

**STARK COUNTY
DISTRICT BOARD OF HEALTH**

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

Board of Health
Stark County District Board of Health

We have reviewed the Independent Auditor's Report of the Stark County District Board of Health, Stark County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 2003 through December 31, 2003. 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 Stark County District Board of Health is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 12, 2004

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**STARK COUNTY DISTRICT BOARD OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2003**

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STARK COUNTY DISTRICT BOARD OF HEALTH

APPOINTED OFFICIALS AS OF DECEMBER 31, 2003

NAME	TITLE	TERM OF OFFICE	SURETY	AMOUNT	PERIOD
William Franks	Health Commissioner	01/02-12/05	(A)	\$25,000	Same as Term
James Recchio, Jr.	Board President	03/98-03/03			
Tammy Luther	Board Member	01/01-01/05			
Blair Zimmerman	Board Member	03/97-03/02 03/02-03/07			
Agnes Young	Board Member	03/97-03/02 03/02-03/07			
Nancy Kerstetter	Board Member	03/00-03/05			
Michael Krebs	Board Member	03/01-03/06			
Lori Mertes, MD	Board Member	03/00-03/05			
Cary Feller	Board Member	06/03-06/08			

(A) Public Entities Pool of Ohio

STATUTORY LEGAL COUNSEL

Mr. Robert D. Horowitz
Stark County Prosecuting Attorney
Stark County Office Building
110 Central Plaza South, Suite 510
PO Box 20049
Canton, OH 44701-0049

STARK COUNTY DISTRICT BOARD OF HEALTH

**INDEX OF FUNDS
AS OF DECEMBER 31, 2003**

Governmental Fund Types:

General Fund Type:
General Fund

Special Revenue Fund Types:

Public Health Nursing Fund
Food Service Fund
Solid Waste Assistance Fund
Private Water Systems Fund
Swimming Pool Fund
Child and Family Health Services Program Fund
Immunization Grant Fund
Women, Infants and Children Fund
Trailer Park Fund
Early Intervention Grant Fund
Rabies Prevention Grant Fund
Miscellaneous Health Grants Fund
Dental Grant Fund
Infant Mortality Grant Fund
Tobacco Prevention Grant Fund

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INDEPENDENT AUDITOR'S REPORT

Board of Health
Stark County District Board of Health
3951 Convenience Circle, NW
Canton, Ohio 44718

We have audited the accompanying financial statements of the Stark County District Board of Health (the District), as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the District, as of December 31, 2003, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances, for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the District, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT (continued)

Our report is intended solely for the information and use of management, the Board of Health and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'G. B. Fink', with a horizontal line extending from the end of the signature.

GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

June 15, 2004

FINANCIAL STATEMENTS

**Stark County District Board of Health
 Combined Statement of Cash Receipts, Cash Disbursements and Changes
 in Fund Cash Balances - All Governmental Fund Types
 For the Year Ended December 31, 2003**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Charges for Services	\$202,700	\$459,975	\$662,675
Licenses and Permits	366,500	713,218	1,079,718
Fines and Forfeitures	275	3,473	3,748
Intergovernmental	1,276,884	1,415,524	2,692,408
Other	30,171	131,069	161,240
Total Cash Receipts	1,876,530	2,723,259	4,599,789
Cash Disbursements:			
Personal Services - Salaries and Wages	968,329	1,524,320	2,492,649
Personal Services - Employee Benefits	437,575	375,610	813,185
Supplies and Materials	91,495	104,794	196,289
Purchased Services	307,162	466,814	773,976
Capital Outlay	43,402	48,294	91,696
Other Allocations	81,707	299,802	381,509
Total Cash Disbursements	1,929,670	2,819,634	4,749,304
Total Cash Receipts (Under) Cash Disbursements	(53,140)	(96,375)	(149,515)
Fund Cash Balances, January 1, 2003	179,436	607,459	786,895
Fund Cash Balances, December 31, 2003	\$126,296	\$511,084	\$637,380

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

**Stark County District Board of Health
 Combined Statement of Receipts - Budget and Actual
 For the Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Governmental Fund Types:			
General	\$1,914,912	\$1,876,530	(\$38,382)
Special Revenue	<u>3,214,050</u>	<u>2,723,259</u>	<u>(490,791)</u>
 Totals (Memorandum Only)	 <u><u>\$5,128,962</u></u>	 <u><u>\$4,599,789</u></u>	 <u><u>(\$529,173)</u></u>

