



Dave Yost • Auditor of State

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report	1
Prepared by Management:	
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis	5
Statement of Activities – Cash Basis	6
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	7
Statement of Receipts, Disbursements and Changes In Fund Balances – Cash Basis- Governmental Funds	8
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis General Fund.....	9
Environmental Fund	10
Women, Infants, and Children’s Fund	11
Family Planning Fund.....	12
Notes to the Basic Financial Statements	13
Schedule of Expenditures of Federal Awards.....	27
Notes to the Schedule of Expenditures of Federal Awards.....	28
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i>	29
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with Uniform Guidance	31
Schedule of Findings	33

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fulton County Health Department, Fulton County, Ohio (the Health Department), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Health Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 Health Department'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 Health Department's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fulton County Health Department, Fulton County, Ohio, as of December 31, 2016, and the respective changes in cash financial position and the respective budgetary comparison for the General, Environmental, Women, Infants, and Children's and Family Planning Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental Information

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 basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and 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 basic 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 July 13, 2017, on our consideration of the Health Department'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 Health Department's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

July 13, 2017

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FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Net Position - Cash Basis
December 31, 2016

	Governmental Activities
Assets	
Cash with Fiscal Agent	\$ 504,714
Net Position	
Restricted for:	
Other Purposes	118,021
Unrestricted	386,693
<i>Total Net Position</i>	<u>\$ 504,714</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2016**

	Program Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Health				
General Health	\$ 877,685	\$ 491,555	\$ 12,454	\$ (373,676)
Vital Statistics	35,531	64,191		28,660
Administration	266,707			(266,707)
Environmental Health	381,992	235,731		(146,261)
Women, Infant and Children (WIC)	309,060		280,808	(28,252)
Breast Cervical Cancer Project (BCCP)	192,633		175,000	(17,633)
Immunizations - IAP	44,111		41,305	(2,806)
Child and Family Health Services (CFHS)	39,539		40,165	626
Family Planning (FP)	192,502	79,458	82,611	(30,433)
Help Me Grow (HMG)	207,017		207,017	
Drug Free Communities (DFC)	125,533		125,533	
Public Health Infrastructure (PHI)	116,788	50,066	80,554	13,832
Total Governmental Activities	\$ 2,789,098	\$ 921,001	\$ 1,045,447	(822,650)
General Receipts				
Property Taxes Levied for				
General Health District Purposes				598,638
Grants and Entitlements not				
Restricted to Specific Programs				146,858
Gifts and Contributions				5,157
Miscellaneous				20,757
Loans to other agencies				(153,550)
Total General Receipts and Advances				617,860
Change in Net Position				(204,790)
Net Position Beginning of Year				709,504
Net Position End of Year				\$ 504,714

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2016

	<u>General</u>	<u>Enviromental</u>	<u>Family Planning</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash with Fiscal Agent	\$ 386,693	\$ 20,944	\$ 55,245	\$ 41,832	\$ 504,714
Fund Balances					
Restricted		20,944	55,245	18,577	94,766
Committed				23,255	23,255
Assigned	3,946				3,946
Unassigned	382,747				382,747
<i>Total Fund Balances</i>	<u>\$ 386,693</u>	<u>\$ 20,944</u>	<u>\$ 55,245</u>	<u>\$ 41,832</u>	<u>\$ 504,714</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis -
Governmental Funds
For the Year Ended December 31, 2016

