



Dave Yost • Auditor of State

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
MAHONING COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Mahoning County District Board of Health
Mahoning County
50 Westchester Drive
Youngstown, Ohio 44515

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mahoning County District Board of Health, Mahoning County, Ohio (the "Health District"), as of and for the year ended December 31, 2010, which collectively comprise the Health District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Health District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mahoning County District Board of Health, Mahoning County, Ohio, as of December 31, 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparison for the General, Federal Grant and Mixed Grant funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2011, on our consideration of the Health 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Health District's basic financial statements taken as a whole. The Federal Awards Expenditure Schedule provides additional information 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 basic financial statements. The Federal Awards Expenditure Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

August 5, 2011

MAHONING COUNTY DISTRICT BOARD OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

The discussion and analysis of Mahoning County District Board of Health's (the "Health District") financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2010, within the limitations of the Health District's cash basis accounting. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Health District's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The net assets of the Health District were \$1,468,279 at the close of the year ended December 31, 2010. Of this amount, \$1,220,250 (unrestricted net assets) may be used to meet the Health District's ongoing obligations to citizens and creditors. \$162,036 is classified as restricted for special revenue funds and \$85,993 is classified as restricted for General Fund encumbrances.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,220,250, or about 40% of total General Fund expenditures and other financing uses.
- The Health District's total net assets decreased by \$110,379, which represents a 7% decrease from 2009. Although we are concerned with any decline, this amount is small compared to the net assets balance at yearend of \$1,486,279.
- The Health District had \$4,567,259 in disbursements in 2010.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Health District's cash basis of accounting.

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

The Statement of Net Assets – Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Health District, presenting both an aggregate view of the Health District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

MAHONING COUNTY DISTRICT BOARD OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Health District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Health District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Health District as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Health District did financially during 2010, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances and investments of the governmental activities of the Health District at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

These statements report the Health District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Health District's financial health. Over time, increases or decreases in the Health District's cash position is one indicator of whether the Health District's financial health is improving or deteriorating. When evaluating the Health District's financial condition, you should also consider other nonfinancial factors as well such as the Health District's property tax base, the condition of the Health District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the Health District's services. The Health District had no business-type activities.

Reporting the Health District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Health District's major funds – not the Health District as a whole. The Health District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Health District fall into two categories: governmental and fiduciary.

MAHONING COUNTY DISTRICT BOARD OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Governmental Funds - Most of the Health District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Health District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Health District's health programs. The Health District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Health District's major governmental funds are the General, Federal Grants and Mixed Grants Funds. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Health District. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Health District's programs.

The Health District as a Whole

Table 1 provides a summary of the Health District's net assets for 2010 compared to 2009 on a cash basis:

As mentioned previously, net assets decreased \$110,379. The decrease is due primarily to the following: a wage increase and an increase in wage-related expenses such as Medicare and contributions to the Ohio Public Employees Retirement System, an increase in health insurance premiums, and an increase in capital outlay expenses.

Table 1		
Net Assets		
	Governmental Activities	
	2010	2009
Assets		
Equity in pooled cash and investments at fair value	\$1,468,279	\$1,578,658
Net Assets		
Restricted:		
Special Revenue	162,036	268,308
General Fund restricted for encumbrances	85,993	68,364
Unrestricted	1,220,250	1,241,986
Total Net Assets	\$1,468,279	\$1,578,658

MAHONING COUNTY DISTRICT BOARD OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Table 2 reflects the changes in net assets for 2010 compared to 2009.

