



Dave Yost • Auditor of State

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fulton County Health Department, Fulton County, Ohio (the Health Department), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Health Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Health Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Health Department's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fulton County Health Department, Fulton County, Ohio, as of December 31, 2013 and the respective changes in cash financial position and the respective budgetary comparison for the General, Environmental, Women Infants, and Children and Family Planning Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Matters

Supplemental and Other Information

We audited to opine on the Health Department's financial statements that collectively comprise its basic financial statements.

Management's Discussion and Analysis includes tables of net position, changes in net position and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

The Schedule of Federal Award Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the basic financial statements.

These tables and the Schedule are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables and the Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables and the Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and the Schedule are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion and Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2014, on our consideration of the Health Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health Department's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State

Columbus, Ohio

June 26, 2014

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**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
UNAUDITED**

The discussion and analysis of Fulton County Health Department's (the Health Department) financial performance provides an overall review of the Health Department's financial activities for the year ended December 31, 2013, within the limitations of the Health Department's cash basis of accounting. The intent of this discussion and analysis is to look at the Health Department'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 Health Department's financial performance.

Financial Highlights

Key financial highlights for the year 2013 are as follows:

- Net position decreased by \$38,919. Breast and Cervical Cancer (BCCP) grant was decreased by \$32,034. Immunization Action Program (IAP) grant had a decrease of \$9,146. In 2013, the Health Department received funding for Medical Reserve Corp in the amount of \$11,000 along with several other grants which had increased funds but those funds in turn had higher expenses.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the Health Department's receipts, making up almost 68 percent of all the dollars coming into the Health Department. General receipts in the form of property taxes and unrestricted grants make up the other 32 percent.
- The Health Department had \$2,428,436 in disbursements during 2013. The Family Planning Fund had \$45,822 more expenses in 2013 over 2012. Other grants had higher expenses due to receiving more grant monies and other grants had fewer expenses than the year before. Environmental Fund expenses went down due to only having two full time Sanitarians instead of three as the Health Department did in 2012.

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 Health Department'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 Health Department 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 the cash basis of accounting.

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole Health Department, presenting both an aggregate view of the Health Department'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 Health Department 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 Health Department has elected to present its financial statements on a cash basis of accounting. This

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
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basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Health Department's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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 Health Department as a Whole

The statement of net positions and the statement of activities reflect how the Health Department did financially during 2013, within the limitations of the cash basis of accounting. The Statement of Net Position – Cash Basis presents the cash balances of the governmental activities of the Health Department 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 or capital 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 Health Department's general receipts.

These statements report the Health Department'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 Health Department's financial health. Over time, increases or decreases in the Health Department's cash position is one indicator of whether the Health Department's financial health is improving or deteriorating. When evaluating the Health Department's financial condition, you should also consider other non-financial factors as well, such as the Health Department's property tax base, the condition of the Health Department's capital assets, the reliance on non-local financial resources for operations, and the need for continued growth.

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

Reporting the Health Department's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Health Department's major funds – not the Health Department as a whole. The Health Department 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 Health Department are governmental.

Governmental Funds - The Health Department's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the Health Department'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 Health Department's health programs. The Health Department'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 Health Department's major governmental funds are the General Fund; Environmental Fund; Women Infants and Children (WIC) Fund; and the Family Planning (FP) Fund. The

**FULTON COUNTY HEALTH DEPARTMENT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
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programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Health Department as a Whole

Table 1 provides a summary of the Health Department's net position for 2013 compared to 2012 on the cash basis:

**Table 1
Net Position – Cash Basis**

	Governmental Activities		
	2013	2012	Change
Assets			
Cash with Fiscal Agent	\$ 921,993	\$ 960,912	\$ (38,919)
Net Position			
Restricted	130,990	116,908	14,082
Unrestricted	791,003	844,004	(53,001)
Total Net Position	\$ 921,993	\$ 960,912	(\$38,919)

As mentioned previously, net position decreased by \$38,919. The decrease in the unrestricted fund is due to the general health fund not receiving Scrap Tire grant funds and due to an increase in general health fund expenditures. The restricted fund received less money from BCCP and IAP grants

Table 2 reflects the change in net position in 2013. This is a comparative analysis of government-wide data being presented.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
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**Table 2
Changes in Net Positions**

