	(165,745)
Fund Cash Balances, January 1, 2000	413,996	547,001	960,997
Fund Cash Balances, December 31, 2000	<u><u>\$209,684</u></u>	<u><u>\$585,568</u></u>	<u><u>\$795,252</u></u>
Reserve for Encumbrances, December 31, 2000	<u><u>\$25,598</u></u>	<u><u>\$41,407</u></u>	<u><u>\$67,005</u></u>

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

**TRUMBULL DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
State Grants	\$62,184	\$360,486	\$422,670
Subdivision Assessments	282,032		282,032
Intergovernmental Receipts	28,439		28,439
Inspection Fees	49,450		49,450
Permits	368,695		368,695
Fees	66,740		66,740
Federal Grants		24,177	24,177
Sale of New Installation Permits		76,104	76,104
Licenses		42,730	42,730
Charges for Services		194,488	194,488
Other Receipts	131,257	131,257	131,257
	<u>2,228</u>	<u>30,386</u>	<u>32,614</u>
Total Cash Receipts	<u>859,768</u>	<u>859,628</u>	<u>1,719,396</u>
Cash Disbursements:			
Salaries - Employees	526,360	301,107	827,467
Supplies and Materials	27,034	35,164	62,198
Equipment	2,581	584	3,165
Contracts - Repair	19,250	31,905	51,155
Contracts - Service	31,066	81,642	112,708
Rentals	5,120	4,153	9,273
Refunds and Reimbursements	5,045	23,271	28,316
Travel and Expenses	42,210	10,599	52,809
Compensation and Damages	12,000		12,000
Public Employees Retirement / Employer Share	69,129	36,847	105,976
Worker's Compensation and Disabled Workers Relief	23,184	10,080	33,264
Unemployment Compensation	6,995		6,995
Hospitalization and Other Employee Benefits	103,372	562	103,934
Remittances - State	0	11,344	11,344
Medicare	6,669	1,678	8,347
Other Expenses	2,941	15,457	18,398
Total Cash Disbursements	<u>882,956</u>	<u>564,393</u>	<u>1,447,349</u>
Total Receipts over/(under) Disbursements	<u>(23,188)</u>	<u>295,235</u>	<u>272,047</u>
Other Financing Receipts (Disbursements):			
Transfers-In	100,000	1,200	101,200
Transfers-Out	(1,200)	(100,000)	(101,200)
Other Sources		14,572	14,572
Refunds	3,541		3,541
Reimbursements	136,057	(125,507)	10,550
Total Other Financing Receipts (Disbursements)	<u>238,398</u>	<u>(209,735)</u>	<u>28,663</u>
Excess of Cash Receipts and Other Financing Receipts over/(under) Cash Disbursements and Other Financing Disbursements	215,210	85,500	300,710
Fund Cash Balances, January 1, 1999	<u>198,786</u>	<u>461,501</u>	<u>660,287</u>
Fund Cash Balances, December 31, 1999	<u>\$413,996</u>	<u>\$547,001</u>	<u>\$960,997</u>
Reserve for Encumbrances, December 31, 1999	<u>\$24,199</u>	<u>\$36,332</u>	<u>\$60,531</u>

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

**TRUMBULL DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Empowered by Section 3709.01, Revised Code, the District Board of Health consists of the various villages and Boards of Health not heretofore incorporated as a City Health District within Trumbull County. The chief executive officer of each constituent political subdivision serves on the District Advisory Council which meets annually on the first Monday in March to appoint the members of the County Board of Health. The County Board of Health consists of five members, each serving five year terms. The County Board of Health appoints a Health Commissioner to a term not to exceed two years. As chief executive officer, the Health Commissioner presides over the County Health Department and reports to the Board at its regular monthly meeting. As a separate political entity, the District Board of Health operates autonomously from the government of Trumbull County. However, the Revised Code charges the county auditor and county treasurer to serve in similar capacities for the District. Charged with maintaining the health and welfare of the General Health District, the District Board of Health is empowered to enforce the laws, rules and regulations as promulgated by the appropriate federal and state legislatures, departments and agencies.

Management believes the financial statements included in this report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

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. Fund Accounting

The District Board of Health uses fund accounting to segregate cash and investments that are restricted as to use. The District Board of Health 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 required 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 Board of Health had the following significant Special Revenue Funds:

Food Service Fund: The food service fund accounts for food licenses, which are issued upon inspection by the Health Department to various types of restaurants and other food providers.

**TRUMBULL DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Community Health Services: The Health Department has an on site clinic which provides certain types of health care services to its clients. This includes immunizations, testing, examinations, educational and informational services.

D. 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, program level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 must also approve estimated resources.

3. Encumbrances

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

E. 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.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon retirement. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the District Board of Health.

2. EQUITY IN POOLED CASH AND INVESTMENTS

By virtue of the Revised Code, the Trumbull County Treasurer acts as custodian of the funds of the Trumbull County District Board of Health. These funds are commingled with the deposits and investments of the County. While GASB Statement Number 3 requires the categorization of the District's deposits regarding the risks associated with each category, it is impracticable to identify the District's deposits separately from those of the County.

**TRUMBULL DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 are as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,160,276	\$892,153	(\$268,123)
Special Revenue	1,188,982	708,850	(480,132)
Total	\$2,349,258	\$1,601,003	(\$748,255)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,425,917	\$1,122,063	\$303,854
Special Revenue	1,450,089	711,690	738,399
Total	\$2,876,006	\$1,833,753	\$1,042,253

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$950,307	\$1,099,366	\$149,059
Special Revenue	1,152,069	875,400	(276,669)
Total	\$2,102,376	\$1,974,766	(\$127,610)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,148,325	\$908,355	\$239,970
Special Revenue	1,370,153	826,232	543,921
Total	\$2,518,478	\$1,734,587	\$783,891

4. RETIREMENT SYSTEMS

Full-time employees of the District Board of Health belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a state operated, cost-sharing, multiple-employer public employer retirement system. 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 contributed 8.5% of their gross salaries. The District Board of Health contributed an amount equal to 13.55% in 1999 and 10.84% in 2000 of participants gross salaries. The County has paid all contributions required through December 31, 2000.

**TRUMBULL DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. RISK MANAGEMENT

The District's offices are made available by the County Commissioners and real property insurance for the District's offices is provided by the County.



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OFFICE OF THE AUDITOR

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

Trumbull District Board of Health
176 Chestnut Street N.E.
Warren, Ohio 44430

To the Board of Trustees:

We have audited the accompanying financial statements of the District Board of Health, Trumbull County, Ohio, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated September 21, 2001. 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 Board of Health'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 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Board of Health'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 one matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District Board of Health in a separate letter dated September 21, 2001.

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

This report is intended for the information and use of management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

September 21, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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TRUMBULL DISTRICT BOARD OF HEALTH

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 15, 2001**