



**Auditor of State  
Betty Montgomery**



**TRUMBULL DISTRICT BOARD OF HEALTH  
TRUMBULL COUNTY**

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**Auditor of State  
Betty Montgomery**

**REPORT OF INDEPENDENT ACCOUNTANTS**

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

To Members of the Board:

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, 2002 and December 31, 2001. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District Board of Health as of December 31, 2002 and December 31, 2001, 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 July 24, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Trumbull District Board of Health  
Trumbull County  
Report of Independent Accountants  
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This report is intended solely for the information and use of the management, the Board 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

July 24, 2003

**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, 2002**

|  | <u>Governmental Fund Types</u> |                            | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|--------------------------------|----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |   |
| Federal awards   |                                | \$150,076                  | \$150,076                               |
| Subdivision Assessments  | \$322,512                      |                            | 322,512                                 |
| Intergovernmental  | 123,457                        | 241,428                    | 364,885                                 |
| Inspection fees  | 80,525                         |                            | 80,525                                  |
| Permits  |                                | 32,969                     | 32,969                                  |
| Other fees   |                                | 9,853                      | 9,853                                   |
| Licenses   | 316,735                        | 246,453                    | 563,188                                 |
| Charges for Services   |                                | 91,215                     | 91,215                                  |
| Other receipts   | 4,902                          | 178,144                    | 183,046                                 |
| <b>Total Cash Receipts</b>   | <b>848,131</b>                 | <b>950,138</b>             | <b>1,798,269</b>                        |
| <b>Cash Disbursements:</b>   |                                |                            |   |
| Salaries   | 943,846                        | 325,753                    | 1,269,599                               |
| Supplies   | 36,317                         | 73,919                     | 110,236                                 |
| Equipment  | 4,046                          | 5,764                      | 9,810                                   |
| Contracts - Services   | 44,675                         | 129,552                    | 174,227                                 |
| Rentals  | 1,415                          | 61                         | 1,476                                   |
| Travel   | 55,046                         | 17,345                     | 72,391                                  |
| Public employee's retirement   | 119,449                        | 43,193                     | 162,642                                 |
| Worker's compensation  | 6,157                          | 2,399                      | 8,556                                   |
| Other  | 224,213                        | 65,915                     | 290,128                                 |
| <b>Total Disbursements</b>   | <b>1,435,164</b>               | <b>663,901</b>             | <b>2,099,065</b>                        |
| <b>Total Receipts Over/(Under) Disbursements</b>   | <b>(587,033)</b>               | <b>286,237</b>             | <b>(300,796)</b>                        |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                |                            |   |
| Transfers-In   | 392,584                        |                            | 392,584                                 |
| Transfers-Out  | 0                              | (392,584)                  | (392,584)                               |
| Refunds  | 2,195                          | 22,739                     | 24,934                                  |
| Reimbursements   | 162,204                        | 255                        | 162,459                                 |
| Other Uses   | 0                              | (178,915)                  | (178,915)                               |
| <b>Total Other Financing Receipts/(Disbursements)</b>  | <b>556,983</b>                 | <b>(548,505)</b>           | <b>8,478</b>                            |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | (30,050)                       | (262,268)                  | (292,318)                               |
| Fund Cash Balances, January 1  | 100,431                        | 551,638                    | 652,069                                 |
| <b>Fund Cash Balances, December 31</b>   | <b>\$70,381</b>                | <b>\$289,370</b>           | <b>\$359,751</b>                        |
| Reserves for Encumbrances, December 31   | \$21,353                       | \$54,406                   | \$75,759                                |

