



Dave Yost • Auditor of State



**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

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 Franklin County Public Health, Franklin County, Ohio (the District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District'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 District'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 District'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 Franklin County Public Health, Franklin County, Ohio, as of December 31, 2014, and the respective changes in cash financial position and the respective budgetary comparison for the General Construction and Demolition Debris, Public Health Nursing, Environmental Health and Regional Public Health Emergency Preparedness Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

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

**Other Matters**

*Other Information*

We applied no procedures to the Management's Discussion & Analysis listed in the table of contents. Accordingly, 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 November 10, 2015, 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. 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 District's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 10, 2015

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

The discussion and analysis of 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, 2014, 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 2014 are as follows:

- Net position increased \$317,609 which represents a 16.99% increase from 2013.
- General receipts accounted for \$1,423,695, or 21.95% of all receipts. Program specific receipts, in the form of charges for services and sales and operating grants and contributions, accounted for \$5,063,639 or 78.05% of total revenues of \$6,487,334.
- The District had \$6,169,725 in disbursements related to governmental activities; program-specific charges for services, grants and contributions offset only \$5,063,639 of these disbursements. General receipts supporting governmental activities totaling \$1,411,381, including unrestricted grants and entitlements and miscellaneous receipts, were adequate to provide for these programs.
- The District's disbursements increased \$23,357 or 0.38% from the prior year. The decrease in contract services disbursements offset the increased disbursements in several other line items.

**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.

**Report Components**

The statement of net position - cash basis and the statement of activities - cash basis provide information about the cash activities of the District as a whole.

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 accounting principles generally accepted in the United States of America (GAAP). 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, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the effects of these items on revenues and expenses, are not recorded in these financial statements.

**Reporting the Board as a Whole**

The statement of net position - cash basis and the statement of activities - cash basis reflect how the District performed financially during 2014, 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 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 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 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, these changes are one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is an indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, considerations include other non-financial factors as well, such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, 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 District's services. The District has no business-type activities.

**Reporting the Board'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** - Most of 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 non-major 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 demo and debris fund, public health nursing fund, environmental health fund and regional public health emergency preparedness fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Fiduciary Fund** – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District's only fiduciary fund is an agency fund.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**The District as a Whole**

Table 1 provides a summary of the District's net position for 2014 compared to 2013 on a cash basis:

<b>Table 1</b>		
<b>Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2014</b>	<b>Restated 2013</b>
<b><u>Assets:</u></b>		
Cash and cash equivalents with fiscal agent	\$ 2,187,573	\$ 1,869,964
Total assets	\$ 2,187,573	\$ 1,869,964
<b><u>Net position:</u></b>		
Restricted	\$ 1,776,030	\$ 1,376,383
Unrestricted	411,543	493,581
Total net position	\$ 2,187,573	\$ 1,869,964

The District's net position at December 31, 2013 was restated as described in Note 9. The District's cash balance and net position at December 31, 2014 amounted to \$2,187,573. Of this amount, \$1,776,030 is restricted as to use.

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**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Table 2 reflects the change in net position in 2014 and provides a comparison to 2013:

<b>Table 2</b>			
<b>Changes in Net Position - Cash Basis</b>			
	<b>Governmental Activities</b>		<b>Change</b>
	<b>2014</b>	<b>Restated 2013</b>	
<b>Receipts:</b>			
Program cash receipts:			
Charges for services and sales	\$ 3,287,398	\$ 3,744,167	\$ (456,769)
Operating grants and contributions	1,776,241	1,473,403	302,838
<b>Total program cash receipts</b>	<b>5,063,639</b>	<b>5,217,570</b>	<b>(153,931)</b>
General receipts:			
Grants and entitlements not restricted			
by specific program	1,411,381	1,278,055	133,326
Miscellaneous	12,314	16,236	(3,922)
<b>Total general receipts</b>	<b>1,423,695</b>	<b>1,294,291</b>	<b>129,404</b>
<b>Total receipts</b>	<b>6,487,334</b>	<b>6,511,861</b>	<b>(24,527)</b>
<b>Disbursements:</b>			
Salaries	3,589,031	3,442,482	146,549
Supplies	208,293	218,417	(10,124)
Equipment	31,062	8,740	22,322
Contracts-repair	42,584	42,603	(19)
Contracts-services	538,136	840,200	(302,064)
Rentals	167,820	142,798	25,022
Travel and meetings	77,801	47,345	30,456
Advertising and printing	55,547	50,031	5,516
PERS	482,063	463,078	18,985
Workers' compensation	39,389	30,338	9,051
Other fringe benefits	937,999	860,336	77,663
<b>Total disbursements</b>	<b>6,169,725</b>	<b>6,146,368</b>	<b>23,357</b>
<b>Change in net position</b>	<b>317,609</b>	<b>365,493</b>	<b>(47,884)</b>
Net position at beginning of year (restated)	1,869,964	1,504,471	365,493
Net position at end of year	<u>\$ 2,187,573</u>	<u>\$ 1,869,964</u>	<u>\$ 317,609</u>