	General	Environmental	Women Infants and Children	Family Planning	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 598,638					\$ 598,638
Intergovernmental	159,313		\$ 280,808	\$ 82,611	\$ 669,573	1,192,305
Fines, Licenses and Permits		\$ 157,599				157,599
Charges for Services	377,457	15,199		79,458		472,114
Gifts and Contributions	2,816		100	2,241		5,157
Contractual Services	178,289	62,933			50,066	291,288
Miscellaneous	18,201	575	879	416	686	20,757
<i>Total Receipts</i>	<u>1,334,714</u>	<u>236,306</u>	<u>281,787</u>	<u>164,726</u>	<u>720,325</u>	<u>2,737,858</u>
Disbursements						
Current:						
General Health						
General Health	877,685					877,685
Vital Statistics	35,531					35,531
Administration	266,707					266,707
Environmental Health						
Environmental Health		381,992				381,992
Women's, Infant and Children (WIC)						
Breast, Cervical Cancer Project (BCCP)			309,060			309,060
Immunizations - IAP					192,633	192,633
Child and Family Health Services						
Family Planning (FP)				44,111		44,111
Help Me Grow (HMG)					39,539	39,539
Drug Free Communities (DFC)				192,502		192,502
Public Health Infrastructure					207,017	207,017
					125,533	125,533
					116,788	116,788
<i>Total Disbursements</i>	<u>1,179,923</u>	<u>381,992</u>	<u>309,060</u>	<u>192,502</u>	<u>725,621</u>	<u>2,789,098</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>154,791</u>	<u>(145,686)</u>	<u>(27,273)</u>	<u>(27,776)</u>	<u>(5,296)</u>	<u>(51,240)</u>
Other Financing Sources (Uses)						
Transfers In						
Transfers In		140,000				140,000
Transfers Out						
Transfers Out	(140,000)					(140,000)
Loans to other agencies						
Loans to other agencies	(153,550)					(153,550)
Advance In						
Advance In	89,000		21,014	76,500	89,000	275,514
Advance Out						
Advance Out	(186,514)				(89,000)	(275,514)
<i>Total Other Financing Sources (Uses)</i>	<u>(391,064)</u>	<u>140,000</u>	<u>21,014</u>	<u>76,500</u>		<u>(153,550)</u>
<i>Net Change in Fund Balances</i>	<u>(236,273)</u>	<u>(5,686)</u>	<u>(6,259)</u>	<u>48,724</u>	<u>(5,296)</u>	<u>(204,790)</u>
<i>Fund Balances Beginning of Year</i>	<u>622,966</u>	<u>26,630</u>	<u>\$ 6,259</u>	<u>6,521</u>	<u>47,128</u>	<u>709,504</u>
<i>Fund Balances End of Year</i>	<u>\$ 386,693</u>	<u>\$ 20,944</u>		<u>\$ 55,245</u>	<u>\$ 41,832</u>	<u>\$ 504,714</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 659,145	\$ 659,145	\$ 598,638	\$ (60,507)
Intergovernmental	195,000	195,000	159,313	(35,687)
Charges for Services	368,100	368,100	377,457	9,357
Gifts and Contributions	3,000	3,000	2,816	(184)
Contractual Services	159,267	159,267	178,289	19,022
Miscellaneous	20,000	20,000	18,201	(1,799)
<i>Total Receipts</i>	<u>1,404,512</u>	<u>1,404,512</u>	<u>1,334,714</u>	<u>(69,798)</u>
Disbursements				
Current:				
General Health	915,724	892,606	881,631	10,975
Vital Statistics	39,913	39,913	35,531	4,382
Administration	282,253	282,253	266,707	15,546
<i>Total Disbursements</i>	<u>1,237,890</u>	<u>1,214,772</u>	<u>1,183,869</u>	<u>30,903</u>
<i>Excess of Receipts Over Disbursements</i>	<u>166,622</u>	<u>189,740</u>	<u>150,845</u>	<u>(38,895)</u>
Other Financing Sources (Uses)				