	Governmental Activities	
	2013	2012
Receipts		
Program Cash Receipts		
Charges for Services	\$ 556,723	\$ 530,700
Operating Grants and Contributions	1,057,690	1,009,991
Total Program Cash Receipts	1,614,413	1,540,691
General Receipts		
Property Taxes Levied for		
General Health Department Purposes	582,311	568,233
Grants and Entitlements not Restricted to Specific Programs	159,157	174,314
Gifts and Contributions	7,898	9,501
Miscellaneous	25,738	27,848
Total General Receipts	775,104	779,896
Total Receipts	2,389,517	2,320,587
Disbursements		
General Health		
General Health	699,660	679,619
Vital Statistics	37,818	34,153
Administration	190,096	199,084
Environmental Health	276,417	347,442
Women, Infant, and Children	315,388	305,120
Breast and Cervical Cancer Project	137,866	192,917
Immunization Action Plan	61,718	60,868
Child and Family Health Services	41,954	27,296
Family Planning	248,785	202,963
Help Me Grow	149,551	
Drug Free Communities	128,436	144,753
Public Health Infrastructure	140,747	269,677
Total Disbursements	2,428,436	2,463,892
Change in Net Assets	(38,919)	(143,305)
Net Assets Beginning of Year	960,912	1,104,217
Net Assets End of Year	\$ 921,993	\$ 960,912

In 2013, 32 percent of the Health Department's total receipts were from general receipts, consisting mainly of property taxes levied for general health department purposes. Program receipts accounted for 68 percent of the Health Department's total receipts in year 2013. These receipts consist primarily of charges for services for birth and death certificates; food service licenses; swimming pools and spas, water system permits; and state and federal operating grants and donations.

Governmental Activities

The Statement of Activities – Cash Basis, lists the major services provided by the Health Department and identifies the costs of providing these services. The major program disbursements for governmental activities are for General Health; Environmental Health; WIC and FP which account for 30 percent, 11

**FULTON COUNTY HEALTH DEPARTMENT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
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percent, 13 percent and 10 percent of all governmental disbursements, respectively. Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Health Department 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 taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Table 3
Governmental Activities**

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
General Health				
General Health	\$ 699,660	\$ 480,983	\$ 679,619	\$ 464,728
Vital Statistics	37,818	(28,490)	34,153	(32,137)
Administration	190,096	190,096	199,084	199,084
Environmental Health	276,417	130,742	347,442	197,245
Women, Infant, and Children	315,388	(22,860)	305,120	18,747
Breast and Cervical Cancer Project	137,866	4,002	192,917	27,019
Immunizations	61,718	9,687	60,868	(249)
Child and Family Health Services	41,954	7,810	27,296	(5,344)
Family Planning	248,785	28,373	202,963	46,730
Help Me Grow	149,551		269,677	
Drug Free Communities	128,436			
Public Health Infrastructure	140,747	13,680	144,753	7,378
Totals	\$ 2,428,436	\$ 814,023	\$ 2,463,892	\$ 923,201

The Health Department has tried to limit its dependence upon property taxes and local subsidies by actively pursuing federal grants and charging rates for services that are closely related to costs. Only 32 percent of the Health Department costs are supported through property taxes, unrestricted grants, and other general receipts.

The Health Department's Funds

Health Department uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The focus of the Health Department's governmental funds is to provide information on receipts, disbursements, and balances of spendable resources. Such information is useful in assessing the Health Department's financing requirements.

At the end of 2013, the Health Department's governmental funds reported total ending fund balances of \$921,993.

The General Fund is the chief operating fund for the Health Department. At the end of 2013, the fund balance in the General Fund was \$767,650.

The Environmental Fund accounts for the issuance of water, sewer, and food licenses and permits. Fines, licenses and permits accounted for 44 percent of Environmental Fund revenue plus transfers. There was less than 1 percent revenue from a contract. The rest of the revenue is from General Fund transfers.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The WIC Fund accounts for federal grant monies for the WIC program. WIC is a program for pregnant women, women who recently had a baby, breastfeeding moms and infants and children up to age five. WIC provides nutrition education and support, breastfeeding education and support, referrals to healthcare, immunization screenings and referrals, and supplemental foods. At the end of 2013, the total fund balance was \$16,074.