Table 2
Changes in Net Assets

	2010	2009
<i>Program Cash Receipts</i>		
Charges for Services	\$ 1,693,039	1,189,980
Operating Grants and Contributions	1,420,699	1,775,242
<i>General Receipts</i>		
Property Taxes	1,069,906	1,060,955
Other Revenue	153,529	253,240
<i>Total Receipts</i>	4,337,173	4,279,417
 <i>Disbursements</i>		
Health	4,567,259	4,177,647
<i>Total Disbursements</i>	4,567,259	4,177,647
 Change in Net Assets before Other Financing Sources (Uses)	 (230,086)	 101,770
 Transfers and Remittances	 119,707	 265,487
 <i>Change in Net Assets</i>	 (110,379)	 367,257
 Net Assets Beginning of Year	 1,578,658	 1,211,401
Net Assets End of Year	\$ 1,468,279	1,578,658

The Health District's direct charges to users of health services were the largest source of receipts accounting for 39% of total receipts in 2010. These receipts consist primarily of charges for services for vaccinations, food service licenses, inspections, and various permits such as plumbing, sewage systems, mobile home parks, camps, pools, and spas. Operating Grants and Contributions made up 33% of total receipts in 2010. Other revenue consists of donations, proceeds from the sale of assets, reimbursements, and other miscellaneous receipts.

MAHONING COUNTY DISTRICT BOARD OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Governmental Activities

If you look at the first column of the Statement of Activities – Cash Basis, you will see that the services provided by the Health District are all health related. The second column (Cash Disbursements) shows the cost of providing these services. The next two columns entitled Program Cash Receipts identify amounts paid by people who are directly charged for health services and grants received by the Health District that must be used to provide a specific service. The last column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the statement.

The Health District has tried to limit its dependence upon property taxes and local subsidies by actively pursuing grants and charging rates for services that are closely related to costs.

The Health District's Funds

As noted earlier, the Health District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the Health District's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Health District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Health District's net resources available for spending at the end of the year.

At the end of 2010, the Health District's governmental funds reported total ending fund balances of \$1,468,279. \$1,372,627 of the total is unreserved fund balance, which is available for spending. The remainder of fund balance is reserved to indicate it is not available for new spending.

The General Fund is the chief operating fund of the Health District. At the end of 2010, unreserved fund balance in the General Fund was \$1,220,250. The total fund balance of the General Fund decreased \$4,107 during 2010 to \$1,306,243 at year-end. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total General Fund expenditures. Unreserved fund balance represents 42% of the total General Fund expenditures.

The governmental funds had total receipts of \$4,337,173 and disbursements of \$4,567,259. The governmental funds had a decrease in the cash balance of \$110,379.

The Federal Grants Fund had disbursements in excess of receipts in the amount of \$108,788. The Mixed Grants Fund had disbursements in excess of receipts in the amount of \$6,374.

General Fund Budgeting Highlights

The Health District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2010, the Health District did not make any significant amendments to its General Fund budget.

MAHONING COUNTY DISTRICT BOARD OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Health District's finances and to reflect the Health District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Mahoning County Auditor, 120 Market Street, Youngstown, OH 44503.

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
COUNTY OF MAHONING**

Statement of Net Assets - Cash Basis

December 31, 2010

		<u>Primary Government</u>
		<u>Governmental Activities</u>
Assets		
Equity in pooled cash and investments at fair value	\$	1,468,279
Total Assets		<u>1,468,279</u>
Net Assets:		
Restricted for:		
Special revenue		162,036
General fund restricted for encumbrances		85,993
Unrestricted		1,220,250
Total Net Assets	\$	<u><u>1,468,279</u></u>

See accompanying notes to the basic financial statements

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
COUNTY OF MAHONING**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2010*

<u>Functions/Programs</u>	<u>Cash Disbursements</u>	<u>Program Cash Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary Government:				
Governmental activities:				
Health	\$ 4,567,259	\$ 1,693,039	\$ 1,420,699	\$ (1,453,521)
Total Governmental Activities	<u>\$ 4,567,259</u>	<u>\$ 1,693,039</u>	<u>\$ 1,420,699</u>	<u>\$ (1,453,521)</u>

General revenues:

Property taxes	1,069,906
Grants and contributions not restricted to specific programs	153,529
Transfers	119,707
Total general revenues and transfers	<u>1,343,142</u>
Change in net assets	(110,379)
Net assets - beginning	1,578,658
Net assets - ending	<u>\$ 1,468,279</u>

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

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
COUNTY OF MAHONING**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010*