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, 2001**

|   | <u>Governmental Fund Types</u> |                            | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>   |                                |                            |   |
| Federal awards  |                                | \$99,539                   | \$99,539                                |
| Subdivision Assessments   | \$317,890                      |                            | 317,890                                 |
| Intergovernmental   | 115,453                        | 393,729                    | 509,182                                 |
| Inspection fees   | 81,818                         |                            | 81,818                                  |
| Permits   |                                | 35,538                     | 35,538                                  |
| Other fees  |                                | 9,630                      | 9,630                                   |
| Licenses  | 288,174                        | 237,951                    | 526,125                                 |
| Charges for Services  |                                | 87,462                     | 87,462                                  |
| Other receipts  | 2,966                          | 96,903                     | 99,869                                  |
| <b>Total Cash Receipts</b>  | <b>806,301</b>                 | <b>960,752</b>             | <b>1,767,053</b>                        |
| <b>Cash Disbursements:</b>  |                                |                            |   |
| Salaries  | 821,664                        | 309,465                    | 1,131,129                               |
| Supplies  | 36,278                         | 74,353                     | 110,631                                 |
| Remittances to State  |                                | 17,344                     | 17,344                                  |
| Equipment   | 48,243                         | 11,474                     | 59,717                                  |
| Contracts - Services  | 57,199                         | 96,825                     | 154,024                                 |
| Rentals   | 1,404                          | 98                         | 1,502                                   |
| Travel  | 50,555                         | 13,008                     | 63,563                                  |
| Public employee's retirement  | 109,142                        | 40,078                     | 149,220                                 |
| Worker's compensation   | 21,789                         | 7,692                      | 29,481                                  |
| Other   | 155,501                        | 41,311                     | 196,812                                 |
| <b>Total Disbursements</b>  | <b>1,301,775</b>               | <b>611,648</b>             | <b>1,913,423</b>                        |
| <b>Total Receipts Over/(Under) Disbursements</b>  | <b>(495,474)</b>               | <b>349,104</b>             | <b>(146,370)</b>                        |
| <b>Other Financing Receipts/(Disbursements):</b>  |                                |                            |   |
| Transfers-In  | 279,000                        |                            | 279,000                                 |
| Transfers-Out   |                                | (279,000)                  | (279,000)                               |
| Refunds   | 14,057                         |                            | 14,057                                  |
| Reimbursements  | 93,164 *                       | 3,960                      | 97,124                                  |
| Other sources   | *                              | 504                        | 504                                     |
| Other Uses  |                                | (108,498)                  | (108,498)                               |
| <b>Total Other Financing Receipts/(Disbursements)</b>   | <b>386,221</b>                 | <b>(383,034)</b>           | <b>3,187</b>                            |
| <b>Excess of Cash Receipts and Other Financing<br/>Receipts Over/(Under) Cash Disbursements<br/>and Other Financing Disbursements</b> | <b>(109,253)</b>               | <b>(33,930)</b>            | <b>(143,183)</b>                        |
| Fund Cash Balances, January 1   | 209,684                        | 585,568                    | 795,252                                 |
| <b>Fund Cash Balances, December 31</b>  | <b>\$100,431</b>               | <b>\$551,638</b>           | <b>\$652,069</b>                        |
| Reserves for Encumbrances, December 31  | \$24,073                       | \$40,247                   | \$64,320                                |

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, 2002 AND 2001**

**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 townships and municipal corporations 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 District Advisory Council appoints four members of the Board of Health, and the remaining member is appointed by the Health District Licensing Council established under section 3709.41 of the Revised Code. The District Advisory Council also ratified the Health District Licensing Council's elected representative.

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 five 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. Cash**

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

**D. Fund Accounting**

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

**TRUMBULL DISTRICT BOARD OF HEALTH  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

*Food Service Fund* – This fund accounts for food service licenses which are issued annually upon receipt of an application from restaurants and other food providers.

*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.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2002 and 2001 budgetary activity appears in Note 2.

**F. Property, Plant and Equipment**

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

**TRUMBULL DISTRICT BOARD OF HEALTH  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**G. Accumulated Leave**

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

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted<br/>Receipts</u> | <u>Actual<br/>Receipts</u> | <u>Variance</u>    |
|------------------|------------------------------|----------------------------|--------------------|
| General          | \$1,382,678                  | \$1,405,114                | \$22,436           |
| Special Revenue  | 1,605,402                    | 973,132                    | (632,270)          |
| Total            | <u>\$2,988,080</u>           | <u>\$2,378,246</u>         | <u>(\$609,834)</u> |

2002 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation<br/>Authority</u> | <u>Budgetary<br/>Expenditures</u> | <u>Variance</u>   |
|------------------|------------------------------------|-----------------------------------|-------------------|
| General          | \$ 1,459,486                       | \$ 1,456,517                      | \$ 2,969          |
| Special Revenue  | 2,078,985                          | 1,289,806                         | 789,179           |
| Total            | <u>\$ 3,538,471</u>                | <u>\$ 2,746,323</u>               | <u>\$ 792,148</u> |

2001 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted<br/>Receipts</u> | <u>Actual<br/>Receipts</u> | <u>Variance</u>    |
|------------------|------------------------------|----------------------------|--------------------|
| General          | \$1,221,575                  | \$1,192,522                | (\$29,053)         |
| Special Revenue  | 1,480,943                    | 965,216                    | (515,727)          |
| Total            | <u>\$2,702,518</u>           | <u>\$2,157,738</u>         | <u>(\$544,780)</u> |

2001 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation<br/>Authority</u> | <u>Budgetary<br/>Expenditures</u> | <u>Variance</u>   |
|------------------|------------------------------------|-----------------------------------|-------------------|
| General          | \$ 1,382,422                       | \$ 1,325,848                      | \$ 56,574         |
| Special Revenue  | 1,839,528                          | 1,039,393                         | 800,135           |
| Total            | <u>\$ 3,221,950</u>                | <u>\$ 2,365,241</u>               | <u>\$ 856,709</u> |

**TRUMBULL DISTRICT BOARD OF HEALTH  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. SUBDIVISION ASSESSMENTS**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are included in *Subdivision Assessments* in the financial statements.

**4. RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2002.

**5. RISK MANAGEMENT**

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

**6. CONTINGENT LIABILITIES**

The District is defendant in several lawsuits. Although the outcome of these suits is not presently determinable, counsel believes that the resolution of these matters will not materially adversely affect the District's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material



**Auditor of State  
Betty Montgomery**

**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 Members of the Board:

We have audited the accompanying financial statements of the Trumbull District Board of Health (the District) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated July 24, 2003. We conducted our audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated July 24, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a 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 in a separate letter dated July 24, 2003.

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

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

July 24, 2003



**Auditor of State  
Betty Montgomery**

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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  
OCTOBER 14, 2003**