The Family Planning Fund accounts for federal grant monies for the Reproductive Health and Wellness program. The Reproductive Health and Wellness Program (RHWP) comprehensively address issues of reproductive health and wellness (including family planning) with a focus on populations in greatest need and identified priorities. An important goal of the RHWP in Ohio is to improve the overall health and well-being of women and men by promoting healthy lifestyles and encouraging the establishment of a reproductive life plan. At the end of 2013, the total fund balance was \$53,335.

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

General Fund Budgeting Highlights

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

During the course of 2013, the Health Department amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. The General Fund's revenues were a little less than anticipated due to intergovernmental revenues being down.

Contacting the Health Department's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Health Department's finances and to reflect the Health Department'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 Jane Sauder, Fiscal Officer Supervisor, 606 South Shoop Avenue Wauseon, Ohio 43567-1712.

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Net Position - Cash Basis
December 31, 2013

	<u>Governmental Activities</u>
Assets	
Cash with Fiscal Agent	<u>\$ 921,993</u>
Net Position	
Restricted for:	
Other Purposes	130,990
Unrestricted	<u>791,003</u>
<i>Total Net Position</i>	<u>\$ 921,993</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2013

	<u>Program Receipts</u>			<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Position</u>
	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General Health				
General Health	\$ 699,660	\$ 218,677		\$ (480,983)
Vital Statistics	37,818	66,308		28,490
Administration	190,096			(190,096)
Environmental Health	276,417	145,675		(130,742)
Women, Infant and Children (WIC)	315,388		\$ 338,248	22,860
Breast Cervical Cancer Project (BCCP)	137,866		133,864	(4,002)
Immunizations - IAP	61,718		52,031	(9,687)
Child and Family Health Services (CFHS)	41,954		34,144	(7,810)
Family Planning (FP)	248,785	78,836	141,576	(28,373)
Help Me Grow (HMG)	149,551		149,551	
Drug Free Communities (DFC)	128,436		128,436	
Public Health Infrastructure (PHI)	140,747	47,227	79,840	(13,680)
<i>Total Governmental Activities</i>	<u>\$ 2,428,436</u>	<u>\$ 556,723</u>	<u>\$ 1,057,690</u>	<u>(814,023)</u>
		General Receipts		
				Property Taxes Levied for General Health District Purposes 582,311
				Grants and Entitlements not Restricted to Specific Programs 159,157
				Gifts and Contributions 7,998
				Miscellaneous 25,638
				<u>Total General Receipts 775,104</u>
				Change in Net Position <u>(38,919)</u>
				<u>Net Position Beginning of Year 960,912</u>
				<u>Net Position End of Year \$ 921,993</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2013

	<u>General</u>	<u>Enviromental</u>	<u>Women Infants and Children</u>	<u>Family Planning</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash with Fiscal Agent	\$ 767,650	\$ 23,353	\$ 16,074	\$ 53,335	\$ 61,581	\$ 921,993
Fund Balances						
Restricted		23,258	16,074	53,275	43,024	135,631
Committed					18,557	18,557
Assigned		95		60		155
Unassigned	767,650					767,650
<i>Total Fund Balances</i>	<u>\$ 767,650</u>	<u>\$ 23,353</u>	<u>\$ 16,074</u>	<u>\$ 53,335</u>	<u>\$ 61,581</u>	<u>\$ 921,993</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2013

