



**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Franklin County District Board of Health
Franklin County
280 East Broad Street
Columbus, Ohio 43215

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin County District Board of Health, Franklin County, Ohio (the District), as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin County District Board of Health, Franklin County, Ohio, as of December 31, 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General, Construction and Demo Debris, Public Health Nursing, and Environmental Health Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2006, the District revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.



Mary Taylor, CPA
Auditor of State

November 9, 2007

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED**

The discussion and analysis of the Franklin County District Board of Health's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2006, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the year 2006 are as follows:

- Net assets increased \$33,575.
- Program specific receipts in the form of charges for services and fees and operating grants and contributions comprise the largest percentage of the District's receipts, making up almost 71% of all the dollars coming into the District. General receipts in the form of unrestricted grants and miscellaneous receipts make up the other 29%.
- The District had \$6,420,842 in disbursements during 2006.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED
(Continued)**

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2006, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well such as the condition of the District's capital assets, the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present governmental activities, which include all the District's services. The District has no business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the District are governmental.

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's health programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund, Construction and Demo Debris Fund, Public Health Nursing Fund, and Environmental Health Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED
(Continued)**

The District as a Whole

Table 1 provides a summary of the District's net assets for 2006 compared to 2005 on a cash basis:

**Table 1
Net Assets – Cash Basis**

	Governmental Activities		
	2006	2005	Change
Assets			
Cash with Fiscal Agents	774,678	741,103	33,575
 Total Assets	 774,678	 741,103	 33,575
 Net Assets			
Restricted	674,827	513,461	161,366
Unrestricted	99,851	227,642	(127,791)
 Total Net Assets	 \$774,678	 \$741,103	 \$33,575

As mentioned previously, net assets increased \$33,575.

Since the Health District did not prepare financial statements in this format for 2005, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

In 2006, 29% percent of the District's total receipts were from general receipts, consisting mainly of revenue from other governments. Program receipts accounted for 71% percent of the District's total receipts in year 2006. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, trailer park, swimming pools and spas, and water system permits and state and federal operating grants.

Governmental Activities

If you look at the Statement of Activities – Cash Basis, you will see that the first column lists the major expenditure functions of the District. The next column identifies the expenditure amounts associated with each function. The major function disbursements for governmental activities are for salaries and contracted services, which account for 42% and 24% of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net cost column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED
(Continued)**

The District has tried to limit its dependence upon state and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. Only 29% of the District costs are supported through unrestricted grants and other general receipts.

The District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the District's governmental funds is to provide information on receipts, disbursements, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

At the end of 2006, the District's governmental funds reported total ending fund balances of \$774,678. The entire fund balance is unreserved fund balance, which is available for spending.

While the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets – Cash Basis due to their being restricted for use for a particular purpose mandated by the source of the resources such as the local, state, and federal governments.

The general fund is the chief operating fund of the District. At the end of 2006, unreserved fund balance in the general fund was \$99,851. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total general fund expenditures. Unreserved fund balance represents 6% of the total general fund expenditures.

Expenditures exceeded revenues in the general fund by \$52,791 in 2006. Fees and Charges for Services account for 32% of revenues in the general fund. Intergovernmental revenues consist of payments from the townships, villages and cities in the District. Salaries account for the majority of expenditures in the general fund.

The Construction and Demo Debris Fund accounts for monies received and paid out for the disposal of debris from construction and demolition of buildings and other structures. The fund balance represents charges for services and state grant money that has been received for the purposes of proper disposal of debris. At the end of 2006, the fund balance was \$230,624.

The Public Health Nursing fund accounts for the services provided by the Nursing Services Division. These services include immunizations, seasonal flu program, senior wellness clinics, communicable disease program, as well as operating the Bureau for Children with Mental Handicaps (BCMh Program). During 2006, expenditures from this fund in support of these programs were \$794,951.