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

**Stark County District Board of Health
 Combined Statement of Disbursements and Encumbrances
 Compared With Expenditure Authority
 For the Year Ended December 31, 2003**

	Prior Year Carryover <u>Appropriations</u>	2003 <u>Appropriations</u>	<u>Total</u>
Governmental Fund Types:			
General	\$81,087	\$1,914,911	\$1,995,998
Special Revenue	<u>101,803</u>	<u>3,214,052</u>	<u>3,315,855</u>
 Totals (Memorandum Only)	 <u>\$182,890</u>	 <u>\$5,128,963</u>	 <u>\$5,311,853</u>

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

Actual 2003 Expenditures	Encumbrances Outstanding at 12/31/2003	Total	Variance Favorable (Unfavorable)
\$1,929,670	\$61,429	\$1,991,099	\$4,899
2,819,634	148,766	2,968,400	347,455
<u>\$4,749,304</u>	<u>\$210,195</u>	<u>\$4,959,499</u>	<u>\$352,354</u>

STARK COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Entity

The Stark County District Board of Health (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed upon it by the Constitution and laws of the State of Ohio.

The District operates under seven board members. Five members are appointed by the advisory council, which consists of the president of the board of county commissioners, the chief executive of each municipality not constituting a city health district, the president of the board of township trustees of each township, and one member is appointed by each of the cities of North Canton and Louisville. The Stark County Auditor and Treasurer are responsible for fiscal control of the resources of the District which are maintained as District funds. Services provided by the District include health education, communicable disease control, chronic disease control, genetic disease control, primary care, laboratory services, food protection, drinking water protection, sewage disposal, vector control, nuisance control, maternal health, child health, nutrition services, school health, substance abuse, disaster preparedness and accident prevention.

B. Basis of Accounting

These financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. The cash basis of accounting is prescribed or permitted by the Auditor of State.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each type of fund are as follows:

STARK COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

GOVERNMENTAL FUNDS

1. General Fund

This fund is the general operating fund of the District. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds of specific revenue sources that are legally restricted to disbursements for specified purposes.

D. Budgetary Process

An appropriation measure is adopted by the District on or before the first Monday of April in each year for the period January 1 to December 31 of the following year. The appropriation measure, together with an itemized estimate of sources of revenue available to the District for the next year, is submitted to the County Budget Commission.

The County Budget Commission reviews the appropriation measure and may reduce any item in the appropriation measure, but may not increase any item or the aggregate amount of all items in the appropriation measure.

The appropriation measure, as amended by the County Budget Commission, controls expenditures by the District for the period January 1 to December 31 of the following year. The Board may, by resolution, transfer funds from one item to another in the appropriation measure, reduce or increase any item, create new items and make additional appropriations, subject to the availability of funds and the approval of the County Budget Commission.

E. Property, Plant and Equipment

Fixed assets acquired or contracted for general governmental service are recorded as expenditures. Depreciation is not recorded for these fixed assets.

F. Unpaid Vacation and Sick Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

STARK COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

G. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. **POOLED CASH AND INVESTMENTS WITH FISCAL AGENT**

The District's cash and investments are held by the Stark County Treasurer who maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of the District's cash and investments at December 31, 2003 was \$637,380.

Deposits - Deposits are either: insured by the Federal Depository Insurance Corporation; collateralized by securities held by Stark County; or collateralized by securities pledged by a qualified third party trustee in the name of the County.

3. **RETIREMENT SYSTEMS**

The District contributes to the Public Employees Retirement System (PERS Ohio) of Ohio, a cost-sharing, multiple-employer defined benefit pension plan. PERS Ohio provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefits are established and amended by state statute per Chapter 145 of the Ohio Revised Code. PERS Ohio issues a publicly available, stand-alone financial report which includes financial statements and required supplementary information for PERS Ohio. This report may be obtained by writing to: 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-466-2085 or 1-800-222-7377.

PERS Ohio provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board Statement No. 12 "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to PERS Ohio is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2003 employer contribution rate was 13.55% of covered payroll; 5.00% was the portion that was used to fund health care for the year 2003. The employee contribution rate was 8.5% for 2003.

STARK COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

3. **RETIREMENT SYSTEMS** (continued)

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS Ohio.

The assumptions and calculations below were based on the Retirement System's latest actuarial review performed as of December 31, 2002. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.00%. An annual increase of 4.00% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.3%. Health care costs were assumed to increase 4.00% annually.