	<u>General</u>	<u>Environmental</u>	<u>Women Infants and Children</u>	<u>Family Planning</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts						
Property and Other Local Taxes	\$ 582,311					\$ 582,311
Intergovernmental	159,157		\$ 338,248	\$ 141,576	\$ 577,865	1,216,846
Fines, Licenses and Permits		\$ 126,694				126,694
Charges for Services	216,356	18,856		78,836		314,048
Private Grant			100			100
Gifts and Contributions	2,420			4,944	534	7,898
Contractual Services	68,509	125			47,227	115,861
Miscellaneous	9,983	1,853	1,765	10,165	1,993	25,759
<i>Total Receipts</i>	<u>1,038,736</u>	<u>147,528</u>	<u>340,113</u>	<u>235,521</u>	<u>627,619</u>	<u>2,389,517</u>
Disbursements						
Current:						
General Health						
General Health	699,660					699,660
Vital Statistics	37,818					37,818
Administration	190,096					190,096
Environmental Health		276,417				276,417
Women's, Infant and Children (WIC)			315,388			315,388
Breast, Cervical Cancer Project (BCCP)					137,866	137,866
Immunizations - IAP					61,718	61,718
Child and Family Health Services					41,954	41,954
Family Planning (FP)				248,785		248,785
Help Me Grow (HMG)					149,551	149,551
Drug Free Communities (DFC)					128,436	128,436
Public Health Infrastructure					140,747	140,747
<i>Total Disbursements</i>	<u>927,574</u>	<u>276,417</u>	<u>315,388</u>	<u>248,785</u>	<u>660,272</u>	<u>2,428,436</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>111,162</u>	<u>(128,889)</u>	<u>24,725</u>	<u>(13,264)</u>	<u>(32,653)</u>	<u>(38,919)</u>
Other Financing Sources (Uses)						
Transfers In		140,000		38,000		178,000
Transfers Out	(178,000)					(178,000)
Advance In	8,651				5,925	14,576
Advance Out	(5,925)		(8,651)			(14,576)
<i>Total Other Financing Sources (Uses)</i>	<u>(175,274)</u>	<u>140,000</u>	<u>(8,651)</u>	<u>38,000</u>	<u>5,925</u>	
<i>Net Change in Fund Balances</i>	<u>(64,112)</u>	<u>11,111</u>	<u>16,074</u>	<u>24,736</u>	<u>(26,728)</u>	<u>(38,919)</u>
<i>Fund Balances Beginning of Year</i>	<u>831,762</u>	<u>12,242</u>		<u>28,599</u>	<u>88,309</u>	<u>960,912</u>
<i>Fund Balances End of Year</i>	<u>\$ 767,650</u>	<u>\$ 23,353</u>	<u>\$ 16,074</u>	<u>\$ 53,335</u>	<u>\$ 61,581</u>	<u>\$ 921,993</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 575,000	\$ 575,000	\$ 582,311	\$ 7,311
Intergovernmental	244,000	244,000	159,157	(84,843)
Charges for Services	275,000	275,000	216,356	(58,644)
Gifts and Contributions	5,000	5,000	2,420	(2,580)
Contractual Services	54,500	54,500	68,509	14,009
Miscellaneous	33,846	33,846	9,983	(23,863)
<i>Total Receipts</i>	<u>1,187,346</u>	<u>1,187,346</u>	<u>1,038,736</u>	<u>(148,610)</u>
Disbursements				
Current:				
General Health	749,233	749,233	699,660	49,573
Vital Statistics	38,152	38,152	37,818	334
Administration	191,488	191,488	190,096	1,392
<i>Total Disbursements</i>	<u>978,873</u>	<u>978,873</u>	<u>927,574</u>	<u>51,299</u>
<i>Excess of Receipts Over Disbursements</i>	<u>208,473</u>	<u>208,473</u>	<u>111,162</u>	<u>(97,311)</u>
Other Financing Sources (Uses)				
Transfers Out	(208,473)	(202,548)	(178,000)	24,548
Advance In			8,651	8,651
Advance Out		(5,925)	(5,925)	
<i>Total Other Financing Sources (Uses)</i>	<u>(208,473)</u>	<u>(208,473)</u>	<u>(175,274)</u>	<u>33,199</u>
<i>Net Change in Fund Balance</i>			(64,112)	(64,112)
<i>Prior Year Encumbrances Appropriated</i>	38	38	38	
<i>Fund Balance Beginning of Year</i>	<u>831,724</u>	<u>831,724</u>	<u>831,724</u>	
<i>Fund Balance End of Year</i>	<u>\$ 831,762</u>	<u>\$ 831,762</u>	<u>\$ 767,650</u>	<u>\$ (64,112)</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Environmental Fund
For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Fines, Licenses and Permits	\$ 152,560	\$ 150,652	\$ 126,694	\$ (23,958)
Charges for Services	10,000	2,250	18,856	16,606
Contractual Services	1,000	1,000	125	(875)
Miscellaneous	10,000	10,000	1,853	(8,147)
<i>Total Receipts</i>	<u>173,560</u>	<u>163,902</u>	<u>147,528</u>	<u>(16,374)</u>
Disbursements				
Environmental Health	360,782	304,078	276,512	27,566
<i>Excess of Disbursements Over Receipts</i>	<u>(187,222)</u>	<u>(140,176)</u>	<u>(128,984)</u>	<u>11,192</u>
Other Financing Sources				
Transfers In	187,185	140,000	140,000	
<i>Net Change in Fund Balance</i>	(37)	(176)	11,016	11,192
<i>Prior Year Encumbrances Appropriated</i>	36	36	36	
<i>Fund Balance Beginning of Year</i>	<u>12,206</u>	<u>12,206</u>	<u>12,206</u>	
<i>Fund Balance End of Year</i>	<u>\$ 12,205</u>	<u>\$ 12,066</u>	<u>\$ 23,258</u>	<u>\$ 11,192</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Women, Infants, and Children's Fund
For the Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 300,462	\$ 328,046	\$ 338,248	\$ 10,202
Gifts and Contributions			100	100
Miscellaneous	100	100	1,765	1,665
<i>Total Receipts</i>	<u>300,562</u>	<u>328,146</u>	<u>340,113</u>	<u>11,967</u>
Disbursements				
Current:				
Women, Infant and Children (WIC)	\$ 300,562	319,495	315,388	4,107
<i>Excess of Receipts Over Disbursements</i>		<u>8,651</u>	<u>24,725</u>	<u>16,074</u>
Other Financing Uses				
Advance Out		\$ (8,651)	(8,651)	
<i>Net Change in Fund Balance</i>			16,074	16,074
<i>Fund Balance Beginning of Year</i>				
<i>Fund Balance End of Year</i>			<u>\$ 16,074</u>	<u>\$ 16,074</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Family Planning Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes				
Intergovernmental	\$ 90,000	\$ 157,326	\$ 141,576	\$ (15,750)
Charges for Services	65,000	65,000	78,836	13,836
Gifts & Contributions			4,944	4,944
Miscellaneous	99	99	10,165	10,066
<i>Total Receipts</i>	<u>155,099</u>	<u>222,425</u>	<u>235,521</u>	<u>13,096</u>
Disbursements				
Current:				
Family Planning (FP)	<u>176,387</u>	<u>268,713</u>	<u>248,845</u>	<u>19,868</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(21,288)</u>	<u>(46,288)</u>	<u>(13,324)</u>	<u>32,964</u>
Other Financing Sources				
Transfers In	<u>21,288</u>	<u>46,288</u>	<u>38,000</u>	<u>(8,288)</u>
<i>Net Change in Fund Balance</i>			24,676	24,676
<i>Fund Balance Beginning of Year</i>	<u>28,599</u>	<u>28,599</u>	<u>28,599</u>	
<i>Fund Balance End of Year</i>	<u>\$ 28,599</u>	<u>\$ 28,599</u>	<u>\$ 53,275</u>	<u>\$ 24,676</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 1 - REPORTING ENTITY