The District restated net position at December 31, 2013 as described in Note 9.

In 2014, program receipts represented 78.05% of total receipts and are primarily comprised of charges for services for food services licenses, trailer park, swimming pool and spas, and water system permits and state and federal operating grants. General receipts represent 21.95% of the District's total receipts, consisting mainly of receipts from other governments.

**Governmental Activities**

If you look at the statement of activities - cash basis, you will see that the first column lists the major disbursement functions of the District. The next column identifies the disbursement amounts associated with each function. The major function disbursements for governmental activities are for salaries and other fringe benefits, which account for 58.18% and 15.21%, 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 purpose. The net cost column compares the program receipts to the cost of the service.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

This "net cost" amount represents the cost of the service which ends up being paid from money provided by local townships, municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the statement.

	<b>Total Cost of Services 2014</b>	<b>Net Cost of Services 2014</b>	<b>Restated Total Cost of Services 2013</b>	<b>Restated Net Cost of Services 2013</b>
Disbursements:				
Salaries	\$ 3,589,031	\$ 429,538	\$ 3,442,482	\$ 430,081
Supplies	208,293	115,531	218,417	84,928
Equipment	31,062	21,936	8,740	4,865
Contracts-repair	42,584	21,583	42,603	22,016
Contracts-services	538,136	219,655	840,200	115,805
Rentals	167,820	81,280	142,798	75,852
Travel and meetings	77,801	25,626	47,345	12,608
Advertising and printing	55,547	39,050	50,031	27,429
PERS	482,063	58,407	463,078	58,511
Workers' compensation	39,389	2,320	30,338	(805)
Other fringe benefits	937,999	91,160	860,336	97,508
<b>Totals</b>	<b>\$ 6,169,725</b>	<b>\$ 1,106,086</b>	<b>\$ 6,146,368</b>	<b>\$ 928,798</b>

The District has tried to limit its dependence upon state and local subsidies by actively pursuing Federal grants and charging rates for services closely related to costs. Only 17.93% of the District's costs are supported through unrestricted grants and other general receipts.

**The District's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The focus of the District's governmental funds is to provide information on receipts, disbursements, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

At the end of 2014 the District had a total ending fund balance of \$2,187,573.

The general fund is the chief operating fund of the District. At the end of 2014, unassigned fund balance in the general fund was \$411,543. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to general fund disbursements. Unassigned fund balance represents 19.34% of the total general fund disbursements.

Disbursements exceeded receipts in the general fund by \$82,038 in 2014. Fees and charges for services account for 29.35% of receipts in the general fund. Intergovernmental receipts consist of payments from townships, villages and cities in the District. Salaries account for the majority of disbursements 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 from the purposes of proper disposal of debris. At the end of 2014, the fund balance was \$221,385.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 2014, disbursements from this fund in support of these programs were \$1,014,475.

The environmental health fund accounts for services provided by the environmental health division. The general services provided by this division are: community environmental health, food protection, plumbing inspections, solid waste and environmental crimes task force, and water and wastewater programs. During 2014, disbursements from this fund in support of these programs were \$2,717,007.

The regional public health emergency preparedness fund accounts for monies received and paid out for emergency preparedness activities throughout Central Ohio. The fund balance represents a grant from the Ohio Department of Health to provide for these programs. At the end of 2014, the fund balance was \$1,571.

**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 2014, the District amended its general fund budget several times. For the general fund, final budgeted receipts were \$2,053,293, which is greater than original budgeted receipts of \$1,979,638. Actual receipts for 2014 were \$2,046,870; this represents a \$6,423 decrease from final budgeted receipts.

General fund final budgeted disbursements were \$2,311,522, which were greater than original budgeted disbursements of \$2,237,867. Actual budget-basis disbursements for 2014 totaled \$2,128,908 and were \$182,614 less than the final budget.

**Capital Assets**

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Board'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, Director of Finance and Business Operations, 280 East Broad Street, Room 200, Columbus, Ohio 43215.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2014**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
Cash and cash equivalents with fiscal/escrow agents . . . . .	\$ 2,187,573
 Total assets . . . . .	 <u>\$ 2,187,573</u>
 <b>Net position</b>	
Restricted for:	
Public health nursing . . . . .	\$ 280,502
Environmental health . . . . .	1,080,351
Construction and demolition debris . . . . .	221,385
Other purposes. . . . .	193,792
Unrestricted. . . . .	<u>411,543</u>
 Total net position . . . . .	 <u>\$ 2,187,573</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

		<b>Program Cash Receipts</b>		<b>Net (Disbursements) Receipts and Changes in Net Position</b>
	<b>Cash Disbursements</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental activities:</b>				
Salaries. . . . .	\$ 3,589,031	\$ 2,040,022	\$ 1,119,471	\$ (429,538)
PERS. . . . .	482,063	271,145	152,511	(58,407)
Workers' compensation. . . . .	39,389	21,007	16,062	(2,320)
Other fringe benefits. . . . .	937,999	532,367	314,472	(91,160)
Supplies. . . . .	208,293	69,987	22,775	(115,531)
Equipment. . . . .	31,062	8,764	362	(21,936)
Travel, meeting and memberships. . . . .	77,801	30,076	22,099	(25,626)
Contract - services. . . . .	538,136	208,091	110,390	(219,655)
Contract - repairs. . . . .	42,584	16,125	4,876	(21,583)
Rentals. . . . .	167,820	74,200	12,340	(81,280)
Advertising and promotion. . . . .	55,547	15,614	883	(39,050)
<b>Total governmental activities. . . . .</b>	<b>\$ 6,169,725</b>	<b>\$ 3,287,398</b>	<b>\$ 1,776,241</b>	<b>(1,106,086)</b>
<b>General receipts:</b>				
Grants and entitlements not restricted to specific programs. . . . .				1,411,381
Miscellaneous . . . . .				12,314
<b>Total general receipts. . . . .</b>				<b>1,423,695</b>
Change in net position . . . . .				317,609
<b>Net position at beginning of year (restated) . . . . .</b>				<b>1,869,964</b>
<b>Net position at end of year . . . . .</b>				<b>\$ 2,187,573</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	General	Construction and Demolition Debris	Public Health Nursing	Environmental Health	Regional Public Health Emergency Preparedness	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents with fiscal/escrow agent. . . . .	\$ 411,543	\$ 221,385	\$ 280,502	\$ 1,080,351	\$ 1,571	\$ 192,221	\$ 2,187,573
<b>Fund balances</b>							
Restricted:							
Public health nursing . . . . .	\$ -	\$ -	\$ 280,502	\$ -	\$ -	\$ -	\$ 280,502
Environmental health . . . . .	-	-	-	1,080,351	-	-	1,080,351
Construction and demolition debris . . . . .	-	221,385	-	-	-	-	221,385
Other purposes. . . . .	-	-	-	-	1,571	192,221	193,792
Unassigned . . . . .	411,543	-	-	-	-	-	411,543
Total fund balances. . . . .	\$ 411,543	\$ 221,385	\$ 280,502	\$ 1,080,351	\$ 1,571	\$ 192,221	\$ 2,187,573

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	General	Construction and Demolition Debris	Public Health Nursing	Environmental Health	Regional Public Health Emergency Preparedness	Nonmajor Governmental Funds	Total Governmental Funds
<b>Receipts:</b>							
Charges for services. . . . .	\$ 600,668	\$ 194,059	\$ 49,611	\$ 420,384	\$ -	\$ 12,129	\$ 1,276,851
Fines, licenses and permits. . . . .	-	-	-	1,934,765	-	75,782	2,010,547
Intergovernmental. . . . .	1,436,172	-	970,356	689,073	92,021	-	3,187,622
Miscellaneous . . . . .	10,030	75	599	1,578	-	32	12,314
Total receipts. . . . .	<u>2,046,870</u>	<u>194,134</u>	<u>1,020,566</u>	<u>3,045,800</u>	<u>92,021</u>	<u>87,943</u>	<u>6,487,334</u>
<b>Disbursements:</b>							
Current:							
Health:							
Salaries. . . . .	1,009,167	54,576	656,320	1,798,903	33,998	36,067	3,589,031
PERS. . . . .	136,306	7,641	91,593	236,802	4,671	5,050	482,063
Workers' compensation. . . . .	8,435	1,207	11,782	17,171	486	308	39,389
Other fringe benefits. . . . .	238,355	16,153	195,331	467,684	8,958	11,518	937,999
Supplies. . . . .	161,759	1,011	18,920	11,016	-	15,587	208,293
Equipment. . . . .	31,062	-	-	-	-	-	31,062
Travel, meetings & memberships. . . . .	26,733	195	8,154	23,159	11,635	7,925	77,801
Contract - services. . . . .	307,367	531	29,552	111,184	72,180	17,322	538,136
Contract - repairs. . . . .	31,955	-	2,573	8,056	-	-	42,584
Rentals. . . . .	122,472	-	-	43,032	-	2,316	167,820
Advertising and promotion. . . . .	55,297	-	250	-	-	-	55,547
Total disbursements . . . . .	<u>2,128,908</u>	<u>81,314</u>	<u>1,014,475</u>	<u>2,717,007</u>	<u>131,928</u>	<u>96,093</u>	<u>6,169,725</u>
Net change in fund balances . . . . .	(82,038)	112,820	6,091	328,793	(39,907)	(8,150)	317,609
<b>Fund balances at beginning of year (restated). . . . .</b>	493,581	108,565	274,411	751,558	41,478	200,371	1,869,964
<b>Fund balances at end of year . . . . .</b>	<u>\$ 411,543</u>	<u>\$ 221,385</u>	<u>\$ 280,502</u>	<u>\$ 1,080,351</u>	<u>\$ 1,571</u>	<u>\$ 192,221</u>	<u>\$ 2,187,573</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Charges for services . . . . .	\$ 568,000	\$ 600,000	\$ 600,668	\$ 668
Intergovernmental . . . . .	1,411,638	1,443,293	1,436,172	(7,121)
Miscellaneous . . . . .	-	10,000	10,030	30
<b>Total receipts . . . . .</b>	<u>1,979,638</u>	<u>2,053,293</u>	<u>2,046,870</u>	<u>(6,423)</u>
<b>Disbursements:</b>				
Current:				
Health:				
Salaries . . . . .	1,090,881	1,080,914	1,009,167	71,747
Fringe benefits . . . . .	462,448	435,543	383,096	52,447
Materials and services . . . . .	669,538	763,126	705,583	57,543
Capital outlay . . . . .	15,000	31,939	31,062	877
<b>Total disbursements . . . . .</b>	<u>2,237,867</u>	<u>2,311,522</u>	<u>2,128,908</u>	<u>182,614</u>
Net change in fund balance . . . . .	(258,229)	(258,229)	(82,038)	176,191
<b>Fund balance at beginning of year . . . . .</b>	493,581	493,581	493,581	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 235,352</u>	<u>\$ 235,352</u>	<u>\$ 411,543</u>	<u>\$ 176,191</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Charges for services. . . . .	\$ 93,750	\$ 136,250	\$ 194,059	\$ 57,809
Miscellaneous . . . . .	-	-	75	75
<b>Total receipts. . . . .</b>	<u>93,750</u>	<u>136,250</u>	<u>194,134</u>	<u>57,884</u>
<b>Disbursements:</b>				
Current:				
Health:				
Salaries. . . . .	10,400	12,220	54,576	(42,356)
Fringe benefits. . . . .	3,640	6,760	25,001	(18,241)