The Environmental Health fund accounts for the services provided by the Environmental Health Division. The general services provided by this division are: community environment health, food protection, plumbing inspections, solid waste and nail-a-dumper program, and water and waste water programs. In addition to these programs, the Environmental Health Division has taken on some special projects such as housing services, hotel sanitation ordinances, and managing Community and Economic Block Grant Funds for the Water Quality Partnership Program. During 2006, expenditures from this fund in support of these programs were \$3,100,517.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED
(Continued)**

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2006, the District amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. There were no significant changes between the original and the final estimated receipts. Appropriations for materials and services increased due to the need for additional contracted services due to increased programs.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to John Wolf, Fiscal Officer, 280 East Broad Street, Columbus, Ohio, 43215.

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FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006

	<u>Governmental Activities</u>
Assets	
Cash with Fiscal Agents	\$ 774,678
<i>Total Assets</i>	<u>\$ 774,678</u>
Net Assets	
Restricted for:	
Other Purposes	\$ 674,827
Unrestricted	<u>99,851</u>
<i>Total Net Assets</i>	<u>\$ 774,678</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services and Fees	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Salaries	\$ 2,680,131	\$ 1,301,412	\$ 62,298	\$ (1,316,421)
Supplies	279,885	115,488	163	(164,234)
Remittances to State	505,365	554,348	-	48,983
Equipment	45,062	22,667	-	(22,395)
Contracts - Repair	107,833	56,023	-	(51,810)
Contracts - Services	1,564,423	742,126	1,107,915	285,618
Rentals	152,725	52,119	-	(100,606)
Travel and Meetings	44,951	21,145	2,167	(21,639)
Advertising and Printing	58,084	20,111	-	(37,973)
Public Employees' Retirement	379,979	183,424	-	(196,555)
Workers' Compensation	28,888	13,845	-	(15,043)
Unemployment Compensation	355	206	-	(149)
Other Fringe Benefits	573,161	282,901	24,919	(265,341)
Total Governmental Activities	<u>6,420,842</u>	<u>3,365,815</u>	<u>1,197,462</u>	<u>(1,857,565)</u>
		General Receipts		
		Grants and Entitlements not Restricted to Specific Programs		1,855,665
		Miscellaneous		35,475
		Total General Receipts		<u>1,891,140</u>
		Change in Net Assets		33,575
		Net Assets Beginning of Year		<u>741,103</u>
		Net Assets End of Year		<u>\$ 774,678</u>

