



OHIO AUDITOR OF STATE
KEITH FABER



**STARK COUNTY DISTRICT BOARD OF HEALTH
STARK COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Stark County District Board of Health
Stark County
7235 Whipple Ave. NW
North Canton, OH 44720

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 for each governmental fund type as of and for the year ended December 31, 2020 and related notes of the Stark County District Board of Health, Stark County, Ohio (the District).

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 such 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 2 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, 2020, and the respective changes in financial position thereof for the year 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 for each governmental fund type as of and for the year ended December 31, 2020 and related notes of the District, 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 2.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

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

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is 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 5, 2022, 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.



Keith Faber
Auditor of State
Columbus, Ohio

January 5, 2022

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Stark County District Board of Health
 Stark County
 Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Charges for Services	\$ 380,092	\$ 1,314,343	\$ 0	\$ 1,694,435
Licenses and Permits	307,310	1,164,982	0	1,472,292
Fines and Forfeitures	76,529	8,461	0	84,990
Intergovernmental	4,281,915	2,306,854	0	6,588,769
Special Assessments	3,550	0	0	3,550
Miscellaneous	154,888	37,136	0	192,024
<i>Total Cash Receipts</i>	<u>5,204,284</u>	<u>4,831,776</u>	<u>0</u>	<u>10,036,060</u>
Cash Disbursements				
Current				
Health				
Personal Services - Salaries and Wages	1,802,729	2,061,251	0	3,863,980
Personal Services - Employee Benefits	948,470	673,735	0	1,622,205
Supplies and Materials	255,096	69,673	0	324,769
Purchased Services	989,367	736,088	0	1,725,455
Capital Outlay	14,070	5,929	2,880	22,879
Other Allocations	234,462	759,412	0	993,874
<i>Total Cash Disbursements</i>	<u>4,244,194</u>	<u>4,306,088</u>	<u>2,880</u>	<u>8,553,162</u>
<i>Net Change in Fund Cash Balances</i>	960,090	525,688	(2,880)	1,482,898
<i>Fund Cash Balances, January 1</i>	<u>453,520</u>	<u>1,076,371</u>	<u>5,402</u>	<u>1,535,293</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,413,610</u>	<u>\$ 1,602,059</u>	<u>\$ 2,522</u>	<u>\$ 3,018,191</u>

See accompanying notes to the financial statements

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Stark County District Board of Health
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Stark County District Board of Health, Stark County, (the District) as a body corporate and politic. An eight-member Board and a Health Commissioner govern the District. The District's services include communicable disease investigations, immunization clinics, inspections, tuberculosis screening, 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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:

Women, Infants, and Children (WIC) Fund - This Federal grant fund accounts for the Special Supplemental Nutrition Program.

Food Service Fund - This fund receives monies for food service licenses and permits.

Public Health Nursing - This fund accounts for Nursing and Clinical services provided to the Public.

Construction and Demolition Debris Disposal Fund – This fund is established to account for receipts of tipping fees under O.R.C. 3714.07(4) used to administer rules regarding the regulation of such facilities accepting such items.

Home Sewage Treatment Systems (HSTS) – This fund is established to accounts for permit and user fees under O.R.C. 3718.02 used to administer rules regarding the regulation of home sewage treatment systems and small flow onsite systems.

Stark County District Board of Health
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

3. Capital Projects Fund

This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition, construction or improvement of capital facilities and other capital assets. The District had the following significant capital project fund:

Capital Improvement Fund – This fund receives moneys appropriated by the board of health for either the purchase of a building or the improvement of leased quarters.

Basis of Accounting

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.

Budgetary Process

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

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.

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.

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 2020 budgetary activity appears in Note 3.

Stark County District Board of Health
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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.

Capital Assets

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

Stark County District Board of Health
 Stark County
 Notes to the Financial Statements
 For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Note 3 - Budgetary Activity

Budgetary activity for the years ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,666,158	\$5,204,284	(\$461,874)
Special Revenue	4,932,119	4,831,776	(100,343)
Capital Projects	0	0	0
Total	\$10,598,277	\$10,036,060	(\$562,217)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,074,735	\$5,679,329	\$395,406
Special Revenue	6,008,010	4,881,656	1,126,354
Capital Projects	5,402	5,402	0
Total	\$12,088,147	\$10,566,387	\$1,521,760

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Stark 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.

Note 5 – 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.

Note 6 - Risk Management

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

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

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool covers the following risks:

Stark County District Board of Health
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 6 - Risk Management (continued)

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$40,318,971
Actuarial Liabilities	\$14,111,510

Note 7 – Defined Benefit Pension Plans

Ohio Public Employee 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 2020, 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, 2020. Of the 10% contribution due from employees, the District currently picks up 4.25%.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes 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, member directed plan and combined plan was 0 percent during calendar year 2020.

Note 9 - Contingent Liabilities

The District is a defendant in a couple lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially or 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.

Stark County District Board of Health
 Stark County
 Notes to the Financial Statements
 For the Year Ended December 31, 2020

Note 10 – Lease

The District entered into building lease in November 2018. The District moved into the building in November 2019. A supplemental lease for an additional 377 square feet for the year 2021 was approved by the District on January 10th, 2021. This expires December 31st, 2021. See below for the past and future amortization of that lease.