Materials and services. . . . .	61,750	78,910	1,737	77,173
<b>Total disbursements . . . . .</b>	<u>75,790</u>	<u>97,890</u>	<u>81,314</u>	<u>16,576</u>
Net change in fund balance . . . . .	17,960	38,360	112,820	74,460
<b>Fund balance at beginning of year (restated). . . . .</b>	<u>108,565</u>	<u>108,565</u>	<u>108,565</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 126,525</u>	<u>\$ 146,925</u>	<u>\$ 221,385</u>	<u>\$ 74,460</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
PUBLIC HEALTH NURSING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Charges for services. . . . .	\$ 45,000	\$ 45,000	\$ 49,611	\$ 4,611
Intergovernmental . . . . .	940,000	940,000	970,356	30,356
Miscellaneous . . . . .	-	-	599	599
<b>Total receipts. . . . .</b>	<u>985,000</u>	<u>985,000</u>	<u>1,020,566</u>	<u>35,566</u>
<b>Disbursements:</b>				
Current:				
Health:				
Salaries. . . . .	685,677	690,677	656,320	34,357
Fringe benefits. . . . .	325,895	325,895	298,706	27,189
Materials and services. . . . .	115,300	115,300	59,449	55,851
<b>Total disbursements . . . . .</b>	<u>1,126,872</u>	<u>1,131,872</u>	<u>1,014,475</u>	<u>117,397</u>
Net change in fund balance . . . . .	(141,872)	(146,872)	6,091	152,963
<b>Fund balance at beginning of year. . . . .</b>	274,411	274,411	274,411	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 132,539</u>	<u>\$ 127,539</u>	<u>\$ 280,502</u>	<u>\$ 152,963</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ENVIRONMENTAL HEALTH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Charges for services. . . . .	\$ 475,000	\$ 475,000	\$ 420,384	\$ (54,616)
Fines, licenses and permits. . . . .	2,002,348	2,002,348	1,934,765	(67,583)
Intergovernmental . . . . .	569,685	569,685	689,073	119,388
Miscellaneous . . . . .	-	-	1,578	1,578
Total receipts. . . . .	<u>3,047,033</u>	<u>3,047,033</u>	<u>3,045,800</u>	<u>(1,233)</u>
<b>Disbursements:</b>				
Current:				
Health:				
Salaries. . . . .	1,855,102	1,855,102	1,798,903	56,199
Fringe benefits. . . . .	869,860	869,860	721,657	148,203
Materials and services. . . . .	671,500	671,500	196,447	475,053
Total disbursements . . . . .	<u>3,396,462</u>	<u>3,396,462</u>	<u>2,717,007</u>	<u>679,455</u>
Net change in fund balance . . . . .	(349,429)	(349,429)	328,793	678,222
<b>Fund balance at beginning of year (restated). . . . .</b>	<u>751,558</u>	<u>751,558</u>	<u>751,558</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 402,129</u>	<u>\$ 402,129</u>	<u>\$ 1,080,351</u>	<u>\$ 678,222</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
REGIONAL PUBLIC HEALTH EMERGENCY PREPAREDNESS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental . . . . .	\$ 125,000	\$ 143,000	\$ 92,021	\$ (50,979)
Total receipts. . . . .	<u>125,000</u>	<u>143,000</u>	<u>92,021</u>	<u>(50,979)</u>
<b>Disbursements:</b>				
Current:				
Health:				
Salaries. . . . .	59,000	38,500	33,998	4,502
Fringe benefits. . . . .	23,183	18,683	14,115	4,568
Materials and services. . . . .	45,000	88,000	83,815	4,185
Total disbursements . . . . .	<u>127,183</u>	<u>145,183</u>	<u>131,928</u>	<u>13,255</u>
Net change in fund balance . . . . .	(2,183)	(2,183)	(39,907)	(37,724)
<b>Fund balance at beginning of year. . . . .</b>	41,478	41,478	41,478	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 39,295</u>	<u>\$ 39,295</u>	<u>\$ 1,571</u>	<u>\$ (37,724)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS  
FIDUCIARY FUND  
DECEMBER 31, 2014**

