



Dave Yost • Auditor of State

TRUMBULL COUNTY DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Trumbull County District Board of Health
Trumbull County
176 Chestnut Avenue NE
Warren, Ohio 44483

To the District Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Trumbull County District Board of Health, Trumbull County, (the District) as of and for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2014, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Trumbull County District Board of Health, Trumbull as of December 31, 2014 and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Federal Awards Expenditures Schedule presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

.....

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

January 25, 2016

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Trumbull County District Board of Health
Trumbull County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2014

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$332,740		\$332,740
Charges for Services	94,125	\$1,881,036	1,975,161
Fines, Licenses and Permits	746,269	315,640	1,061,909
Intergovernmental	166,525	603,596	770,121
Special Assessments	41,180		41,180
Miscellaneous	13,044	11,388	24,432
<i>Total Cash Receipts</i>	<u>1,393,883</u>	<u>2,811,660</u>	<u>4,205,543</u>
Cash Disbursements			
Current:			
Health:			
Salaries	713,826	1,128,847	1,842,673
Employee Fringe Benefits	360,879	548,000	908,879
Purchased and Contracted Services	165,023	344,569	509,592
Supplies and Materials	37,585	41,209	78,794
Other	100,631	1,051,840	1,152,471
Capital Outlay	1,484	8,349	9,833
<i>Total Cash Disbursements</i>	<u>1,379,428</u>	<u>3,122,814</u>	<u>4,502,242</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>14,455</u>	<u>(311,154)</u>	<u>(296,699)</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	40,287	27,193	67,480
<i>Total Other Financing Receipts (Disbursements)</i>	<u>40,287</u>	<u>27,193</u>	<u>67,480</u>
<i>Net Change in Fund Cash Balances</i>	54,742	(283,961)	(229,219)
<i>Fund Cash Balances, January 1</i>	<u>206,712</u>	<u>829,144</u>	<u>1,035,856</u>
Fund Cash Balances, December 31			
Restricted	0	545,183	545,183
Assigned	15,018	0	15,018
Unassigned	246,436	0	246,436
<i>Fund Cash Balances, December 31</i>	<u>\$261,454</u>	<u>\$545,183</u>	<u>\$806,637</u>

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

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**TRUMBULL COUNTY DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Trumbull County District Board of Health, Trumbull County, (the District) as a body corporate and politic. A five-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issues health-related licenses and permits.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

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

D. Fund Accounting

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

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Help Me Grow Fund - This fund accounts for state grants for the Help Me Grow program.

**TRUMBULL COUNTY BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

1. Summary of Significant Accounting Policies – (Continued)

Construction and Demolition Debris Program - This fund receives money to finance the dumping of trash from construction and demolition sites to landfills.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2014 budgetary activity appears in Note 2.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**TRUMBULL COUNTY BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

1. Summary of Significant Accounting Policies

3. Committed

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

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

H. Accumulated Leave

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

**TRUMBULL COUNTY BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

2. Budgetary Activity

Budgetary activity for the year ending December 31, 2014 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,681,790	\$1,434,170	(\$247,620)
Special Revenue	4,061,903	2,838,853	(1,223,050)
Total	\$5,743,693	\$4,273,023	(\$1,470,670)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,902,170	\$1,394,446	\$507,724
Special Revenue	4,484,429	3,152,746	1,331,683
Total	\$6,386,599	\$4,547,192	\$1,839,407

3. Intergovernmental Funding

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

4. Retirement Systems

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>PERS – Local</i>	<i>2014</i>	<i>10%</i>	<i>14%</i>

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

The Ohio Revised Code also prescribes contribution rates. For 2014, OPERS members contributed 10%, respectively, of their gross salaries and the District contributed an amount equaling 14%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2014.

**TRUMBULL COUNTY BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)**

5. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Risk Pool Membership

The Council is a member of CORSA, County Risk Sharing Authority, which is a shared risk pool for general liability, public official liability, public officials' liability, automobile liability, building and contents. CORSA reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of April 30:

	<u>2014</u>	<u>2013</u>
Cash and investments	\$12,988,291	\$9,743,864
Actuarial liabilities	\$22,146,284	\$20,500,000

6. Contingent Liabilities

The District overcharged penalties on septic system permit customers. The amounts overcharged should be refunded to the individuals from the funds that were credited the monies. The District estimated the refunds to approximate \$46,725.

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

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. The grantor 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.

7. Subsequent Events

On August 12, 2015, the Trumbull County Health District Advisory Council approved incorporating the City of Niles Health Department with the Trumbull County Combined Health District, TCCHD. The transaction would entail hiring the two employees who previously were employed at the City of Niles.

On November 18, 2015 the Trumbull County Health District signed a Memorandum of Understanding incorporating the City of Girard Health Department with the Trumbull County Combined Health District which will be anticipated for January 1, 2016. One employee from the City of Girard Health Department is anticipated to join the District.

The contracts with Niles and Girard will result in additional revenue for the District.

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TRUMBULL COUNTY DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/ Pass Through Grantor Program Title	Grant/Pass Through Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
<i>Passed Through Ohio Department of Health:</i>			
Immunization Cooperative Agreements	07810012IM0512	93.268	\$ 8,638
	07810012IM0613		42,656
	07810012IM0714		26,418
			<u>77,712</u>
Hospital Preparedness Program Public Health Emergency Preparedness Aligned Cooperative Agreements	07810012PH0413	93.069	17,609
	07810012PH0514	93.074	104,385
	07810012PH0615	93.074	73,737
			<u>195,731</u>
Preventative Health and Health Services Block Grant	07810014CC0312	93.991	19,578
	07810014CC0413		19,612
	07810014CC0514		77,793
			<u>116,983</u>
Maternal and Child Health Services Block Grants to the States	07810011MC0714	93.994	127,154
	07810011MC0815		58,135
			<u>185,289</u>
Maternal, Infant, and Early Childhood Home Visiting Program	07810011MV0213	93.505	200
	07810011MV0314		138,699
			<u>138,899</u>
Totals			<u>\$ 714,614</u>

The accompanying notes to this schedule are an integral part of this schedule.