Transfers Out	(168,055)	(140,000)	(140,000)	
Advance In		284,945	89,000	(195,945)
Advance Out		(340,064)	(340,064)	
<i>Total Other Financing Sources (Uses)</i>	<u>(168,055)</u>	<u>(195,119)</u>	<u>(391,064)</u>	<u>(195,945)</u>
<i>Net Change in Fund Balance</i>	(1,433)	(5,379)	(240,219)	(234,840)
<i>Fund Balance Beginning of Year</i>	<u>622,966</u>	<u>622,966</u>	<u>622,966</u>	
<i>Fund Balance End of Year</i>	<u>\$ 621,533</u>	<u>\$ 617,587</u>	<u>\$ 382,747</u>	<u>\$ (234,840)</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Environmental Fund
For the Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Fines, Licenses and Permits	\$ 187,800	\$ 187,800	\$ 157,599	\$ (30,201)
Charges for Services	13,300	13,300	15,199	1,899
Contractual Services	250	250	62,933	62,683
Miscellaneous	10,000	10,000	575	(9,425)
<i>Total Receipts</i>	<u>211,350</u>	<u>211,350</u>	<u>236,306</u>	<u>24,956</u>
Disbursements				
Environmental Health	348,109	390,646	379,458	11,188
<i>Excess of Disbursements Over Receipts</i>	<u>(136,759)</u>	<u>(179,296)</u>	<u>(143,152)</u>	<u>36,144</u>
Other Financing Sources				
Transfers In	136,730	136,730	140,000	3,270
<i>Net Change in Fund Balance</i>	(29)	(42,566)	(3,152)	39,414
<i>Fund Balance Beginning of Year</i>	<u>24,055</u>	<u>24,055</u>	<u>24,055</u>	
<i>Fund Balance End of Year</i>	<u>\$ 24,026</u>	<u>\$ (18,511)</u>	<u>\$ 20,903</u>	<u>\$ 39,414</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Women, Infants, and Children's Fund
For the Year Ended December 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 338,285	\$ 338,285	\$ 280,808	\$ (57,477)
Gifts and Contributions			100	100
Miscellaneous	100	100	879	779
<i>Total Receipts</i>	<u>338,385</u>	<u>338,385</u>	<u>281,787</u>	<u>(56,598)</u>
Disbursements				
Current:				
Women, Infant and Children (WIC)	338,385	338,426	309,060	29,366
<i>Excess of Disbursements Over Receipts</i>		<u>(41)</u>	<u>(27,273)</u>	<u>(27,232)</u>
Other Financing Uses				
Advance In			21,014	21,014
<i>Net Change in Fund Balance</i>		(41)	(6,259)	(6,218)
<i>Fund Balance Beginning of Year</i>	6,259	6,259	\$ 6,259	
<i>Fund Balance End of Year</i>	<u>\$ 6,259</u>	<u>\$ 6,218</u>		<u>\$ (6,218)</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Family Planning Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 105,000	\$ 131,700	\$ 82,611	\$ (49,089)
Charges for Services	74,552	74,552	79,458	4,906
Gifts and Contributions			2,241	2,241
Miscellaneous	100	100	416	316
<i>Total Receipts</i>	<u>179,652</u>	<u>206,352</u>	<u>164,726</u>	<u>(41,626)</u>
Disbursements				
Current:				
Family Planning	<u>179,712</u>	<u>206,442</u>	<u>192,532</u>	<u>13,910</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(60)</u>	<u>(90)</u>	<u>(27,806)</u>	<u>(27,716)</u>
Other Financing Sources				
Advance In			<u>76,500</u>	<u>(76,500)</u>
<i>Net Change in Fund Balance</i>	(60)	(90)	48,694	48,784
<i>Prior Year Encumbrances Appropriated</i>	60	60	60	
<i>Fund Balance Beginning of Year</i>	<u>6,521</u>	<u>6,521</u>	<u>6,521</u>	
<i>Fund Balance End of Year</i>	<u>\$ 6,521</u>	<u>\$ 6,491</u>	<u>\$ 55,275</u>	<u>\$ 48,784</u>