	<b>Agency</b>
<b>Assets</b>	
Cash and cash equivalents with fiscal/escrow agents . . . . .	\$ 134,316
Total assets . . . . .	\$ 134,316
 <b>Net position</b>	
Held for other agencies. . . . .	\$ 134,316
Total net position . . . . .	\$ 134,316

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 1 - REPORTING ENTITY**

Franklin County Public Health (the "District") 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 five member Board appointed by the District Advisory Council governs the District. The Board appoints a health commissioner and all employees of the District.

**A. 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 Board's management believes these financial statements present all activities for which the Board is financially accountable.

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District, and are significant in amount to the District and organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. The District has no component units.

**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). GAAP includes 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 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 position - cash basis and a statement of activities - cash basis, and fund financial statements, which provide a more detailed level of financial information.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Government-wide Financial Statements*

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements show those activities of the District that are governmental. Governmental activities generally are financed through intergovernmental receipts or other nonexchange transactions.

The statement of net position - cash basis presents the cash balance of the governmental activities of the District at year-end. The statement of activities - cash basis compares disbursements and program receipts for each program or 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, 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.

*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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

**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. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary funds. 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:

*General Fund* - The general fund accounts for and reports 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.

*Construction and Demolition Debris Fund* - This fund accounts for monies received and paid out for the disposal of debris from construction and demolition sites.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Public Health Nursing Fund* - This fund accounts for monies received from charges for services and grants to provide immunization clinics, physicals and general health services.

*Environmental Health Fund* - This fund accounts for monies received from subdivision tax, grants, and licenses and permit fees to provide for public inspections, licenses and testing.

*Regional Public Health Emergency Preparedness Fund* - This fund accounts for monies received from a grant from the Ohio Department of Health to provide for emergency preparedness activities throughout Central Ohio.

The other governmental funds of the District are used to account for and report grants and other resources, the use of which is restricted for a particular purpose.

*Fiduciary Funds*

Fiduciary fund reporting focuses on net cash assets and changes in net cash position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for cash assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District does not have any trust funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The District's agency fund accounts for monies held that are due to other agencies.

**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 and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency 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, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Board may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the function level for all funds.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Ohio Revised Code (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 Board 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 Board.

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 amounts reported as the final budgeted amounts represent the final appropriations passed by the Board during the year.

**E. Cash and Investments**

In accordance with the Ohio Revised Code, the District's cash is held and invested by the Franklin County Treasurer, who acts as custodian for the District's monies. The District's assets are held in the County Treasurer's cash and investment pool, and are valued at the Treasurer's reported carrying amount. Individual fund integrity is maintained through District records. Deposits and investment 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, 21<sup>st</sup> Floor, Columbus, Ohio 43215.

**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.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**G. 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.

**H. Employer Contributions to Cost-Sharing Pension Plans**

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

**I. 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.

**J. 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.

**K. 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.

**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 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 another financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

**M. Net Position**

Net position is reported as restricted to the extent of limitations imposed on its use, either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes monies restricted by grantors and reported in special revenue funds.

The Board's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**N. Fund Balance**

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

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

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

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board 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 District 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 or a District official delegated that authority by resolution, or by State statute.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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 disbursements to the funds that initially paid for them are not presented in the financial statements.

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For 2014, the District has implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the District.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the District.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balance - budget basis presented for the general fund, construction and demolition debris fund, public health nursing fund, environmental health fund and regional public health emergency preparedness fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**NOTE 5 - RISK MANAGEMENT**

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

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

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.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**NOTE 5 - RISK MANAGEMENT - (Continued)**

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, 2014, PEP retained \$350,000 for casualty claims and \$100,000 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.

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2014 and 2013:

<u>Casualty &amp; Property Coverage</u>	<u>2014</u>	<u>2013</u>
Assets	\$35,402,177	\$34,411,883
Liabilities	(12,363,257)	(12,760,194)
Net Position	<u>\$23,038,920</u>	<u>\$21,651,689</u>

At December 31, 2013 and 2014, respectively, the liabilities above include approximately 11.6 million and \$11.1 million of estimated incurred claims payable. The assets above also include approximately \$11.1 million and \$10.8 million of unpaid claims to be billed. The Pool's membership increased from 475 members in 2013 to 488 members in 2014. These amounts will be included in future contributions from members when the related claims are due for payment.