See accompanying notes to the basic financial statements

FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	General	Construction and Demo Debris	Public Health Nursing	Environmental Health	Other Governmental Funds	Total Governmental Funds
Assets						
Cash with Fiscal Agents	\$ 99,851	\$ 230,624	\$ 217,088	\$ 132,809	\$ 94,306	\$ 774,678
<i>Total Assets</i>	<u>\$ 99,851</u>	<u>\$ 230,624</u>	<u>\$ 217,088</u>	<u>\$ 132,809</u>	<u>\$ 94,306</u>	<u>\$ 774,678</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$ 99,851	\$ -	\$ -	\$ -	\$ -	\$ 99,851
Special Revenue Funds	-	230,624	217,088	132,809	94,306	674,827
<i>Total Fund Balances</i>	<u>\$ 99,851</u>	<u>\$ 230,624</u>	<u>\$ 217,088</u>	<u>\$ 132,809</u>	<u>\$ 94,306</u>	<u>\$ 774,678</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General	Construction and Demo Debris	Public Health Nursing	Environmental Health	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$ 1,039,379	\$ -	\$ 533,000	\$ 1,219,444	\$ 261,304	\$ 3,053,127
Fines, Licenses and Permits	-	-	-	1,212,151	102,175	1,314,326
Fees and Charges for Services	509,982	572,312	382,840	586,355	-	2,051,489
Miscellaneous	31,682	-	3,793	-	-	35,475
<i>Total Receipts</i>	<u>1,581,043</u>	<u>572,312</u>	<u>919,633</u>	<u>3,017,950</u>	<u>363,479</u>	<u>6,454,417</u>
Disbursements						
Salaries	637,788	4,806	475,318	1,466,161	96,058	2,680,131
Supplies	78,184	663	125,949	36,359	38,730	279,885
Remittances to State	-	368,752	-	134,673	1,940	505,365
Equipment	9,185	-	-	30,969	4,908	45,062
Contracts - Repair	23,827	-	1,458	82,548	-	107,833
Contracts - Services	437,853	63,479	10,634	787,052	265,405	1,564,423
Rentals	148,112	4,613	-	-	-	152,725
Travel and Meetings	25,494	3,904	1,455	12,936	1,162	44,951
Advertising and Printing	49,881	-	2,203	6,000	-	58,084
Public Employees' Retirement	95,011	658	67,354	203,747	13,209	379,979
Workers' Comensation	7,437	-	5,280	15,235	936	28,888
Unemployment Compensation	-	-	-	355	-	355
Other Fringe Benefits	121,062	1,525	105,300	324,482	20,792	573,161
<i>Total Disbursements</i>	<u>1,633,834</u>	<u>448,400</u>	<u>794,951</u>	<u>3,100,517</u>	<u>443,140</u>	<u>6,420,842</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(52,791)</u>	<u>123,912</u>	<u>124,682</u>	<u>(82,567)</u>	<u>(79,661)</u>	<u>33,575</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	75,000	-	75,000
Transfers Out	(75,000)	-	-	-	-	(75,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(127,791)</u>	<u>123,912</u>	<u>124,682</u>	<u>(7,567)</u>	<u>(79,661)</u>	<u>33,575</u>
<i>Fund Balances Beginning of Year</i>	<u>227,642</u>	<u>106,712</u>	<u>92,406</u>	<u>140,376</u>	<u>173,967</u>	<u>741,103</u>
<i>Fund Balances End of Year</i>	<u>\$ 99,851</u>	<u>\$ 230,624</u>	<u>\$ 217,088</u>	<u>\$ 132,809</u>	<u>\$ 94,306</u>	<u>\$ 774,678</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts	\$ 1,559,500	\$ 2,051,873	\$ 1,581,043	\$ (470,830)
Disbursements				
Personal Services	697,451	834,868	637,788	197,080
Fringe Benefits	275,113	275,113	223,510	51,603
Materials and Services	637,500	937,775	763,351	174,424
Capital Outlays	30,000	30,000	9,185	20,815
<i>Total Disbursements</i>	<u>1,640,064</u>	<u>2,077,756</u>	<u>1,633,834</u>	<u>443,922</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(80,564)</u>	<u>(25,883)</u>	<u>(52,791)</u>	<u>(26,908)</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(155,564)	(100,883)	(127,791)	(26,908)
<i>Fund Balances Beginning of Year</i>	<u>227,642</u>	<u>227,642</u>	<u>227,642</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 72,078</u>	<u>\$ 126,759</u>	<u>\$ 99,851</u>	<u>\$ (26,908)</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CONSTRUCTION AND DEMOLITION DEBRIS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts	\$ -	\$ 748,148	\$ 572,312	\$ (175,836)
Disbursements				
Personal Services	51,487	16,487	4,806	11,681
Fringe Benefits	28,020	13,020	2,183	10,837
Materials and Services	<u>39,750</u>	<u>519,750</u>	<u>441,411</u>	<u>78,339</u>
<i>Total Disbursements</i>	<u>119,257</u>	<u>549,257</u>	<u>448,400</u>	<u>100,857</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(119,257)	198,891	123,912	(74,979)
<i>Fund Balances Beginning of Year</i>	<u>106,712</u>	<u>106,712</u>	<u>106,712</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ (12,545)</u>	<u>\$ 305,603</u>	<u>\$ 230,624</u>	<u>\$ (74,979)</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH NURSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts	\$ 884,000	\$ 922,743	\$ 919,633	\$ (3,110)
Disbursements				
Personal Services	565,516	560,516	475,318	85,198
Fringe Benefits	219,370	219,370	177,934	41,436
Materials and Services	<u>112,500</u>	<u>159,837</u>	<u>141,699</u>	<u>18,138</u>
<i>Total Disbursements</i>	<u>897,386</u>	<u>939,723</u>	<u>794,951</u>	<u>144,772</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(13,386)	(16,980)	124,682	141,662
<i>Fund Balances Beginning of Year</i>	<u>92,406</u>	<u>92,406</u>	<u>92,406</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 79,020</u>	<u>\$ 75,426</u>	<u>\$ 217,088</u>	<u>\$ 141,662</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ENVIRONMENTAL HEALTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts	\$ 2,952,000	\$ 3,327,083	\$ 3,017,950	\$ (309,133)
Disbursements				
Personal Services	1,500,633	1,500,633	1,466,161	34,472
Fringe Benefits	554,629	554,629	543,820	10,809
Materials and Services	1,007,990	1,217,990	1,059,567	158,423
Capital Outlays	38,389	38,389	30,969	7,420
<i>Total Disbursements</i>	<u>3,101,641</u>	<u>3,311,641</u>	<u>3,100,517</u>	<u>211,124</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(149,641)</u>	<u>15,442</u>	<u>(82,567)</u>	<u>(98,009)</u>
Other Financing Sources (Uses)				
Transfers In	-	75,000	75,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(149,641)	90,442	(7,567)	(98,009)
<i>Fund Balances Beginning of Year</i>	<u>140,376</u>	<u>140,376</u>	<u>140,376</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ (9,265)</u>	<u>\$ 230,818</u>	<u>\$ 132,809</u>	<u>\$ (98,009)</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Note 1 – Reporting Entity