See accompanying notes to the basic financial statements

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

Note 1 - Reporting Entity

The Fulton County Health Department (the Health Department), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A six-member Board of Health, four appointed by the District Advisory Council, one member is appointed by the City of Wauseon and one member is appointed by the Fulton County Licensing Council, governs the Health Department. The Board appoints a health commissioner and all employees of the Health Department.

The reporting entity is composed of the primary government that is included to ensure the financial statements of the Health Department are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health Department. The Health Department's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, the issuance of health-related licenses and permits, and emergency response planning.

Public Entity Risk Pools

The Health Department participates in a public entity risk pool. This organization is presented in Note 6 to the financial statements.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Health Department's accounting policies.

Basis of Presentation

The Health Department's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Health Department as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the Health Department that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health Department has no business-type activities.

The statement of net position presents the cash balance of the governmental and business-type activities of the Health Department at year-end. The statement of activities compares disbursements and program receipts for each program or function of the Health Department's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health Department is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be sent back to the Ohio Department of Health. Receipts which are not classified as program receipts are presented as general receipts of the Health Department, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health Department.

Fund Financial Statements

During the year, the Health Department segregates transactions related to certain Health Department functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Health Department at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non major funds are aggregated and presented in a single column.

Fund Accounting

The Health Department 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 Health Department are presented in the governmental fund category.

Governmental Funds Governmental funds are those through which most governmental functions of the Health Department are financed. The following are the Health Department's major governmental funds:

General - 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 Health Department for any purpose provided it is expended or transferred according to the general laws of Ohio.

Environmental Special Revenue Fund - The fund accounts for monies received from licenses and permits for items such as food, water, sewage, swimming pools, camps, solid waste, and other non-mandated programs.

Women, Infants, and Children Special Revenue Fund - This fund accounts for and reports federal grant monies restricted to the Women, Infants and Children program.

Family Planning Special Revenue Fund - This fund accounts for and reports federal grant monies restricted to the Reproductive Health and Wellness program. This fund also includes project income from clients, private insurance and Medicaid for the client's services in the Reproductive Health and Wellness Clinic.

Fulton County Health Department

Fulton County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

The other governmental funds of the Health Department account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Basis of Accounting

The Health Department's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health Department's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Health Department are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Health Department may appropriate. The appropriations resolution is the Health Department's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Health Department. The legal level of control has been established by the Health Department at the object level for all funds.

ORC Section 3709.28 establishes budgetary requirements for the Health Department, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health Department must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the Health Department may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Health Department.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Health Department during the year.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

Cash and Investments

The County Treasurer is the custodian for the Health Department's cash and investments. The County's cash and investment pool holds the Health Department's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. This information may be obtained by writing Charlene E Lee, Fulton County Treasurer, 152 South Fulton Street, Wauseon, OH 43567-1390 or by calling 419-337-9252.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Health Department has no restricted assets.

Inventory and Prepaid Items

The Health Department reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Interfund Receivables/Payables

The Health Department reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. Interfund balances are eliminated in the statement of net position.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Health Department recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for the following funds: Environmental; Women, Infant, and Children; Breast and Cervical Cancer Project; Children and Family Health Services; Family Planning; Immunization Action Plan; and Public Health Emergency Preparedness.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

The Health Department's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Health Department. Those committed amounts cannot be used for any other purpose unless the Health Department removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Health Department for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Health Department or a Health District official delegated that authority by resolution, or by State Statute.

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

The Health Department 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.

Inter-fund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$3,946 for General fund, \$41 for the Environmental fund and \$30 for the Family Planning fund.

Note 4 - Deposits and Investments

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

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Health Department. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2016 with real property taxes.

The full tax rate for all Health Department operations for the year ended December 31, 2016, was \$1 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2016 property tax receipts were based are as follows:

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

Real Property	\$958,190,750
Public Utility Personal Property	<u>45,672,060</u>
Total	<u>\$1,003,862,810</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the County. The County Auditor periodically remits to the Health Department its portion of the taxes collected.

Tax Abatements

For 2016, Governmental Accounting Standards Board (GASB) Statement No. 77, "Tax Abatement Disclosures" was effective. This GASB pronouncement had no effect on beginning net position as reported December 31, 2015.