	<i>General</i>	<i>Federal Grants</i>	<i>Mixed Grants</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Assets					
Equity in pooled cash and investments at fair value	\$ 1,306,243	\$ 28,289	\$ 301	\$ 133,446	\$ 1,468,279
Total Assets	<u>1,306,243</u>	<u>28,289</u>	<u>301</u>	<u>133,446</u>	<u>1,468,279</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	85,993			9,659	95,652
Unreserved, reported in:					
General fund	1,220,250				1,220,250
Special revenue funds		28,289	301	123,787	152,377
Total Fund Balances	<u>\$ 1,306,243</u>	<u>\$ 28,289</u>	<u>\$ 301</u>	<u>\$ 133,446</u>	<u>\$ 1,468,279</u>

See accompanying notes to the basic financial statements

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
COUNTY OF MAHONING**

*Statement of Cash Receipts, Disbursements and Changes
in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010*

	<i>General</i>	<i>Federal Grants</i>	<i>Mixed Grants</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Receipts					
Property and other taxes	\$ 919,344	\$	\$	\$ 150,022	\$ 1,069,366
Fees and charges for services	1,185,558	8,232	28	220,384	1,414,202
Licenses and permits	278,837				278,837
Intergovernmental	124,201	1,003,306	235,800	57,932	1,421,239
All other revenue	153,462			67	153,529
<i>Total Receipts</i>	<u>2,661,402</u>	<u>1,011,538</u>	<u>235,828</u>	<u>428,405</u>	<u>4,337,173</u>
Disbursements					
Current:					
Health	2,929,793	1,120,316	264,192	252,958	4,567,259
<i>Total Disbursements</i>	<u>2,929,793</u>	<u>1,120,316</u>	<u>264,192</u>	<u>252,958</u>	<u>4,567,259</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(268,391)	(108,778)	(28,364)	175,447	(230,086)
<i>Other Financing Sources (Uses)</i>					
Transfers in (see Note 10)	414,026		22,000		436,026
Transfers out	(149,742)	(10)	(10)		(149,762)
Remittances to Other Government Agencies				(166,557)	(166,557)
<i>Total Other Financing Sources (Uses)</i>	<u>264,284</u>	<u>(10)</u>	<u>21,990</u>	<u>(166,557)</u>	<u>119,707</u>
<i>Net Change in Fund Balances</i>	(4,107)	(108,788)	(6,374)	8,890	(110,379)
<i>Fund Balances Beginning of Year</i>	<u>1,310,350</u>	<u>137,077</u>	<u>6,675</u>	<u>124,556</u>	<u>1,578,658</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,306,243</u>	<u>\$ 28,289</u>	<u>\$ 301</u>	<u>\$ 133,446</u>	<u>\$ 1,468,279</u>

See accompanying notes to the basic financial statements

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
COUNTY OF MAHONING**

***Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Board of Health General Fund***

(Non-GAAP Budgetary Basis)

For the Year Ended December 31, 2010

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget - Positive (Negative)</i>
<i>Receipts</i>				
Property and other taxes	\$ 967,000	\$ 967,000	\$ 919,344	\$ (47,656)
Fees and charges for services	829,794	566,794	1,185,558	618,764
Licenses and permits	157,960	157,960	278,837	120,877
Intergovernmental	154,140	570,840	124,201	(446,639)
All other revenue	108,440	108,440	153,462	45,022
<i>Total Receipts</i>	2,217,334	2,371,034	2,661,402	290,368
<i>Disbursements</i>				
<i>Current:</i>				
<i>Health</i>				
Personal services	1,816,368	2,302,501	2,230,251	72,250
Materials and supplies	192,500	221,732	187,509	34,223
Contractual services	389,129	455,229	434,194	21,035
Travel	26,100	36,416	26,756	9,660
Utilities	39,740	42,187	35,069	7,118
Capital outlay	74,900	116,513	101,464	15,049
Other	25	587	543	44
<i>Total Disbursements</i>	2,538,762	3,175,165	3,015,786	159,379
<i>Excess (Deficiency) Of Receipts Over Disbursements</i>	(321,428)	(804,131)	(354,384)	449,747
<i>Other Financing Sources (Uses)</i>				
Transfers in	438,820	427,194	414,026	(13,168)
Transfers out	(117,392)	(149,742)	(149,742)	
<i>Total Other Financing Sources (Uses)</i>	321,428	277,452	264,284	(13,168)
<i>Net Change in Fund Balance</i>		(526,679)	(90,100)	436,579
<i>Fund Balance At Beginning Of Year</i>	1,241,986	1,241,986	1,241,986	-
<i>Prior Year Encumbrances Appropriated</i>	68,364	68,364	68,364	-
<i>Fund Balance At End Of Year</i>	\$ 1,310,350	\$ 783,671	\$ 1,220,250	\$ 436,579