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

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

Primary Government

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

Public Entity Risk Pools

The Health Department participates in a public entity risk pools, and is associated with a related organization. This organization is presented in Note 5 to the financial statements.

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

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Health Department as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the Health Department that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health Department has no business-type activities.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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

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

Fund Accounting

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

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

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

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

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

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

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

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

Cash and Investments

The County Treasurer is the custodian for the Health Department's cash and investments. The County's cash and investment pool holds the Health Department's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

may be obtained from the County. This information may be obtained by writing Charlene E Lee, Fulton County Treasurer, 152 South Fulton Street, Wauseon Ohio 43567-1390 or by call 419-337-9252.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

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

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

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

Net Position

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

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

Fund Balance

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

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Committed - The committed fund balance classification includes amounts that can be used only for the specific purpose imposed by formal action (resolution) of the Board of Health. Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Health, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

The Health Department applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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 inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$95 for the Environmental fund and \$60 for the Family Planning.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 4 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Health Department. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes are levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2013.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2013 with real property taxes.

The full tax rate for all Health Department operations for the year ended December 31, 2013, was \$1 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2013 property tax receipts were based are as follows:

Real Property	\$542,565,000
Public Utility Personal Property	<u>39,746,000</u>
Total	<u><u>\$582,311,000</u></u>

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

Note 5 - Risk Management

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

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

The Health Department belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), 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.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 5 - RISK MANAGEMENT – (Continued)

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, 2012, 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.