OPEB's are advance-funded on an actuarially determined basis. The number of active contributing participants was 364,881 statewide. \$10.0 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2002 (the latest information available). The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively. The District's required contributions to PERS Ohio for the year ended December 31, 2003 was \$581,264 which consisted of \$105,846 from employees and \$475,418 from the employer.

4. **RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft; damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. During 2003, the District participated in 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 may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle
- Property

By maintaining comprehensive insurance coverage with the Pool and private carriers, the District has addressed these various types of risk. Settled claims have not exceeded this coverage in any of the three past years. There has not been a significant reduction of coverage from the prior year.

STARK COUNTY DISTRICT BOARD OF HEALTH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

5. **CONTINGENT LIABILITIES**

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

The District is not currently a party to any legal proceedings which would have a material impact on the financial statements.

6. **OFFICE LEASE**

The District is currently leasing its office facilities through December 31, 2009. Current monthly rent is \$22,112 per month.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Health
Stark County District Board of Health
3951 Convenience Circle, NW
Canton, Ohio 44718

We have audited the financial statements of the Stark County District Board of Health (the District), as of and for the year ended December 31, 2003, and have issued our report thereon dated June 15, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (continued)

This report is intended for the information and use of management, the Board of Health and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

June 15, 2004

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH *OMB CIRCULAR A-133***

Board of Health
Stark County District Board of Health
3951 Convenience Circle, NW
Canton, Ohio 44718

Compliance

We have audited the compliance of the Stark County District Board of Health (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Stark County District Board of Health complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (continued)

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, the Board of Health and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

June 15, 2004

**Stark County District Board of Health
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2003**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Identifying Entity Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
<i>Passed Through Ohio Department of Health/Passed Through City of Canton:</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	132-1	<u>\$254,359</u>
Total U.S. Department of Agriculture			<u>254,359</u>
<u>U.S. Department of Health and Human Services:</u>			
<i>Passed Through Ohio Department of Health:</i>			
Maternal and Child Health Services Block Grant to the States:			
Primary Dental Care Grant	93.994	76-1-001-1-EH-03	70,034
Infant Mortality Reduction Initiative	93.994	76-1-01-F-DM-320	<u>121,773</u>
Total Maternal and Child Health Services Block Grant			<u>191,807</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance (Tobacco Prevention Grant)	93.283	76-1-01-D-CJ-302	<u>39,768</u>
Medicaid Cluster:			
Medical Assistance Program (Title XIX)	93.778	---	<u>156,155</u>
<i>Passed Through Ohio Department of Health/Passed Through City of Canton:</i>			
Immunizations Grant	93.268	132-R	<u>52,360</u>
P.H. Infrastructure Grant	93.283	76-2-001-2-BI-03	<u>155,944</u>
<i>Passed Through Ohio Department of Health/Passed Through Stark County Family Council:</i>			
Part C - Core Services	84.181	---	<u>35,175</u>
Temporary Assistance Needy Families	93.558	---	<u>33,509</u>
Total U.S. Department of Health and Human Services			<u>664,718</u>
Total Expenditures of Federal Awards			<u><u>\$919,077</u></u>

The notes to this Schedule are an integral part of this Schedule.

STARK COUNTY DISTRICT BOARD OF HEALTH
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Stark County District Board of Health's federal award programs. The schedule has been prepared on the cash basis of accounting. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

STARK COUNTY DISTRICT BOARD OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505
FOR THE YEAR ENDED DECEMBER 31, 2003

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of auditor's report issued on the financial statements	Unqualified Opinion
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level?	No
(d)(1)(ii)	Were there any other reportable conditions in internal control reported at the financial statement level?	No
(d)(1)(iii)	Was there any material noncompliance reported at the financial statement level?	No
(d)(1)(iv)	Were there any material weaknesses in internal control over major programs reported?	No
(d)(1)(iv)	Were there any other reportable conditions in internal control over major programs reported?	No
(d)(1)(v)	Type of auditor's report issued on compliance for major programs	Unqualified Opinion
(d)(1)(vi)	Were there any reportable audit findings under §510?	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505
(CONTINUED)

(d)(1)(vii)	Major Program:	Special Supplemental Nutrition Program for Women, Infants and Children, CFDA #10.557
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

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STARK COUNTY DISTRICT BOARD OF HEALTH

STARK 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
JULY 27, 2004**