

***TRUMBULL COUNTY
COMBINED HEALTH DISTRICT***

TRUMBULL COUNTY

Audit Report

For the Years Ended December 31, 2018 and 2017





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Board
Trumbull County Combined Health District
176 Chestnut Street, NE
Warren, Ohio 44483-5803

We have reviewed the *Independent Auditor's Report* of the Trumbull County Combined Health District, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Trumbull County Combined Health District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

September 4, 2019

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Trumbull County Combined Health District
Trumbull County

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INDEPENDENT AUDITOR'S REPORT

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

To the 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 Combined Health District, Trumbull County, Ohio (the District) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating of the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 determined, 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, 2018 and 2017, 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 cash balances, receipts and disbursements by fund type, and related notes of the Trumbull County Combined Health District, Trumbull County, as of December 31, 2018 and 2017, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.



Charles E. Harris & Associates, Inc.
May 15, 2019

Trumbull County Combined Health District
Trumbull County
*Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2018

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Charges for Services	\$ 407,517	\$ 1,119,069	\$ 1,526,586
Fines, Licenses and Permits	151,279	1,332,344	1,483,623
Intergovernmental:			
Apportionments	387,065	-	387,065
Grants	317,048	888,193	1,205,241
Other	224,516	-	224,516
Special Assessments	30,096	30,350	60,446
Miscellaneous	31,334	14,052	45,386
<i>Total Cash Receipts</i>	1,548,855	3,384,008	4,932,863
Cash Disbursements			
Current:			
Health:			
Salaries	731,764	1,339,367	2,071,131
Employee Fringe Benefits	337,104	535,312	872,416
Purchased and Contractual Services	134,397	243,206	377,603
Supplies and Materials	29,493	108,170	137,663
Community Environmental	-	644,005	644,005
Other	63,600	98,384	161,984
Capital Outlay	29,930	19,253	49,183
<i>Total Cash Disbursements</i>	1,326,288	2,987,697	4,313,985
<i>Net Change in Fund Cash Balances</i>	222,567	396,311	618,878
<i>Fund Cash Balances, January 1</i>	255,040	749,443	1,004,483
Fund Cash Balances, December 31			
Restricted	-	1,145,754	1,145,754
Assigned	6,262	-	6,262
Unassigned	471,345	-	471,345
<i>Fund Cash Balances, December 31</i>	\$ 477,607	\$ 1,145,754	\$ 1,623,361

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

TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULLCOUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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 Combined Health District, Trumbull County, (the District) as a body corporate and politic. A seven-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, public health nuisance investigations and issuing 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:

TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

1. Summary of Significant Accounting Policies (continued)

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

Household Sewage Treatment System Fund - This fund receives money from inspections to ensure compliance with County regulations.

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 2018 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.

TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

1. Summary of Significant Accounting Policies (continued)

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.

3. Committed

The Board can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends 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. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget in the general fund.

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

**TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

1. Summary of Significant Accounting Policies (continued)

H. Accumulated Leave

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

2. Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,295,000	\$ 1,548,855	\$ (746,145)
Special Revenue	4,242,497	3,384,008	(858,489)

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,265,708	\$ 1,332,550	\$ 933,158
Special Revenue	4,527,659	3,246,383	1,281,276

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 System

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 2018, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

5. Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0% during calendar year 2018.

6. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Settled claims have not exceeded insurance coverage in any of the past three years. Coverage limits have not changed significantly from last year.

7. Contingent Liabilities

The District may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter 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. 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.

Trumbull County Combined Health District
Trumbull County
Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Charges for Services	\$ 198,559	\$ 1,179,931	\$ 1,378,490
Fines, Licenses and Permits	199,182	1,165,424	1,364,606
Intergovernmental:			
Apportionments	374,278	-	374,278
Grants	278,686	778,292	1,056,978
Other	146,163	-	146,163
Special Assessments	15,536	11,379	26,915
Miscellaneous	23,034	29,407	52,441
	<hr/>	<hr/>	<hr/>
<i>Total Cash Receipts</i>	1,235,438	3,164,433	4,399,871
Cash Disbursements			
Current:			
Health:			
Salaries	583,488	1,387,749	1,971,237
Employee Fringe Benefits	220,236	601,047	821,283
Purchased and Contractual Services	112,120	245,980	358,100
Supplies and Materials	49,927	101,990	151,917
Community Environmental	-	742,704	742,704
Other	64,390	111,004	175,394
	<hr/>	<hr/>	<hr/>
<i>Total Cash Disbursements</i>	1,030,161	3,190,474	4,220,635
<i>Net Change in Fund Cash Balances</i>	205,277	(26,041)	179,236
<i>Fund Cash Balances, January 1</i>	49,763	775,484	825,247
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31			
Restricted	-	749,443	749,443
Assigned	20,629	-	20,629
Unassigned	234,411	-	234,411
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$ 255,040</u>	<u>\$ 749,443</u>	<u>\$ 1,004,483</u>