Amortization

Amortization of the above lease is scheduled as follows:

<u>Year Ending December 31,</u>	<u>Leases</u>
2021	\$303,946
2022	300,000
2023	300,000
2024	300,000
2025	300,000
2026-2029	<u>1,150,000</u>
Total	<u>\$2,653,946</u>

Note 11 – Fund Balances

Included in fund balance are encumbrances which are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$ 1,435,135</u>	<u>\$ 575,568</u>	<u>\$ 2,522</u>	<u>\$ 2,013,225</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds is restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – Change in Accounting Principle

For 2020, the District has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. In addition, the impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**STARK COUNTY DISTRICT BOARD OF HEALTH
STARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Passed Through to Subrecipients	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through the Ohio Department of Health /</i>				
<i>Passed Through City of Canton:</i>				
Special Supplemental Nutrition Program for Women, Infants & Children	76-2-001-1-WA-1320	10.557	\$0	\$302,443
Special Supplemental Nutrition Program for Women, Infants & Children	76-2-001-1-WA-1321	10.557	0	77,174
Total U.S. Department of Agriculture			0	379,617
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
<i>Passed Through Ohio Department of Health:</i>				
Maternal and Child Health Services				
Block Grant to the States				
Maternal and Child Health Program	76-1-001-1-MP-0420	93.994	0	74,520
Moms & Babies First: Black Infant Vitality	76-1-001-1-MB-0220	93.994	0	76,853
Moms & Babies First: Black Infant Vitality	76-1-001-1-MB-0321	93.994	0	17,601
Total Maternal and Child Health Services Block Grant to the States			0	168,974
Preventive Health and Health Services Block Grant	76-1-001-4-CC-0720	93.991	0	91,324
Preventive Health and Health Services Block Grant	76-1-001-4-IC-0220	93.991	0	185,000
Preventive Health and Health Services Block Grant	76-1-001-4-ID-0220	93.991	0	67,326
Total Preventive Health and Health Services Block Grant			0	343,650
Injury Prevention and Control	76-1-001-4-DR-0120	93.136	3,900	159,500
Injury Prevention and Control	76-1-001-4-DR-0221	93.136	550	25,500
Total Injury Prevention and Control			4,450	185,000
State Physical Activity and Nutrition Program	76-1-001-1-CK-0220	93.439	0	14,400
COVID-19 – Public Health Emergency Response Cooperative Agreement for Emergency Response: Public Health Crisis Response				
	76-1-001-2-CO-0120	93.354	121,710	436,326
Public Health Emergency Preparedness Grant	76-2-001-2-PH-0320	93.069	61,199	186,003
Public Health Emergency Preparedness Grant	76-2-001-2-PH-0421	93.069	45,034	97,548
Total Public Health Emergency Preparedness Grant			106,233	283,551
Medicaid Cluster:				
Medical Assistance Program (Title XIX)	N/A	93.778	0	24,195
Total Medicaid Cluster			0	24,195
Family Planning Services	76-1-001-1-RH-0920	93.217	0	74,612
Family Planning Services	76-1-001-1-RH-1021	93.217	0	90,427
Total Family Planning Services			0	165,039

**STARK COUNTY DISTRICT BOARD OF HEALTH
STARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Passed Through to Subrecipients	Expenditures
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued)</u>				
<i>Passed Through Ohio Department of Health/ Passed Through City of Canton</i>				
Immunization Cooperative Agreements	76-2-001-2-GV-0220	93.268	0	20,535
Immunization Cooperative Agreements	76-2-001-2-GV-0321	93.268	0	13,360
Total Get Vaccinated Ohio - Public Health Initiative			<u>0</u>	<u>33,895</u>
<i>Passed Through Canton Regional Area Health Education Center</i>				
Point of Service Maintenance and Enhancement Award	U77 HP 23072	93.107	14,611	23,998
Total U.S. Department of Health & Human Services			<u>247,004</u>	<u>1,679,028</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed Through Ohio Department of Health:</i>				
Highway Safety Cluster:				
National Priority Safety Program	76-1-001-4-BB-0320	20.616	6,500	48,529
Total U.S. Department of Transportation			<u>6,500</u>	<u>48,529</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
<i>Passed Through Ohio Department of Health:</i>				
COVID-19 – Coronavirus Relief Fund	76-1-001-2-CT-0120	21.019	221,279	914,144
Total U.S. Department of The Treasury			<u>221,279</u>	<u>914,144</u>
Totals			<u>\$474,783</u>	<u>\$3,021,318</u>

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

**STARK COUNTY DISTRICT BOARD OF HEALTH
STARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Stark County District Board of Health (the District) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The District passes certain federal awards received from the Ohio Department of Health and the Canton Regional Area Health Education Center to other governments or not-for-profit agencies (subrecipients). As Note B describes the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - 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.

NOTE F – REPORTING OF EXPENDITURES FOR GRANT DELIVERABLES

The District receives federal grant funds some of which are paid on what is known as the “deliverable” basis. Deliverable grants are grants where funds are received only after certain goals are achieved as opposed to reimbursements for expenditures incurred. The District reports amounts received as expenditures for those grants.

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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**

Stark County District Board of Health
Stark County
7235 Whipple Ave. NW
North Canton, OH 44720

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 for each governmental fund type as of and for the year ended December 31, 2020 and related notes of the Stark County District Board of Health, Stark County, (the District) and have issued our report thereon dated January 5, 2022, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. 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 instances 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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

January 5, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAMS AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Stark County District Board of Health
Stark County
7235 Whipple Ave. NW
North Canton, OH 44720

To the District Board of Health:

Report on Compliance for the Major Federal Programs

We have audited Stark County District Board of Health's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Stark County District Board of Health's major federal programs for the year ended December 31, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance 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 the Major Federal Programs

In our opinion, Stark 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, 2020.

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 the Uniform Guidance, 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.

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 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 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.

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

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



Keith Faber
Auditor of State
Columbus, Ohio

January 5, 2022

**STARK COUNTY DISTRICT BOARD OF HEALTH
STARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP, unmodified under the regulatory basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants & Children, CFDA #10.557 and Coronavirus Relief Fund, CFDA #21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



STARK COUNTY DISTRICT BOARD OF HEALTH

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/1/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov