



Dave Yost • Auditor of State

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Franklin County Public Health
Franklin County
280 East Broad Street
Columbus, Ohio 43215

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Public Health, Franklin County, Ohio (the District), as of and for the year ended December 31, 2010, 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 Franklin County Public Health, Franklin County, Ohio, as of December 31, 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparison for the General, Construction Demo and Debris, Public Health Nursing, and Environmental Health Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the Government's financial statements taken as a whole. The federal awards expenditure schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

March 18, 2011

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

The discussion and analysis of the Franklin County Public Health's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2010, 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 2010 are as follows:

- Net assets decreased \$111,472.
- 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 67% of all the dollars coming into the District. General receipts in the form of unrestricted grants and miscellaneous receipts make up the other 33%.
- The District had \$8,158,767 in disbursements during 2010.

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 PUBLIC HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Basis of Accounting (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 2010, 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 District's property tax base, 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 PUBLIC HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

The District as a Whole

Table 1 provides a summary of the District's net assets for 2010 compared to 2009 on a cash basis:

**Table 1
Net Assets – Cash Basis**

	<u>Governmental Activities</u>		
	<u>2010</u>	<u>2009</u>	<u>Change</u>
Assets			
Cash with Fiscal Agent	<u>\$ 1,229,353</u>	<u>\$ 1,340,825</u>	<u>\$ (111,472)</u>
Total Assets	<u>1,229,353</u>	<u>1,340,825</u>	<u>(111,472)</u>
Net Assets			
Restricted	952,530	812,574	139,956
Unrestricted	<u>276,823</u>	<u>528,251</u>	<u>(251,428)</u>
Total Net Assets	<u><u>\$1,229,353</u></u>	<u><u>\$1,340,825</u></u>	<u><u>(\$111,472)</u></u>

As mentioned previously, net assets decreased \$111,472, due to increased expenditures.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Table 2 reflects the change in net assets in 2010 and provides a comparison to prior year amounts.

**Table 2
Changes in Net Assets**

	Governmental Activities		
	2010	2009	Change
Receipts			
Program Cash Receipts			
Charges for Services	\$ 4,543,356	\$ 4,253,708	\$ 289,648
Operating Grants and Contributions	882,689	862,996	19,693
Total Program Cash Receipts	5,426,045	5,116,704	309,341
General Receipts			
Grants and Entitlements not Restricted to Specific Programs	2,570,717	2,725,701	(154,984)
Miscellaneous	50,533	52,012	(1,479)
Total General Receipts	2,621,250	2,777,713	(156,463)
Total Receipts	8,047,295	7,894,417	152,878
Disbursements			
Salaries	\$ 3,206,486	3,263,611	(57,125)
Supplies	243,657	184,960	58,697
Remittances to State	470,488	568,055	(97,567)
Equipment	82,555	47,818	34,737
Contracts-Repair	33,188	38,193	(5,005)
Contracts - Services	2,673,911	2,136,224	537,687
Rentals	100,789	130,772	(29,983)
Travel and Meetings	51,710	46,846	4,864
Advertising and Printing	70,642	61,886	8,756
Public Employee's Retirement	465,605	477,207	(11,602)
Worker's Compensation	32,512	25,215	7,297
Unemployment Compensation	4,325	0	4,325
Other Fringe Benefits	722,899	705,523	17,376
Total Disbursements	8,158,767	7,686,310	472,457
Change in Net Assets	(111,472)	208,107	(319,579)
Net Assets Beginning of Year	1,340,825	1,132,718	208,107
Net Assets End of Year	\$ 1,229,353	\$ 1,340,825	\$ (111,472)

In 2010, 33% percent of the District's total receipts were from general receipts, consisting mainly of revenue from other governments. Program receipts accounted for 67% percent of the District's total receipts in year 2010. These receipts consist primarily of charges for services for food service licenses, trailer park, swimming pools and spas, and water system permits and state and federal operating grants. The increase in receipts and disbursements is mainly due to an increase in vaccinations for 2010.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

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 payroll and contracted services, which account for 39% and 33% 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, taxpayers and state subsidies. These net costs are paid from the general receipts, which are presented at the bottom of the Statement.

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
Salaries	\$ 3,206,486	\$ 1,381,390	\$ 3,263,611	\$ 1,536,574
Supplies	243,657	113,903	184,960	98,359
Remittances to State	470,488	84,794	568,055	50,187
Equipment	82,555	47,332	47,818	27,267
Contracts - Repair	33,188	19,070	38,193	21,210
Contracts - Services	2,673,911	434,445	2,136,224	150,048
Rentals	100,789	51,094	130,772	68,464
Travel and Meetings	51,710	23,925	46,846	17,304
Advertising and Printing	70,642	40,534	61,886	35,136
Public Employees' Retirement	465,605	216,241	477,207	232,862
Workers' Compensation	32,512	14,670	25,215	12,187
Unemployment Compensation	4,325	2,505	-	-
Other Fringe Benefits	722,899	302,819	705,523	320,008
Totals	8,158,767	2,732,722	7,686,310	2,569,606

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 33% of the District costs are supported through unrestricted grants and other general receipts.

The contracted services are self-supporting through charges for services and operating grants and contributions.

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.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

The District's Funds (Continued)

At the end of 2010, the District's governmental funds reported total ending fund balances of \$1,229,353. The entire fund balance is unreserved fund balance, which is available for spending.

While the bulk of 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 2010, unreserved fund balance in the general fund was \$276,823. 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 10% of the total general fund expenditures.

Expenditures exceeded receipts in the general fund by \$251,428 in 2010. Fees and Charges for Services account for 46% 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 2010, the fund balance was \$251,427.

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 2010, expenditures from this fund in support of these programs were \$958,897.

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 wastewater 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 2010, expenditures from this fund in support of these programs were \$3,694,986.

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 2010, 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.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

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 PUBLIC HEALTH	
FRANKLIN COUNTY	
<i>STATEMENT OF NET ASSETS - CASH BASIS</i>	
<i>DECEMBER 31, 2010</i>	
	Governmental Activities
Assets	
Cash with Fiscal Agent	\$ 1,229,353
<i>Total Assets</i>	<u>\$ 1,229,353</u>
Net Assets	
Restricted for:	
Other Purposes	\$ 952,530
Unrestricted	276,823
<i>Total Net Assets</i>	<u>\$ 1,229,353</u>
See accompanying notes to the basic financial statements	

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

		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	\$ 3,206,486	\$ 1,766,787	\$ 58,309	\$ (1,381,390)
Supplies	243,657	129,679	75	(113,903)
Remittances to State	470,488	385,694	-	(84,794)
Equipment	82,555	35,223	-	(47,332)
Contracts - Repair	33,188	14,118	-	(19,070)
Contracts - Services	2,673,911	1,441,170	798,296	(434,445)
Rentals	100,789	49,695	-	(51,094)
Travel and Meetings	51,710	25,988	1,797	(23,925)
Advertising and Printing	70,642	30,108	-	(40,534)
Public Employees' Retirement	465,605	249,364	-	(216,241)
Workers' Compensation	32,512	17,842	-	(14,670)
Unemployment Compensation	4,325	1,820	-	(2,505)
Other Fringe Benefits	722,899	395,868	24,212	(302,819)
Total Governmental Activities	\$ 8,158,767	\$ 4,543,356	\$ 882,689	(2,732,722)
		General Receipts		
				2,570,717
				50,533
				2,621,250
				(111,472)
				1,340,825
				\$ 1,229,353
See accompanying notes to the basic financial statements				

FRANKLIN COUNTY PUBLIC HEALTH

FRANKLIN COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES

GOVERNMENTAL FUNDS

DECEMBER 31, 2010

	General	Construction and Demo Debris	Public Health Nursing	Environmental Health	Other Governmental Funds	Total Governmental Funds
Assets						
Cash with Fiscal Agent	\$ 276,823	\$ 251,427	\$ 108,955	\$ 386,963	\$ 205,185	\$ 1,229,353
<i>Total Assets</i>	<u>\$ 276,823</u>	<u>\$ 251,427</u>	<u>\$ 108,955</u>	<u>\$ 386,963</u>	<u>\$ 205,185</u>	<u>\$ 1,229,353</u>
Fund Balances						
Unreserved:						
Undesignated, Reported in:						
General Fund	\$ 276,823	\$ -	\$ -	\$ -	\$ -	\$ 276,823
Special Revenue Funds	-	251,427	108,955	386,963	205,185	952,530
<i>Total Fund Balances</i>	<u>\$ 276,823</u>	<u>\$ 251,427</u>	<u>\$ 108,955</u>	<u>\$ 386,963</u>	<u>\$ 205,185</u>	<u>\$ 1,229,353</u>
See accompanying notes to the basic financial statements						

FRANKLIN COUNTY PUBLIC HEALTH

FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2010

	General	Construction and Demo Debris	Public Health Nursing	Environmental Health	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$ 1,314,323	\$ -	\$ 518,000	\$ 1,539,630	\$ 81,452	\$ 3,453,405
Fines, Licenses and Permits	-	-	-	1,742,778	185,461	1,928,239
Fees and Charges for Services	1,146,519	446,281	473,503	520,922	27,893	2,615,118
Miscellaneous	12,566	-	7,311	30,656	-	50,533
Total Receipts	2,473,408	446,281	998,814	3,833,986	294,806	8,047,295
Disbursements						
Salaries	998,173	90,305	537,352	1,494,586	\$ 86,070	3,206,486
Supplies	57,991	1,339	159,502	6,832	17,993	243,657
Remittances to State	-	310,324	-	143,000	17,164	470,488
Equipment	80,019	-	-	2,536	-	82,555
Contracts - Repair	31,082	-	2,106	-	-	33,188
Contracts - Services	1,023,087	41,796	41,663	1,443,531	123,834	2,673,911
Rentals	84,936	15,353	500	-	-	100,789
Travel and Meetings	25,312	1,150	6,927	17,519	802	51,710
Advertising and Printing	68,642	-	-	2,000	-	70,642
Public Employees' Retirement	151,143	12,643	77,796	212,095	11,928	465,605
Workers' Comensation	7,924	865	5,683	17,166	874	32,512
Unemployment Compensation	4,325	-	-	-	-	4,325
Other Fringe Benefits	192,202	25,991	127,368	355,721	21,617	722,899
Total Disbursements	2,724,836	499,766	958,897	3,694,986	280,282	8,158,767
Net Change in Fund Balances	(251,428)	(53,485)	39,917	139,000	14,524	(111,472)
Fund Balances Beginning of Year	528,251	304,912	69,038	247,963	\$ 190,661	1,340,825
Fund Balances End of Year	\$ 276,823	\$ 251,427	\$ 108,955	\$ 386,963	\$ 205,185	\$ 1,229,353
See accompanying notes to the basic financial statements						

**FRANKLIN COUNTY PUBLIC 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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts	\$ 2,256,920	\$ 2,392,372	\$ 2,473,408	\$ 81,036
Disbursements				
Personal Services	829,930	1,038,453	998,173	40,280
Fringe Benefits	320,209	400,662	355,594	45,068
Materials and Services	1,096,102	1,371,502	1,291,050	80,452
Capital Outlays	\$ 75,924	95,000	80,019	14,981
<i>Total Disbursements</i>	2,322,165	2,905,617	2,724,836	180,781
<i>Net Change in Fund Balance</i>	(65,245)	(513,245)	(251,428)	(99,745)
<i>Net Change in Fund Balances</i>	(65,245)	(513,245)	(251,428)	(99,745)
<i>Fund Balances Beginning of Year</i>	528,251	528,251	528,251	-
<i>Fund Balances End of Year</i>	\$ 463,006	\$ 15,006	\$ 276,823	\$ (99,745)
See accompanying notes to the basic financial statements				

**FRANKLIN COUNTY PUBLIC 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, 2010**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
	Receipts	\$ 563,226	\$ 623,226	
Disbursements				
Personal Services	86,831	96,487	90,305	6,182
Fringe Benefits	38,714	43,020	39,499	3,521
Materials and Services	413,962	460,000	369,962	90,038
<i>Total Disbursements</i>	539,507	599,507	499,766	99,741
<i>Net Change in Fund Balance</i>	23,719	23,719	(53,485)	(77,204)
<i>Fund Balances Beginning of Year</i>	304,912	304,912	304,912	-
<i>Fund Balances End of Year</i>	<u>\$ 328,631</u>	<u>\$ 328,631</u>	<u>\$ 251,427</u>	<u>\$ (77,204)</u>
See accompanying notes to the basic financial statements				

**FRANKLIN COUNTY PUBLIC 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, 2010**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
	Receipts	\$ 1,023,000	\$ 953,000	
Disbursements				
Personal Services	601,299	550,616	537,352	13,264
Fringe Benefits	278,020	254,586	210,847	43,739
Materials and Services	235,882	216,000	210,698	5,302
<i>Total Disbursements</i>	1,115,201	1,021,202	958,897	62,305
<i>Net Change in Fund Balance</i>	(92,201)	(68,202)	39,917	(16,491)
<i>Fund Balances Beginning of Year</i>	69,038	69,038	69,038	-
<i>Fund Balances End of Year</i>	\$ (23,163)	\$ 836	\$ 108,955	\$ (16,491)
See accompanying notes to the basic financial statements				

**FRANKLIN COUNTY PUBLIC 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, 2010**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts	\$ 3,712,200	\$ 3,562,200	\$ 3,833,986	\$ 271,786
Disbursements				
Personal Services	1,481,393	1,501,107	1,494,586	6,521
Fringe Benefits	646,444	655,047	584,983	70,064
Materials and Services	1,629,466	1,651,150	1,615,418	35,732
<i>Total Disbursements</i>	3,757,303	3,807,304	3,694,986	112,318
<i>Net Change in Fund Balance</i>	(45,103)	(245,104)	139,000	159,468
<i>Fund Balances Beginning of Year</i>	247,963	247,963	247,963	-
<i>Fund Balances End of Year</i>	<u>\$ 202,860</u>	<u>\$ 2,859</u>	<u>\$ 386,963</u>	<u>\$ 159,468</u>
See accompanying notes to the basic financial statements				

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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.C, 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 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 PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(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.

B. 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 special revenue fund accounts for monies received and paid out for the disposal of debris from construction and demolition sites.

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

The Environmental special revenue fund receives money from subdivision tax, grants, 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.

C. 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 PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

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

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the budget, 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 District may appropriate. The appropriations resolution is the District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established by the District at the function 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 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 District 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 District.

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 District during the year.

E. 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.

F. 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 has restricted assets of \$952,530 as of December 31, 2010.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

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

G. Inventory and Prepaid Items

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

H. 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.

I. 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.

J. 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.

K. 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 5 and 6, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. 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.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include monies that are restricted by grantors and reported in special revenue funds.

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.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

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

N. 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, 2010.

O. 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 - 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, Construction and Demo Debris, Public Health Nursing and Environmental Health funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 4 - 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.

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of 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 ARPCO. 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, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 4 - Risk Management (Continued)

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, 2009 and 2008 (the latest information available):

	<u>2009</u>	<u>2008</u>
Assets	\$36,374,898	\$35,769,535
Liabilities	(15,256,862)	(15,310,206)
Net Assets	<u>\$21,118,036</u>	<u>\$20,459,329</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the District's share of these unpaid claims collectible in future years is approximately \$35,907.

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>Contributions to PEP</u>	
<u>2009</u>	<u>2008</u>
\$38,199	\$40,147

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.

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 4,800 County employees. Approximately 1,400 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 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, 2009, accounts payable balances included \$3,804,000 of reported, unpaid County claims and \$5,969,000 as an estimate for IBNR. Actual claims experience may differ from the estimate.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 5 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

- The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.
- The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- The Combined Plan - a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OR 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2010 member contribution rates were 10.0% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1%, respectively.

The 2010 employer contribution rate for state and local employers was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 17.87% of covered payroll. The District has made all required contributions of \$465,606 for the year ended December 31, 2010.

Note 6 - Postemployment Benefits

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.

Plan Description

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

Note 6 - Postemployment Benefits (Continued)

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 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 post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.00% of covered payroll and public safety and law enforcement employers contributed at 17.87%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer Contribution for Other Postemployment Benefits

For the year ended December 31, 2010 the District contributed \$169,002 to fund post-employment benefits, included within the total contributions to PERS.

OPERS Retirement Board Implements its Health Care Preservation Plan. The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)

Note 7 – Leases

The District leases vehicles under non-cancelable leases. The District disbursed \$10,848 to pay lease costs for the year ended December 31, 2010. Future lease payments are as follows:

Year	Amount
2011	7,890
Total	<u>\$ 7,890</u>

The current vehicle leases expire in 2011 and the District is not replacing the leases.

Note 8 – Contingent Liabilities

Amounts grantor agencies pay to the District 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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**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010**

FEDERAL GRANTOR	Pass Through	Federal	
<i>Pass Through Grantor</i>	Entity	CFDA	
Program Title	Number	Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Franklin County Economic Development</i>			
CDBG Urgent Repair	1000-559112-647-09	14.218	\$441,702
CDBG Sewer Repair	1000-559112-648-09	14.218	88,689
CDBG Handicap Accessibility	1000-559112-647-09	14.218	93,476
CDBG Urgent Repair-ARRA	1000-559112-647-09-R	14.253	194,781
Total U.S. Department of Housing and Urban Development			818,648
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Public Health Emergency Preparedness	25-1-001-2-PH10	93.069	91,923
Public Health Emergency Preparedness	25-1-001-2-PH11	93.069	32,627
Total U.S. Department of Health and Human Services			124,550
Total			\$943,198
<i>The accompanying notes are an integral part of this schedule.</i>			

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Franklin County Public Health's federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.



Dave Yost • 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 Public Health
Franklin County
280 East Broad Street
Columbus, Ohio 43215

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Public Health, Franklin County, Ohio (the District) as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 18, 2011, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

88 East Broad Street, Tenth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-3402 or 800-443-9275 Fax: 614-728-7199

www.auditor.state.oh.us

Franklin County Public Health
Franklin County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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

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

March 18, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Franklin County Public Health
Franklin County
280 East Broad Street
Columbus, Ohio 43215

To the Board of Health:

Compliance

We have audited the compliance of Franklin County Public 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 could directly and materially affect the District's major federal program for the year ended December 31, 2010. 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 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.

In our opinion, Franklin County Public Health complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2010.

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, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

March 18, 2011

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

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)?	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 internal control weaknesses 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	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant (Entitlement) CFDA 14.218 Community Development Block Grant—Recovery (Entitlement) CFDA 14.253
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Dave Yost • Auditor of State

FRANKLIN PUBLIC 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
MAY 5, 2011**