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, 2012 and 2011 (the latest information available):

	2012	2011
Assets	\$34,389,569	\$33,362,404
Liabilities	\$(14,208,353)	\$(14,187,273)
Net Assets	\$20,181,216	\$19,175,131

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and 13.0 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$12.1 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the Health Department's share of these unpaid claims collectible in future years is approximately \$4,000.

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

Contributions to PEP	
2013	2012
\$5,476	\$4,745

After one year of membership, members may withdraw on each anniversary of the date they joined PEP, 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 budgetary 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.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 6 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description – The Health Department participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan 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. 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 by 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, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local classifications. For the year ended December 31, 2013, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local classifications may participate in all three plans. For 2013, member and employer contribution rates were consistent across all three plans.

The Health Department's 2013 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 1 percent for calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1 percent during calendar year 2013.

The Health Department's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$175,452, \$174,932, and \$164,411, respectively; 100 percent has been contributed for 2013 and 100 percent for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$6,357 made by the Health Department and \$4,541 made by plan members.

Social Security System

Under the Ohio Revised Code (ORC) 145.034, all employees covered by the Ohio Public Employees Retirement System (OPERS) have the option to choose Social Security as their desired retirement system. As of December 31, 2013, six members of the Health Department have elected Social Security. The Board's liability is 6.2 percent of wages.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 7 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care 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. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board 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 1 percent during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1 percent during the calendar year 2013.

The OPERS Retirement Board 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. Active members do not make contributions to the post-employment health care plan.

The Health Department's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$12,282, \$49,978, and \$46,972 respectively; 100 percent has been contributed for 2013, 2012, and 2011.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 8 – FUND BALANCES

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

Fund Balances	General Fund	Environ- mental Fund	WIC Fund	Family Planning Fund	Other Governmental Funds	Total
Restricted for						
Environmental		\$23,258				\$ 23,258
Women, Infants and Children			\$16,074			16,074
Breast and Cervical Cancer Prevention					\$ 38,791	38,791
Reproductive Health and Wellness				\$ 53,275		53,275
Immunization Action Plan					251	251
Child Health Services					3,982	3,982
<i>Total Restricted</i>		<u>23,258</u>	<u>16,074</u>	<u>53,275</u>	<u>43,024</u>	<u>135,631</u>
Committed to						
Epidemiologist (6 Pact Agreement)					18,557	18,557
<i>Total Committed</i>					<u>18,557</u>	<u>18,557</u>
Assigned to						
Interpreter		95		60		155
<i>Total Assigned</i>		<u>95</u>		<u>60</u>		<u>155</u>
Unassigned:	\$ 767,650					767,650
Total Fund Balances	<u>\$ 767,650</u>	<u>\$ 23,353</u>	<u>\$ 16,074</u>	<u>\$ 53,335</u>	<u>\$ 61,581</u>	<u>\$ 921,993</u>

Note 9 - INTERFUND TRANSACTIONS

During 2013 the following transfers were made from the following funds:

<u>Transfers To</u>	<u>Transfers From</u>
	General
Environmental	\$140,000
Family Planning	38,000
Total	<u>\$178,000</u>

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

The General Fund transferred monies in 2013 to the environmental fund because their fees and licenses do not cover their expenses for them to do the services required by the state. The General Fund also

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 9 - INTERFUND TRANSACTIONS – (Continued)

transferred monies to Family Planning Fund to help cover expenses incurred above the grant monies and project income received.

During 2013 the Health Department made an advance of \$5,925 from the General Fund to the Immunization Action Plan Fund. An advance of \$8,651 made in 2012 to the WIC Fund was returned.