**TRUMBULL COUNTY DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2014**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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



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

Trumbull County District Board of Health
Trumbull County
176 Chestnut Avenue NE
Warren, Ohio 44483

To the District Board of Health;

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Trumbull County District Board of Health, Trumbull, (the District) as of and for the year ended December 31, 2014, and the related notes to the financial statements and have issued our report thereon dated January 25, 2016 wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining 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 instance of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dave Yost
Auditor of State
Columbus, Ohio

January 25, 2016



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

Trumbull County District Board of Health
Trumbull County
176 Chestnut Avenue NE
Warren, Ohio 44483

To the District Board of Health:

Report on Compliance for Each Major Federal Program

We have audited the Trumbull County District Board of Health's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Trumbull County District Board of Health's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for 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*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Trumbull County District Board of Health complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2014.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings as item 2014-001. This finding did not require us to modify our compliance opinion on each major federal program.

The District's response to our noncompliance finding is described in the accompanying schedule of findings and corrective action plan. We did not audit the District's response and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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's applicable 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's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2014-001 to be a material weakness.

The District response to our internal control over compliance finding is described in the accompanying schedule of findings and corrective action plan, we express no opinion on it.

Trumbull County District Board of Health
Trumbull County
Independent Auditor's Report On Compliance With Requirements Applicable
To Each Major Federal Program And On Internal Control Over Compliance
Required By OMB Circular A-133
Page 3

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Dave Yost
Auditor of State

January 25, 2016

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**TRUMBULL COUNTY DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Hospital Preparedness Program (CFDA 93.069); Public Health Emergency Preparedness and Aligned Cooperative Agreements programs (CFDA 93.074); and Maternal And Child Health Services Block Grant To The States (CFDA 93.994).
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

REPORTING

Finding Number	2014-001
CFDA Title and Number	Maternal and Child Health Services Block Grants to the States (CFDA 93.994); Public Health Emergency Preparedness and Aligned Cooperative Agreements programs (CFDA 93.074)
Federal Award Number / Year	07810011MC0714 / 2014 07810012PH0514 / 2014 07810012PH0615 / 2015
Federal Agency	Department of Health
Pass-Through Agency	Ohio Department of Health (ODH)

NONCOMPLIANCE AND MATERIAL WEAKNESS

Ohio Department of Health Grants, Administration, Policies and Procedures Manual (Manual) section 105.0-2, effective 05/01/03, states the expenditures and revenues must be on the same accounting basis (i.e., cash or accrual) as the agency's accounting system. In addition, the reporting section of the Manual states the quarterly report must be based on the subgrantee's accounting records and supporting documentation... and expenditures and revenues must be on the cash basis; thereby reporting actual expenses paid during the quarter. The total amount of Outstanding Obligations listed on the fourth quarter expenditure report is the maximum amount that can be listed as current expenditures upon submission of the Final Expense Report.

The District accounted for their Federal programs on a cash basis. The District's Maternal and Child Health Services Block Grant to States and Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements are on a fiscal year ending June 30th. We noted that the quarterly non-payroll expenditure amounts reported by the District to the Ohio Department of Health (ODH) did not always agree to the cash basis accounting system of their fiscal agent for the Maternal and Child Health Services Block Grant to States and for the Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements. The table below shows the quarterly non-payroll expenditure amounts reported by the District to ODH and the amounts that should have been reported based on the District's fiscal agent records:

Quarter	Non-Payroll Expenditures per Quarterly Report	Non-Payroll Expenditures per Fiscal Agent Records	Variance
<u>CFDA #93.994</u>			
January – March	\$ 19,644	\$ 52,268	(\$32,624)
April – June	107,301	106,346	955
<u>CFDA #93.074</u>			
January – March	7,377	14,482	(7,105)
April - June	15,743	14,478	1,265
July – September	7,517	7,749	(232)

NONCOMPLIANCE AND MATERIAL WEAKNESS – (Continued)

The variances noted above are for grant reports that were filed during calendar year 2014. The variance for the quarter ending March for CFDA 93.994 was due to the District improperly reporting to ODH obligations incurred in the prior quarter.

Improper reporting could result in the grantor agency requiring the Board of Health to return grant funds and/or the forfeiture of remaining grant funds.

The District should report cash basis amounts from their fiscal agent's accounting system records to the Ohio Department of Health based on ODH guidelines.

Officials' Response: The discrepancy was due to the accounting method used by the Health Department to report the expenditures. Consequently, the expenditures were reported in the preceding period, although the checks were issued the following period due to the lag time between requesting the payment and the checks being issued. The Health Department will adjust the accounting method it uses to reflect when the payments were actually issued, as opposed to when the payments were requested.

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**TRUMBULL COUNTY DISTRICT BOARD OF HEALTH
TRUMBULL COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
DECEMBER 31, 2014**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2014-001	The District will make sure to see when the check is issued to report in the correct month. Also, going forward, the District will be reporting on a monthly basis instead of quarterly basis.	1/31/16	Daniel Dean