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

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
COUNTY OF MAHONING**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Board of Health Federal Grants*

(Non-GAAP Budgetary Basis)

For the Year Ended December 31, 2010

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget - Positive (Negative)</i>
<i>Receipts</i>				
Fees and charges for services	\$ 7,175	\$ 7,175	\$ 8,232	\$ 1,057
Intergovernmental	1,006,146	1,006,146	1,003,306	(2,840)
<i>Total Receipts</i>	<u>1,013,321</u>	<u>1,013,321</u>	<u>1,011,538</u>	<u>(1,783)</u>
<i>Disbursements</i>				
<i>Current:</i>				
<i>Health</i>				
Personal services	539,423	539,423	530,457	8,966
Materials and supplies	141,568	141,568	140,531	1,037
Contractual services	136,962	136,962	136,556	406
Travel	29,574	29,574	29,065	509
Utilities	11,475	11,475	10,973	502
Capital outlay	251,571	251,571	251,569	2
Other	21,166	21,166	21,165	1
<i>Total Disbursements</i>	<u>1,131,739</u>	<u>1,131,739</u>	<u>1,120,316</u>	<u>11,423</u>
<i>Excess (Deficiency) Of Receipts Over Disbursements</i>	<u>(118,418)</u>	<u>(118,418)</u>	<u>(108,778)</u>	<u>9,640</u>
<i>Other Financing Sources (Uses)</i>				
Transfers out	<u>(11)</u>	<u>(11)</u>	<u>(10)</u>	<u>1</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(11)</u>	<u>(11)</u>	<u>(10)</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	(118,429)	(118,429)	(108,788)	9,641
<i>Fund Balance At Beginning Of Year</i>	66,701	66,701	66,701	-
<i>Prior Year Encumbrances Appropriated</i>	<u>70,376</u>	<u>70,376</u>	<u>70,376</u>	<u>-</u>
<i>Fund Balance At End Of Year</i>	<u>\$ 18,648</u>	<u>\$ 18,648</u>	<u>\$ 28,289</u>	<u>\$ 9,641</u>

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

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
COUNTY OF MAHONING**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Board of Health Mixed Grants*

(Non-GAAP Budgetary Basis)

For the Year Ended December 31, 2010

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget - Positive (Negative)</i>
<i>Receipts</i>				
Fees and charges for services	\$ 1,222	\$ 1,222	\$ 28	\$ (1,194)
Intergovernmental	314,830	314,830	235,800	(79,030)
<i>Total Receipts</i>	<u>316,052</u>	<u>316,052</u>	<u>235,828</u>	<u>(80,224)</u>
<i>Disbursements</i>				
<i>Current:</i>				
<i>Health</i>				
Personal services	137,720	137,720	128,335	9,385
Materials and supplies	4,874	4,874	4,471	403
Contractual services	176,801	176,801	130,247	46,554
Travel	203	203	72	131
Utilities	961	961	554	407
Capital outlay	514	514	513	1
<i>Total Disbursements</i>	<u>321,073</u>	<u>321,073</u>	<u>264,192</u>	<u>56,881</u>
<i>Excess (Deficiency) Of Receipts Over Disbursements</i>	(5,021)	(5,021)	(28,364)	(23,343)
<i>Other Financing Sources (Uses)</i>				
Transfers in	-	-	22,000	22,000
Transfers out	(10)	(10)	(10)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(10)</u>	<u>(10)</u>	<u>21,990</u>	<u>22,000</u>
<i>Net Change in Fund Balance</i>	(5,031)	(5,031)	(6,374)	(1,343)
<i>Fund Balance (Deficit) At Beginning Of Year</i>	(20,595)	(20,595)	(20,595)	-
<i>Prior Year Encumbrances Appropriated</i>	<u>27,270</u>	<u>27,270</u>	<u>27,270</u>	<u>-</u>
<i>Fund Balance At End Of Year</i>	<u>\$ 1,644</u>	<u>\$ 1,644</u>	<u>\$ 301</u>	<u>\$ (1,343)</u>