As of December 31, 2014, the District's share of these unpaid claims collectible in future years is approximately \$25,000.

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 liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**NOTE 5 - RISK MANAGEMENT - (Continued)**

<b><u>Contributions to PEP</u></b>	
2012	\$37,454
2013	\$40,145
2014	\$38,363

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

**NOTE 6 - PENSION PLAN**

Plan Description - The District 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% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the 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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to 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 statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rates were 10.00% for members. The District's contribution rate for 2014 was 14.00% of covered payroll.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This accounting standard replaces GASB Statement No. 27, and is effective for employers fiscal years beginning after June 15, 2014. OPERS recommends employers begin a dialog with their external auditors to determine the impact this standard will have on employer financial statements.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**NOTE 7 - POSTRETIREMENT BENEFIT 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.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide Other Post-Employment Benefits (OPEB) 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 healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to

OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2014 was 2.00%.

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 healthcare plan.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**NOTE 8 - CONTINGENCIES AND GRANTS**

**(a) Grants**

The District receives significant financial assistance from numerous federal, State, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District; however in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**(b) Litigation**

There are currently a few matters in litigation with the District as a defendant. It is the opinion of management that the potential claims against the District not covered by insurance would not materially affect the financial statements.

**NOTE 9 - RESTATEMENT OF BEGINNING BALANCES**

For 2014, the District reclassified certain activities to an agency fund. A restatement of beginning balances is required to properly report this activity. The effect of the restatement is reported in the table below:

	Governmental Activities	General	Construction Demo Debris	Public Health Nursing	Environmental Health	Other Governmental	Total Governmental
Net position/fund balance 12/31/13	\$ 1,976,828	\$ 493,581	\$ 208,222	\$ 274,411	\$ 752,121	\$ 248,493	\$ 1,976,828
Reclassification to agency	(106,864)	-	(99,657)	-	(563)	(6,644)	(106,864)
Restated net position fund balance 1/1/14	\$ 1,869,964	\$ 493,581	\$ 108,565	\$ 274,411	\$ 751,558	\$ 241,849	\$ 1,869,964

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# Dave Yost • Auditor of State

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

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

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 the Franklin County Public Health, Franklin County, (the District) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 10, 2015, wherein we noted the District 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 District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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 District'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. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

***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, 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*.

***District's Response to Findings***

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District'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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 10, 2015

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2014**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2014-001**

**Material Weakness — Financial Reporting**

Sound financial reporting is the responsibility of District's management and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The lack or failure of reporting controls can result in errors and irregularities going undetected and decreases the reliability of the financial data throughout the year.

During testing, we noted Agency fund activity receipted or expended as Governmental activity in fiscal year 2014 as follows:

- Remittance to State expenditures of \$758,600.
- Charges for Services revenues of \$628,378.
- License, Fees and Permits of \$158,274.

We also noted that the District's Opening Equity for Agency Activity was \$106,864.

These amounts were adjusted for reporting purposes to a newly created Agency Fund from the applicable Governmental Funds in 2014 and subsequently to the Franklin County accounting system in fiscal year 2015 for any cash differences at the end of fiscal year 2014.

In addition, there were three reclassifications to the financial statements:

- Charges for Services of \$97,038 were reclassified to Intergovernmental Revenue in the Public Health Nursing Fund as this was a non-exchange grant activity.
- Charges for Services of \$50,142 were reclassified to Intergovernmental Revenue in the Environmental Health Fund as this was a non-exchange grant activity.
- Grants and entitlements not restricted of \$24,791 were reclassified to Operating Grants and Contributions in the government wide statements as this was a specific program related activity.

We recommend the District develop policies and procedures over financial transactions to enhance its controls over accuracy and completeness thereby increasing the reliability of the financial data throughout the year. Such procedures may include a review of the financial ledgers and statements by management to ensure transactions are properly coded and presented on the financial statements.

**Officials' Response**

The agency has requested from the Franklin County Auditor that new agency funds be created for use in the 2015 Annual Financial Statement and for future financial statements for the purpose of segregating the fees due to other agencies in Funds 9028, 9038 and 9044
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# Dave Yost • Auditor of State

**FRANKLIN COUNTY 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  
DECEMBER 1, 2015**