Tax abatement agreements of other governments reducing the reporting government's tax revenue include:

Government that entered into the agreement	Name of Company	Gross Dollar Amount	Amounts Received
Fulton County Commissioners	Sauder Heritage Inn	\$1,612	\$355
Fulton County Commissioners	Worthington Steel	230	715
Fulton County Commissioners	Fulton County Processing	56	736
Total		\$1,898	\$1,786

Note 6 – Risk Management

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

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

The Health Department belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

The aforementioned casualty and property reinsurance agreement does not discharge PEP’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP’s financial statements (audited by other auditor’s) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016.

	2016
Assets	\$42,182,281
Liabilities	<u>(13,396,700)</u>
Net Position	<u>\$28,785,581</u>

At December 31, 2016 the liabilities above include approximately 12.0 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed. The Pool’s membership increased to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Health Department’s share of these unpaid claims collectible in future years is approximately \$3,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>2016 Contributions to PEP</u> \$ 5,357
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After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year’s contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System (OPERS)

Plan Description – Health Department employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health Department employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2016 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2016 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Health Department's contractually required contribution was \$178,698 for year 2016.

Social Security System

Under the Ohio Revised Code (ORC) 145.034, all employees covered by the Ohio Public Employees Retirement System (OPERS) have the option to choose Social Security as their desired retirement system.

Fulton County Health Department

Fulton County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

As of December 31, 2016, six members of the Health Department have elected Social Security. The Health Department's liability is 6.2 percent of wages.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded 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 of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer

Fulton County Health Department
Fulton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

The Health Department's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$25,531, \$25,757, and \$25,969 respectively; 100 percent has been contributed for 2016, 2015, and 2014.

Note 9 – Fund Balances

Fund balance is classified as restricted, committed, assigned and/or unassigned based primarily on the extent to which the Health Department is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Fund Environ- mental	Fund Family Planning	Other Governmental Funds	Total
Restricted for					
Environmental		\$ 20,944			\$ 20,944
Reproductive Health and Wellness			\$ 55,245		55,245
Breast and Cervical Cancer Prevention				\$ 17,659	17,659
Immunization Action Plan				197	197
Child Health Services				721	721
<i>Total Restricted</i>		<u>20,944</u>	<u>55,245</u>	<u>18,577</u>	<u>94,766</u>
Committed to					
Epidemiologist (6 Pact Agreement)				23,255	23,255
Assigned to					
Insurance	\$ 3,946				3,946
Unassigned:	<u>382,747</u>				<u>382,747</u>
Total Fund Balances	<u>\$ 386,693</u>	<u>\$ 20,944</u>	<u>\$ 55,245</u>	<u>\$ 41,832</u>	<u>\$ 504,714</u>

Fulton County Health Department

Fulton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

Note 10 - Interfund Transfers and Advances

During 2016 the following transfers were made:

Transfers To	Transfer From
Environmental	General
<u>\$140,000</u>	<u>\$140,000</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The General Fund transferred monies in 2016 to the environmental fund because their fees and licenses do not cover their expenses for them to do the services required by the state.

Advances during 2016 consisted of the following:

	<u>Advances In</u>	<u>Advances Out</u>
Major Funds		
General Fund	\$89,000	\$186,514
Women Infants and Children Fund	21,014	
Family Planning Fund	76,500	
Other Governmental Funds		
Breast and Cervical Cancer Fund	<u>89,000</u>	<u>89,000</u>
<i>Total Governmental Activities</i>	<u><u>\$275,514</u></u>	<u><u>\$275,514</u></u>

The advances were to provide working capital for operations or projects. The advance to Breast and Cervical Cancer Project (BCCP) Fund was paid back by the end of 2016. 2015 advances made from the General Fund to the WIC Fund for \$11,075 and the Child and Family Health Services Fund for \$500 were not repaid in 2016.

Note 11 – Loans to other Agencies

The Health Department also serves as administrative agent for the Family and Children’s First Council. During 2016, the Board loaned \$153,550 to Family First Restricted fund (FFR) because the Ohio Department of Health had not reimbursed grant monies by the end of calendar year 2016. The full amount is still outstanding at the end of 2016.