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

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
COUNTY OF MAHONING**

Statement of Fiduciary Net Assets - Cash Basis

Fiduciary Funds

December 31, 2010

	<u>Agency</u>
Assets	
Equity in pooled cash and investments at fair value	\$ 85,542
Total Assets	<u>85,542</u>
Net Assets	
Due to other funds	82,337
Due to other governments	3,205
Total Net Assets	<u>\$ 85,542</u>

See accompanying notes to the basic financial statements

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 1 – Reporting Entity

A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health District. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and the issuance of health-related licenses and permits, and emergency response planning.

B. Component Units

Component units are legally separate organizations for which the Health District is financially accountable. The Health District is financially accountable for an organization if the Health District appoints a voting majority of the organization's governing board and (1) the Health District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Health District is legally entitled to or can otherwise access the organization's resources; or the Health District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Health District, are accessible to the Health District and are significant in amount to the Health District. The Health District had no component units.

C. Joint Ventures and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. A description of the Health District's joint ventures can be found in Note 12.

The Health District's management believes these basic financial statements present all activities for which the Health District is financially accountable.

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Health District's accounting policies.

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

The Health District's basic financial statements consist of government-wide financial statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Health District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The Statement of Net Assets presents the cash balance of the governmental activities of the Health District at year end. The Statement of Activities compares disbursements and program receipts for each program or function of the Health District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health District is responsible.

Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the Health District.

Fund Financial Statements

During the year, the Health District segregates transactions related to certain Health District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Health District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

B. Fund Accounting

The Health District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Health District are presented in two categories: governmental and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Federal Grants Fund – is used to account for federal grants received by the Health District. Separate cost centers are established to account for each federal grant within this fund.

Mixed Grants Fund – is used to account for grants which are funded by a combination of federal and state grants. Separate cost centers are established to account for each mixed grant within this fund.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Health District under a trust agreement for individuals, private organizations, or other governments and are not available to support the Health District's own programs. The Health District did not have any trust funds in 2010.

Agency funds are purely custodial in nature and are used to account for assets held by the Health District that must be remitted to the State of Ohio.

C. Basis of Accounting

The Health District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Health District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Health District are described in the appropriate section in this note.

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Board of Health may appropriate. The appropriations resolution is the County Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Board of Health. The legal level of control has been established by the County Board of Health at the fund, department, and object level for all funds.

ORC Section 5705.28(C)(1) requires the Health District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the district if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the Health District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April, the Health District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Board of Health may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Health District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Health District.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Health District during the year.

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

E. Cash and Investments

The County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County:

Daniel Yemma
Mahoning County Treasurer
120 Market Street
Youngstown, Ohio 44503

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Health District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (continued)

L. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported as cash when received and principal and interest are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include federal and state grant monies. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

N. Fund Balance Reserves

The Health District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Accountability and Compliance

A. Accountability

All funds have positive fund balances as of December 31, 2010.

B. Compliance

The Health District has no significant violations of finance-related legal or contractual provisions as of December 31, 2010.