A five-member Board of Health governs the District. The Board appoints a health commissioner and all employees of the District.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District'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.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.B, 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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the District's accounting policies.

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets 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 assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through intergovernmental receipts and exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

The statement of net assets presents the cash balances of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each function of the District'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 District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, 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 District.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Note 2 - Summary of Significant Accounting Policies *(Continued)*

Fund Financial Statements

During the year, the District segregates transactions related to certain District 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 District 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. Nonmajor funds are aggregated and presented in a single column.

A. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

Governmental Funds

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

The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

The Construction and Demo Debris fund accounts for monies received and paid out for the disposal of debris from construction and demolition sites.

The Public Health Nursing Fund receives money from charges for services to provide immunization clinics, physicals, and general health services.

The Environmental Fund receives money from subdivision tax and license and permit fees to provide for public inspections, licenses, and testing.

The other governmental funds of the District account for grants and other resources whose use is restricted for a particular purpose.

B. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District'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.

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 liabilities and their related expenses) are not recorded in these financial statements.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Note 2 - Summary of Significant Accounting Policies *(Continued)*

C. Budgetary Process

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

ORC Section 5705.28(C)(1) requires the District to file an estimate of contemplated revenue and expenses with the municipalities and townships within the Health District by about June 1 (forty-five days prior to July 15). The county auditor cannot allocate property taxes from the municipalities and townships within the district if the filing has not been made.

ORC Section 3709.28 establishes budgetary requirements for the District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the District 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 Board of Health 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.

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 Board of Health.

The appropriations resolution is subject to amendment throughout the year. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Health during the year.

D. Cash and Investments

The County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District'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. Requests for the financial statements of Franklin County should be addressed to the Franklin County Auditor, Fiscal Services Division, 373 South High Street, 21st Floor, Columbus, Ohio, 43215. The report is also available on-line at www.franklincountyauditor.com.

E. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. 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 District does not have restricted assets as of December 31, 2006.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Note 2 - Summary of Significant Accounting Policies *(Continued)*

F. Inventory and Prepaid Items

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

G. 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.

H. Interfund Receivables/Payables

The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. 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 District's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

L. Net Assets

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

M. Fund Balance Reserves

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Encumbrances are canceled at year-end and are not reflected as a reservation of fund balance. The District has no reserves as of December 31, 2006.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

N. Interfund 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 interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

Last year the District reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor’s Office. This year the District has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

The transition from the regulatory basis of accounting to the cash basis of accounting generated the following changes to fund balance/equity as previously reported at December 31, 2005. The calculation of net assets of governmental activities at December 31, 2005 is also presented.