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

TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULLCOUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. Summary of Significant Accounting Policies

A. Description of the Entity

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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

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TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

1. Summary of Significant Accounting Policies (continued)

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

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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 2017 budgetary activity appears in Note 2.

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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:

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TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

1. Summary of Significant Accounting Policies (continued)

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.

3. Committed

The Board can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends 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.

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TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

1. Summary of Significant Accounting Policies (continued)

H. Accumulated Leave

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

2. Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,295,000	\$ 1,235,438	\$ (59,562)
Special Revenue	4,245,199	3,164,433	(1,080,766)

2017 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,250,314	\$ 1,050,790	\$ 199,524
Special Revenue	4,169,819	3,308,161	861,658

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 System

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 2017, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2017.

5. Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 1% during calendar year 2017.

TRUMBULL COUNTY COMBINED HEALTH DISTRICT
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

6. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Settled claims have not exceeded insurance coverage in any of the past three years. Coverage limits have not changed significantly from last year.

7. Contingent Liabilities

The District may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter 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. 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.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements by fund type of the Trumbull County Combined Health District, Trumbull County (the District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 15, 2019, 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

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 15, 2019.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.
May 15, 2019

**Trumbull County Combined Health District
Trumbull County
Schedule of Findings
December 31, 2018 and 2017**

Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS
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Finding Number: 2018-001 – Material Weakness

Audit Adjustments and Reclassifications

During audit procedures performed, errors were noted in the District’s financial statements that required audit adjustments and reclassifications as follows:

- The receipt of charges for services provided was incorrectly posted as Miscellaneous revenue and Other Financing Sources instead of Charges for Services revenue.
- The receipt of apportionments of property taxes was incorrectly posted as Property Tax revenue instead of Intergovernmental: Apportionments.

The accompanying financial statements and the District’s records have been adjusted to properly reflect these transactions.

Sound financial reporting is the responsibility of the District and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the District adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use certain Auditor of State guidance and the policies and procedures of its fiscal agent (Trumbull County) to aid in properly identifying account classifications and preparing annual financial statements.

Management’s Response:

See Corrective Action Plan on page 18.

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Trumbull County Combined Health District
Trumbull County
 Corrective Action Plan
 (Prepared by Management)
 December 31, 2018 and 2017

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	<p>During the meeting regarding the Findings Related to Financial Statements held on July 2, 2019 between the Trumbull County Combined Health District and the auditor from Charles E. Harris & Associates, Inc., the Health District was informed of two categories of receipted funds that were mis-categorized on the Health District's Financial Statements. It was noted that all of the funds received were accounted for, but were posted in what the auditor determined to be incorrect categories.</p> <p>The categories requiring adjustment and reclassification are as follows:</p> <ul style="list-style-type: none"> • The receipt of charges for services provided was incorrectly posted as Miscellaneous Revenue and Other Financing Sources instead of Charges for Service Revenue. <p><u>Planned corrective action:</u> Although, no previous audits by the State of Ohio flagged this as an incorrect classification, the Health District will adjust the classification to Charges for Service Revenue.</p> <ul style="list-style-type: none"> • The receipt of apportionments of property taxes was incorrectly posted as Property Tax Revenue instead of Intergovernmental: Apportionments. <p><u>Planned corrective action:</u> Although, no previous audits by the State of Ohio flagged this as an incorrect classification, the Health District will communicate with the Trumbull County Auditor's Office to insure that the county auditor adjusts the classification of the receipt of apportionments of property taxes as Intergovernmental: Apportionments. It is the Trumbull County Auditor's Office that is responsible for categorizing these types of receipts.</p>	Immediately	Daniel Dean, Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



TRUMBULL COUNTY COMBINED HEALTH DISTRICT

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
SEPTEMBER 17, 2019**