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 4 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to:

General Fund	\$85,993
Other Governmental Funds	\$9,659

Note 5 - Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Health District. Property tax receipts received in 2010 for real and public utility property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) is for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes which became a lien on December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

2010 tangible personal property taxes are levied after October 1, 2009, on the value as of December 31, 2009. Collections are made in 2010. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2009 is zero. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Health District operations for the year ended December 31, 2010, was \$.28 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 property tax receipts were based are as follows:

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 5 - Property Taxes (continued)

Real Property	
Residential	\$2,463,361,910
Agriculture	132,500,300
Commercial/Industrial/Mineral	784,170,640
Public Utility Property	
Real	563,850
Personal	103,420,450
Total Assessed Value	<u>\$3,484,017,150</u>
Plus Tax Loss Reimbursement *	<u>30,164,631</u>
Grand Total	<u><u>\$3,514,181,781</u></u>

* Per ORC 3709.28 for Tax Loss Reimbursement (ORC 5727.86 (A) (1))

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the Health District. The County Auditor periodically remits to the Health District its portion of the taxes collected.

Note 6 - Risk Management

The Health District is exposed to various risks of property and casualty losses, and injuries to employees.

The Health District insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The Health District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 Insurance

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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

Mahoning County District Board of Health
 Mahoning County
 Notes to the Financial Statements
 For the Year Ended December 31, 2010

Note 6 - Risk Management (continued)

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, 2009 (the latest information available):

<u>Casualty & Property Coverage</u>		<u>2009</u>
Assets		\$36,374,898
Liabilities		<u>(15,256,862)</u>
Net Assets – unrestricted		<u>\$21,118,036</u>

At December 31, 2009, the liabilities above include approximately \$14.1 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$13.7 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009. These amounts will be included in future contributions from members when the related claims are due for payment. The Health District's share of these unpaid claims collectible in future years is approximately \$45,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2009	\$22,356
2010	\$23,254

After one year of membership, members may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description - The Health District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan.

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 7 - Defined Benefit Pension Plans (continued)

The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions, plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614)-222-5601 or (800)-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2010, members in state and local classifications contributed 10.0% of covered payroll. The Health District paid 100% of the employee share to OPERS for its union employees per the collective bargaining agreement and Board authorization.

The Health District's contribution rate for pension benefits for 2010 was 14.00% percent of covered payroll. Employer contribution rates are actuarially determined. State statute sets a maximum contributions rate for the Health District of 14 percent.

The Health District's required contribution for pension obligations to the Traditional Pension Plan for the years ended December 31, 2010, 2009, and 2008 were \$498,396, \$442,421, and \$471,510, respectively. The Health District paid both the entire employee share and the employer share in all three years with the exception of some managers who pay their own employee share. The full amount has been contributed for 2010, 2009, and 2008. Contributions to the Member-Directed Plan for 2010 were \$3,924.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System (OPERS)

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit postemployment healthcare plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 8 - Postemployment Benefits (continued)

The Ohio Revised Code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The postemployment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State statute required that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer’s contribution to the Traditional or Combined Plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, local government employers contributed 14.00% of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 5.5% of covered payroll from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the healthcare benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Health District’s contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2010, 2009, and 2008 were \$181,369, \$186,496, and \$235,755, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

Note 9 – Leases

The Health District leases buildings and office equipment under noncancelable leases. The Health District disbursed \$226,200 to pay lease costs for the year ended December 31, 2010. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2011	222,405
2012	224,459
2013	133,415
2014	<u>26,320</u>
Total	<u>\$606,599</u>

Mahoning County District Board of Health
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 10 - Interfund Transfers

During 2010 the following transfers were made:

Transfers from the Mixed Grants Fund to the General Fund	\$10
Transfers from Agency Funds to the General Fund	414,006
Transfer from Federal Grants Fund to the General Fund	10
Transfer from the General Fund to the Mixed Grants Fund	<u>22,000</u>
Total Transfers	<u>\$436,026</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund and Agency Funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Joint Ventures

Healthy Valley Alliance

The Health District is a member of the Health Valley Alliance (HVA) which is a partnership formed in 1995. It is comprised of more than 50 local organizations such as local boards of health and hospitals, and its mission is to develop and sustain a plan to improve the health of the community. HVA has a council of volunteers who collaborate, plan, implement and monitor health activities. The Health District's health commissioner and medical director serve on the HVA council which has a total of 23 members. The Health District has no ongoing financial interest in or responsibility to the HVA.