	General	Other Governmental Funds	Governmental Activities
Fund Balance			
December 31, 2005	\$ 227,642	\$ 513,461	<u>\$ 741,103</u>
Major Funds - Fund Balance			
December 31, 2005			
Construction and Demo Debris		(106,712)	
Public Health Nursing		(92,406)	
Environmental Health		<u>(140,376)</u>	
Reclassified Other Governmental Funds:		<u>\$ 173,967</u>	
Governmental Activities			
Net Assets December 31, 2005			<u>\$ 741,103</u>

Note 4 - 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 each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 5 - Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees. The District insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Note 5 – Risk Management (Continued)

Risk Pool Membership

The District 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. PEP is a member of the American Public Entity Excess Pool (APEEP). 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 Coverage

PEP retains casualty risks up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$3,000,000.

Property Coverage

PEP retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005.

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$30,997,868	\$29,719,675
Liabilities	<u>(15,875,741)</u>	<u>(15,994,168)</u>
Retained Earnings	<u>\$15,122,127</u>	<u>\$13,725,507</u>
<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$5,125,326	\$4,443,332
Liabilities	<u>(863,163)</u>	<u>(1,068,245)</u>
Retained Earnings	<u>\$4,262,163</u>	<u>\$3,375,087</u>

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Note 5 – Risk Management *(Continued)*

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$14.4 million and \$14.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$14.4 million and \$14.3 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no future obligation to the pool. 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 withdrawal.

Employee Health Benefits

The District participates in the Franklin County Health Care Benefit Plan. The County's plan is described below.

The County provides multiple health care benefit plans that cover approximately 4,700 County employees. Approximately 1,300 employees of other political subdivisions are also in the County's insurance program. Coverage is extended to eligible dependents. Costs are allocated to the fund that pays the salary of the enrolled employee. These payments are accounted for as expenditures in the paying funds and as fees and charges for services in the Employee Benefits internal service fund of the County, from which the claims are paid. An estimate of amounts to be paid for claims incurred but not reported (IBNR) as of year-end has been developed by the County in conjunction with an actuary, based on appropriate standards of practice promulgated by the Actuarial Standards Board. At December 31, 2006, accounts payable balances included \$3,935,000 of reported, unpaid County claims and \$4,207,000 as an estimate for IBNR. Actual claims experience may differ from the estimate.

Note 6 - Defined Benefit Pension Plans

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Note 6 - Defined Benefit Pension Plans (Continued)

For the year ended December 31, 2006, members of all three plans were required to contribute 9 percent of their annual covered salary to fund pension obligations. The District's contribution rate for pension benefits for 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions. The District has made all required contributions through December 31, 2006

Note 7 - Postemployment Benefits

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB 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 the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 employer contribution rate was 13.7 percent of covered payroll; 4.5 percent was the portion used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between 0.5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase .05 to 6.3 percent for the next nine years and 4.0 percent annually after nine years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$379,979. The actual contribution and the actuarial required contribution amounts are the same. OPERS' net assets available for the payment of benefits at December 31, 2006 (the latest information available), was \$11.1 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2005 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care cost. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

Note 8 – Leases

The District leases vehicles under noncancelable leases. The District disbursed \$79,421 to pay lease costs for the year ended December 31, 2006. Future lease payments are as follows:

Year	Amount
2007	\$ 52,740
2008	34,024
2009	<u>9,290</u>
Total	<u>\$ 96,054</u>

The current vehicle leases expire periodically from 2007 through 2009, it is expected that the District will replace these vehicle leases upon expiration.

Note 9 - Interfund Transfers

During 2006 the following transfers were made:

Transfers from the General Fund to:	
Environmental Health Fund	<u>\$ 75,000</u>
Total Transfers from the General Fund	<u>\$ 75,000</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.