Note 10 – CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Health Department are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

FEDERAL GRANTOR Pass-through Grantor Program Title	Federal CFDA Number	Project Number	Disbursements
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Drug Free Communities Support Program (Direct Grant)	93.276	5H79SP015851-04 5H79SP015851-05	\$ 112,195 14,860 <u>127,055</u>
<i>Passed Through the Ohio Department of Health</i>			
Public Health Emergency Preparedness	93.069	02610012PH0413	37,597
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	02610012PH0514	<u>43,264</u> 80,861
Reproductive Health and Wellness	93.217	02610011RH0213 02610011RH0314	52,582 <u>44,875</u> 97,457
Reproductive Health and Wellness	93.994	02610011RH0213	1,640
Immunization Action Plan - IAP	93.268	02610012IM0512 02610012IM0613	944 <u>60,679</u> 61,623
Centers for Disease Control and Prevention Investigations and Technical Assistance (BCCP)	93.283	02610014BC0613 02610014BC0714	52,724 <u>56,868</u> 109,592
Maternal and Child Health Services Block Grant to the States	93.994	02610011MC0613 02610011MC0714	21,427 <u>15,590</u> <u>37,017</u> <u>388,190</u>
<i>Passed Through Fulton County Job and Family Services</i>			
Temporary Assistance for Needy Families	93.558		<u>2,498</u>
Total United States Department of Health and Human Services			<u>390,688</u>
UNITED STATES DEPARTMENT OF EDUCATION <i>Passed Through the Ohio Department of Health</i>			
Special Education - Grants for Infants and Families (Help Me Grow)	84.181	02610011HG0413 02610011HG0514	27,156 <u>41,631</u> 68,787
Total United States Department of Education			<u>68,787</u>
UNITED STATES DEPARTMENT OF AGRICULTURE <i>Passed Through the Ohio Department of Health</i>			
Special Supplemental, Nutrition Program for Women, Infants, and Children	10.557	02610011WA0613 02610011WA0714	245,516 <u>62,890</u> 308,406
Total United States Department of Agriculture			<u>308,406</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION <i>Passed Through the Ohio Department of Public Safety</i>			
Safe and Community Highway Safety	20.600	SC-2014-26-00-00-00465-00	<u>3,440</u>
TOTAL FEDERAL AWARDS EXPENDITURES			\$ <u>898,376</u>

The accompanying notes are an integral part of this schedule.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – MATCHING REQUIREMENTS

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



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

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

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fulton County Health Department, Fulton County, Ohio (the Health Department) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Health Department's basic financial statements and have issued our report thereon dated June 26, 2014, wherein we noted the Health Department uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Health Department's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Health Department's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Health Department's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency in internal control. We consider finding 2013-001 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Health Department's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The Health Department's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Health Department's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Health Department's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Health Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

June 26, 2014



Dave Yost • Auditor of State

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

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

To the Board of Health:

Report on Compliance for Each Major Federal Program

We have audited Fulton County Health Department's, Fulton County, Ohio (the Health Department) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Health Department's major federal program for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Health Department's major federal program.

Management's Responsibility

The Health Department's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Health Department's compliance for the Health Department's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Health Department's major program. However, our audit does not provide a legal determination of the Health Department's compliance.

Opinion on the Major Federal Program

In our opinion, Fulton County Health Department, Fulton County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2013.

Report on Internal Control Over Compliance

The Health Department's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Health Department's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Health Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

June 26, 2014

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – CFDA # 10.557
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

Significant Deficiency - Fund Balance Classification

Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, introduces five fund balance classifications and clarifies the existing governmental fund type definitions. The fund balance classifications relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are nonspendable, restricted, committed, assigned and unassigned.

In governmental funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from expenditures exceeding amounts that have been restricted, committed, or assigned.

The Health Department had reported a negative fund balance of \$10,254 within the Preventive Health Emergency Preparedness (PHEP) funds since all restricted resources had been expended. Committed resources of \$28,811 were available for use at December 31, 2013 in this fund. An adjustment was recorded in the amount of \$10,254 to the financial statements to eliminate the unassigned deficit fund balance and reduce committed fund balance of the PHEP fund to \$18,557.

In order to ensure the Health Department's governmental fund balances are reported in accordance with GASB 54, we recommend the Health Department review Auditor of State Bulletin 2011-004.

Officials' Response:

In reviewing Auditor of State Bulletin 2011-004, it has been noted that the wrong amount was entered in the committed column for fiscal year 2013. Our paperwork for next year's report will have it in the correct classification.

3. FINDINGS FOR FEDERAL AWARDS

None



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FULTON COUNTY HEALTH DEPARTMENT

FULTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 10, 2014**