Mahoning County Family and Children First Council

The Health District is a member of the Mahoning County Family and Children First Council (MCFCFC) which was established on April 24, 1995 to promote the coordination and collaboration of services for children and families. A nominal annual fee of \$100 is charged for membership to offset operating expenses. MCFCFC consists of an executive committee (state mandated members) and an Advisory Council that includes unlimited representatives from public/private service providers and family members.

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
MAHONING COUNTY**

**FEDERAL AWARDS EXPENDITURE SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Health/ Youngstown Area Community Action Council:			
Special Supplemental Nutrition Program for Women, Infants and Children	FY-10 FY-11	10.557	\$ 7,926 <u>2,776</u>
Total U.S. Department of Agriculture			10,702
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through State Department of Aging/ District XI Area Agency on Aging, Inc.:			
Title III, Part B - Grants for Supportive Services and Senior Center	FY-09-6352 FY-10-6352	93.044	1,357 <u>33,527</u>
Total CFDA # 93.044			34,884
Passed Through Ohio Department of Health:			
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Levels in Childre	05010011LD0411 05010011LD0310	93.197	35,563 <u>42,586</u>
Total CFDA # 93.197			78,149
Centers For Disease Control and Prevention - Investigations and Technical Assistance	05010012PI0211	93.283	74,980
Public Health Emergency Preparedness	05010012PI0110	93.069	696,293
Maternal and Child Health Services Block Grant to the States	05010011LE0411 05010011LE0310 05010011MC0411 05010011MC0110	93.994	15,916 64,350 59,272 <u>157,200</u>
Total CFDA # 93.994			296,738
Passed Through National Association of County and City Health Officials:			
Medical Reserve Corps Small Grant Program		93.008	2,551
Passed Through Akron Regional Hospital:			
National Bioterrorism Hospital Preparedness Program		93.889	18,000
Total U.S. Department of Health and Human Services			<u>1,201,595</u>
Total Federal Financial Assistance			<u>\$ 1,212,297</u>

The accompanying notes are an integral part of this schedule.

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
MAHONING COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURE SCHEDULE
YEAR ENDED DECEMBER 31, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditure Schedule (the "Schedule") reports the Mahoning County District Board of Health's (the "Health District") federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the Health District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Health District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE C – COMMINGLING OF FEDERAL, STATE, AND LOCAL FUNDING

Cash receipts from the U.S. Department of Health and Human Services are commingled with State and Local funding. It is assumed federal monies are expended first.



Dave Yost • Auditor of State

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

Mahoning County District Board of Health
Mahoning County
50 Westchester Drive
Youngstown, Ohio 44515

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mahoning County District Board of Health, Mahoning County, (the "Health District") as of and for the year ended December 31, 2010, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated August 5, 2011. 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 Health District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Health District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Health District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Health District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Health 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*.

We intend this report solely for the information and use of management, the audit committee, the Board, and federal awarding agencies and pass-through entities, and others within the Health District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

August 5, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Mahoning County District Board of Health
Mahoning County
50 Westchester Drive
Youngstown, Ohio 44515

To the Members of the Board:

Compliance

We have audited the compliance of Mahoning County District Board of Health (the "Health District") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect Mahoning County District Board of Health's major federal program for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the Health District's major federal program. The Health 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 Health 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 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 Health 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 Health District's compliance with those requirements.

In our opinion, the Mahoning County District Board of Health complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

The Health District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Health 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 opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Health District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, the Board, others within the entity, 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 "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

August 5, 2011

**MAHONING COUNTY DISTRICT BOARD OF HEALTH
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control 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(a)?	No
(d)(1)(vii)	Major Programs (list):	CFDA # 93.069 – Public Health Emergency Preparedness
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	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

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MAHONING COUNTY DISTRICT BOARD OF HEALTH

MAHONING 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
SEPTEMBER 13, 2011**