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**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006**

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Grant	Federal	Disbursements
Program Title	Number	CFDA Number	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Franklin County</i>			
CDBG - Water Quality Partnership	300-339112-CB316	14.218	\$ 315,927
CDBG - Urgent Program - 2006	300-559112-CB516	14.218	76,327
CDBG - Handicap Accessibility - 2006	300-559112-CB410	14.218	18,654
CDBG - Urgent Program - 2007	1000-559112-CB601	14.218	43,994
CDBG - Sewer Repair - 2007	1000-559112-CB602	14.218	9,187
CDBG - Handicap Accessibility - 2007	1000-559112-CB608	14.218	21,300
Total U.S. Department of Housing and Urban Development			<u>485,389</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Public Health Infrastructure - 2006	25-1-001-2-BI-06	93.283	231,071
Public Health Infrastructure - 2007	25-1-001-2-BI-07	93.283	47,971
Total U.S. Department of Health and Human Services			<u>279,042</u>
TOTAL FEDERAL AWARD EXPENDITURES			<u><u>\$ 764,431</u></u>

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.



Mary Taylor, CPA

Auditor of State

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

Franklin County District Board of Health
Franklin County
280 East Broad Street
Columbus, Ohio 43215

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin County District Board of Health, Franklin County, Ohio (the District) as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 9, 2007, wherein we noted the District revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-001 through 2006-006.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings number 2006-001 through 2006-004 are also material weaknesses.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated November 9, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion 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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2006-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 9, 2007.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the management, Board Members, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

November 9, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Franklin County District Board of Health
Franklin County
280 East Broad Street
Columbus, Ohio 43215

To the Members of the Board:

Compliance

We have audited the compliance of the Franklin County District Board of Health, Franklin County, Ohio (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 apply to its major federal program for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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.

As described in findings 2006-007 in the accompanying schedule of findings, the District did not comply with requirements regarding reporting applying to its Community Development Block Grants Program. Compliance with this requirement is necessary, in our opinion, for the District to comply with requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Franklin County District Board of Health, Franklin County, Ohio, complied, in all material respects, with the requirements referred to above applying to its major federal program for the year ended December 31, 2006. The results of our auditing procedures also disclosed an instance of noncompliance with those requirements that *OMB Circular A-133* requires us to report which is described in the accompanying schedule of findings as item 2006-008.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as findings 2006-007 and 2006-008 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. We consider findings 2006-007 and 2006-008 described in the accompanying schedule of findings to be material weaknesses.

The District's response to the findings we identified are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the management, Board Members, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

November 9, 2007

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified over Reporting –CFDA 14.218
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Community Development Block Grants – Entitlement Grants (CFDA 14.218)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)

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

Finding Number	2006-001
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Prior Certification – Noncompliance Citation/Significant Deficiency/Material Weakness

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District's fiscal officer can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Ten (10) percent of the transactions tested were not certified by the Fiscal Officer at the time the commitment was incurred and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2006-001 (Continued)
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Prior Certification – Noncompliance Citation/Significant Deficiency/Material Weakness (Continued)

To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify the funds are or will be available prior to obligation by the District. When prior certification of funds is not possible, "then and now" certification should be used.

Officials' Response: Our current process requires approvals before purchases are requested. Staff will be reminded of the procedure and the fiscal officer will ensure that no purchases are made without proper encumbrance. John Wolf will be responsible for implementing the corrective action and the plan will be placed in operation immediately.

Finding Number	2006-002
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Preliminary Payroll Reports – Significant Deficiency/Material Weakness

In order to determine the completeness and accuracy of payroll information entered into the system, the District Board of Health payroll personnel should review a payroll edit report prior to processing payroll for each pay period.

The payroll personnel review a preliminary payroll report prior to processing payroll for each pay period, however, none of the preliminary payroll reports are maintained by the District. This could lead to controls not being performed on a consistent basis. In addition, by not maintaining the approved preliminary payroll reports, errors that may occur after processing may not be detected and corrected timely by management.

We recommend the District continue to monitor the preliminary payroll report prior to processing the payroll and document this review through initials, tic marks, etc. In addition, the preliminary report reviewed should be compared to the final payroll processed to provide assurance that unauthorized changes have not been made after the initial review and approval. These preliminary payroll reports with the review documented should be maintained under the same records retention policy as other payroll documents.