Note 12– Contingent Liabilities

Amounts grantor agencies pay to the Health Department are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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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FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Directly Funded Through U.S. Department of Health and Human Services</i>			
Drug Free Communities Support Program	93.276	2H79SPO15851-07 5H79SPO15851-08	\$ 103,671 <u>23,160</u> 126,831
Total 93.276			
<i>Passed Through Ohio Department of Health</i>			
Emergency Ebola Supplemental - PHEP Program	93.069	04810012EB0116	7,323
Public Health Emergency Preparedness (PHEP)	93.074	02610012PH0716 02610012PH0817	35,155 <u>44,985</u> 80,140
Total 93.074			
Reproductive Health and Wellness	93.217	0261001RH0516 0261001RH0617	7,254 <u>49,112</u> 56,366
Total 93.217			
Immunization Action Plan (IAP)	93.268	02610012IM0916	21,793
Medicaid	93.778		23,851
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	02610014BC0916	63,126
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	02610014BC1017	123,024
Maternal and Child Health Services Block Grant to the States	93.994	02610011MC0916 02610011MP0117 6B04MC29357-01-03	29,234 8,275 <u>7,410</u> 44,919
Total 93.994			
<i>Passed Through Fulton County Jobs and Family Services</i>			
Temporary Assistance for Needy Families	93.558	(Headlice) FY16 (Headlice) FY17 (BTIO) FY16 (BTIO) FY17	1,009 465 34,844 <u>38,812</u> 75,130
Total 93.558			
Total U.S. Department of Health and Human Services			622,503
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Health</i>			
Help Me Grow	84.181	02610011HG0716 02610011HG0817	17,799 <u>79,333</u> 97,132
<i>Passed Through Ohio Department of Developmental Disabilities</i>			
Help Me Grow	84.181		<u>19,959</u>
Total Help Me Grow (CFDA 84.181)			<u>117,091</u>
Total U.S. Department of Education			117,091
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	02610011WA0716 02610011WA0817	242,969 <u>65,112</u> 308,081
Total U.S. Department of Agriculture			308,081
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Public Safety</i>			
Safe and Community Highway Safety	20.600	SC-2016-26-00-00-00425-00 SC-2017-26-00-00-00471-01	21,316 <u>4,056</u> 25,372
Total U.S. Department of Transportation			25,372
Total Expenditures of Federal Awards			<u>\$1,073,047</u>

The accompanying notes are an integral part of this schedule.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Fulton County Health Department (the Health Department) under programs of the federal government for the year ended December 31, 2016. 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 Health Department, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Health Department.

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Health Department has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

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



Dave Yost • Auditor of State

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

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the 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 cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fulton County Health Department, Fulton County, Ohio (the Health Department) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Health Department's basic financial statements and have issued our report thereon dated July 13, 2017, wherein we noted the Health Department uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Health Department's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Health Department'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 Health Department'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 Health Department's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our

audit and accordingly, we do not express an opinion. The results of our tests disclosed no 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 Health Department's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Health Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

July 13, 2017



Dave Yost • Auditor of State

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

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

Report on Compliance for Each Major Federal Program

We have audited the Fulton County Health Department, Fulton County, Ohio's (the Health Department) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Health Department's major federal programs for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Health Department's major federal programs.

Management's Responsibility

The Health Department'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 Health Department's compliance for each of the Health Department'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 Health Department'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 each of the Health Department's major programs. However, our audit does not provide a legal determination of the Health Department's compliance.

Opinion on Each Major Federal Program

In our opinion, the Fulton County Health Department, Fulton County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

The Health Department'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 Health Department'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 Health Department'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.



Dave Yost
Auditor of State

Columbus, Ohio

July 13, 2017

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(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 and Children (WIC) – 10.557 Centers for Disease Control and Prevention Investigations and Technical Assistance – 93.283
(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 FOR FEDERAL AWARDS

None

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FULTON COUNTY HEALTH DEPARTMENT

FULTON 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
AUGUST 1, 2017