Officials' Response: We will continue to include tic marks on preliminary payroll reports. Peggy Bartow will be responsible for implementing the corrective action and the plan will be placed in operation immediately.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

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

Finding Number	2006-003
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Financial Reporting – Significant Deficiency/Material Weakness

The District entered into a consulting agreement with the Auditor of State to compile the financial statements of the District Board of Health. In order for this compilation to be successful, the District must post transactions to the accounting system accurately. Management and the Board do review detailed expenditure and receipt reports, budget vs. actual reports, and monthly financial reports. However, in order for the review to be effective, the Board should not only monitor the authorization of transactions but also the accuracy and classification of transactions.

During our audit, a reclassification of receipts in the amount of \$352,606 in the Environmental Health Fund was necessary to properly classify charges for services revenue reported as fines licenses and permits. This reclassification was also necessary in prior audits.

We recommend management and the Board monitor the accuracy and classification of expenditures and receipts during their review of monthly financial reports. Prior audit results should be considered when performing this review to determine that prior period changes made in account classification have also been appropriately made to current financial activity.

Officials’ Response: We will add an account to accommodate the revenues. John Wolf will be responsible for implementing the corrective action and the plan will be placed in operation immediately.

Finding Number	2006-004
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Cash Collections – Significant Deficiency/Material Weakness

The District collects cash for various charges for services and license, permits and fees. Pre-numbered duplicate receipts are not used consistently for all collections made. In addition, licenses and permits are not pre-numbered or do not run in sequential order due to renewals of existing licenses. Forms are completed to obtain certain licenses and permits, however, these forms are also not pre-numbered.

By not issuing pre-numbered duplicate receipts for all cash collections or using other pre-numbered forms evidence that all receipts have been accurately posted to the accounting system cannot be provided. Lack of pre-numbered forms may also lead to error or irregularities occurring which may go undetected by management.

We recommend that the District issue duplicate pre-numbered receipts for all revenues collected, or modify its current license and permit forms to include pre-numbering on the forms. By issuing pre-numbered receipts or other pre-numbered documents, the District will gain additional assurance that all cash collected for charges for services and license, permits and fees are accounted for and are properly recorded in the District’s accounting system.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2006-004 (Continued)
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Cash Collections (Continued)

Officials' Response: Staff will use manual receipt books when necessary and convert them to electronic receipts within one business day of receipt. John Wolf will be responsible for implementing the corrective action and the plan will be placed in operation immediately.

Finding Number	2006-005
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Leave Approval – Significant Deficiency

It is Board Policy that, prior to taking leave, an employee should submit a leave request to his or her department head or supervisor. The supervisor should review the leave request form and make sure that the leave requested is proper and approve the request. Unexpected sick leave taken by an employee should be submitted to their supervisor the day they return to work. Once the leave is approved by the supervisor, the form should be sent to the payroll department for the payroll supervisor to approve the form, indicating that the leave balance is available.

During 2006, seventeen (17) percent of leave forms were not approved prior to the employee taking leave or in the case of unexpected sick leave the day the employees returned. Of these errors, fifteen (15) percent of the leave forms were approved after leave was taken, but prior to the payroll processing date. However, two (2) percent of the leave forms were not approved until after payroll was processed. This could lead to employees getting paid for unauthorized leave.

We recommend the District enforce Board policy by requiring employees to submit requests for leave prior to taking the leave or in the case of unexpected sick leave the day they return to work.

Officials' Response: We issued a directive to management to ensure employees complete and return leave forms within 24 hours of return to work. Peggy Bartow will be responsible for implementing the corrective action and the plan will be placed in operation immediately.

Finding Number	2006-006
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Authorization of Payroll Charged to Special Revenue Funds – Significant Deficiency

Upon hiring an employee, the District Board of Health should present the employee with a salary notice. This notice should be maintained in the employee's personnel file and should include the employee's name, hiring date, copy of hiring authorization, pay rate, and the fund the employee is to be paid from. The District should also maintain time and effort records or other appropriate authorization forms to document the allocation of payroll disbursements.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2006-006 (Continued)
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Authorization of Payroll Charged to Special Revenue Funds – Significant Deficiency (Continued)

The District maintains salary notices for all employees hired that include employee’s name, hiring date, copy of hiring authorization, and pay rate. However, the fund the employee is to be paid from is not identified on the salary notice, or on any other authorization form in the personnel file. Time and effort records are also not maintained for each employee. This could lead to the payroll department allocating payroll disbursements to the incorrect funds.

We recommend the District implement procedures to maintain documentation to support the allocation of payroll disbursement to funds as indicated above.

Officials’ Response: The fund will be included on the employee’s initial salary letter. Peggy Bartow will be responsible for implementing the corrective action and the plan will be placed in operation immediately.

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2006-007
CFDA Title and Number	Community Development Block Grants – Entitlement Grants (CFDA 14.218)
Federal Award Number / Year	300-339112-CB316; 300-559112-CB516/410; 1000-559112-CB601/602/608 – 2006 and 2007
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Franklin County

Quarterly Financial Reports - Noncompliance Citation/Significant Deficiency/Material Weakness

The Funding Agreements between the Board of Health and Franklin County Commissioners, as identified above as the Federal Award Number, requires the Board of Health to submit Quarterly Progress Reports to the Franklin County Economic Development and Planning Department.

During 2006, the Board of Health did not file any such report as required by the Funding Agreement. This has resulted in material noncompliance and could lead to the progress of the programs going unmonitored by the pass-through entity.

**FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Quarterly Financial Reports - Noncompliance Citation/Significant Deficiency/Material Weakness (Continued)

We recommend the Board of Health review the Funding Agreement and adhere to all requirements within the agreement. Namely, the Board of Health should submit a Quarterly Progress Report to the Franklin County Economic Development and Planning Department. The form and substance of this report should be agreed on between the Board of Health and the County Commissioners in the Funding Agreement.

Officials' Response/Corrective Action Plan: Reports will be completed as required and sent to Economic Development Department. John Wolf will be responsible for implementing the corrective action and the plan will be placed in operation as required by the funding agreement.

Finding Number	2006-008
CFDA Title and Number	Community Development Block Grants – Entitlement Grants (CFDA 14.218) Public Health Infrastructure Grant (CFDA 93.283)
Federal Award Number / Year	300-339112-CB316; 300-559112-CB516/410; 1000-559112-CB601/602/608 – 2006 and 2007; 25-1-001-2-B1-06/07
Federal Agency	U.S. Department of Housing and Urban Development U.S. Department of Health and Human Services
Pass-Through Agency	Franklin County Ohio Department of Health

Report Submission - Noncompliance Citation/Significant Deficiency/Material Weakness

Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Section .200(a) provides that a non-federal entity that expends \$500,000 or more in a year in federal awards shall have a single audit conducted as discussed in the Circular. Section .105 defines such entities as “auditees”. Section .300(a) states, an auditee shall “Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Section .300(e) further states, an auditee shall “Ensure that the audits required by this part are properly performed and submitted when due.” Section .320 provides that single audits shall be completed and a reporting package submitted to the federal clearinghouse designated by OMB, no later than nine months after the end of the audit period.

During fiscal year 2006, the District expended \$764,431 in federal monies. The District did not notify the Auditor of State they expended more than \$500,000 in federal awards to have an A-133 single audit performed nor did the District prepare a schedule of federal awards to identify its accounts, all Federal awards received and expended and the Federal programs under which they were received.

FRANKLIN COUNTY DISTRICT BOARD OF HEALTH
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Report Submission - Noncompliance Citation/Significant Deficiency/Material Weakness (Continued)

As of October 31, 2007, there was no calendar year 2006 audit completed or data collection form submitted as required by this section.

We recommend the District inform the Auditor of State when federal monies are received and expended in excess of \$500,000 to ensure a single audit is conducted. The District should also prepare a schedule to identify all Federal awards in accordance with the Section noted above.

Officials' Response/Corrective Action Plan: The Auditor of State will be informed when federal funds are expended above the threshold. John Wolf will be responsible for implementing the corrective action and the plan will be placed in operation at year end.



Mary Taylor, CPA
Auditor of State

DISTRICT BOARD OF HEALTH

FRANKLIN 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
DECEMBER 31, 2007**