



Dave Yost • Auditor of State



**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Public Health, Franklin County, Ohio (the District), as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Public Health, Franklin County, Ohio, as of December 31, 2011, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General, Public Health Nursing, Environmental Health, and Construction Demo and Debris Funds thereof for the year then ended in conformity with the accounting basis Note 2 describes.

As described in Note 7, Franklin County Public Health adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the District's financial statements taken as a whole. Management's Discussion and Analysis includes tables of net assets, changes in net assets and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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.

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

December 14, 2012

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED**

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The discussion and analysis of the Franklin County Public Health's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2011, 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 2011 are as follows:

- Net assets increased \$381,916.
- Program specific receipts in the form of charges for services and fees and operating grants and contributions comprise the largest percentage of the District's receipts, making up almost 65% of all the dollars coming into the District. General receipts in the form of unrestricted grants and miscellaneous receipts make up the other 35%.
- The District had \$6,491,866 in disbursements during 2011.

**Using the Basic Financial Statements**

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

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

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

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

**Basis of Accounting**

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

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED  
(Continued)**

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**Basis of Accounting (Continued)**

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

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2011, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year-end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

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

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

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

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

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



**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED  
(Continued)**

**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2011 compared to 2010 on a cash basis:

**Table 1  
Net Assets – Cash Basis**

	<b>Governmental Activities</b>		
	<b>2011</b>	<b>2010</b>	<b>Change</b>
Assets			
Cash with Fiscal Agent	\$ 1,611,269	\$ 1,229,350	\$ 381,919
 Total Assets	 1,611,269	 1,229,350	 381,919
 Net Assets			
Restricted	1,237,787	952,528	285,259
Unrestricted	373,482	276,822	96,660
 Total Net Assets	 \$1,611,269	 \$1,229,350	 \$381,919

As mentioned previously, net assets increased \$381,919 as a result of decreased expenditures compared to revenues.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED  
(Continued)**

Table 2 reflects the change in net assets in 2011 and provides a comparison to prior year amounts.

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities</b>		
	<b>2011</b>	<b>2010</b>	<b>Change</b>
<b>Receipts</b>			
Program Cash Receipts			
Charges for Services	\$ 4,042,888	\$ 4,543,356	\$ (500,468)
Operating Grants and Contributions	393,307	882,689	(489,382)
<b>Total Program Cash Receipts</b>	<b>4,436,195</b>	<b>5,426,045</b>	<b>(989,850)</b>
General Receipts			
Grants and Entitlements not Restricted to Specific Programs	2,387,054	2,570,717	(183,663)
Miscellaneous	50,533	50,533	-
<b>Total General Receipts</b>	<b>2,437,587</b>	<b>2,621,250</b>	<b>(183,663)</b>
<b>Total Receipts</b>	<b>6,873,782</b>	<b>8,047,295</b>	<b>(1,173,513)</b>
<b>Disbursements</b>			
Salaries	\$ 3,160,535	3,206,486	(45,951)
Supplies	449,843	243,657	206,186
Remittances to State	407,640	470,488	(62,848)
Equipment	98,075	82,555	15,520
Contracts-Repair	40,334	33,188	7,146
Contracts - Services	892,127	2,673,911	(1,781,784)
Rentals	102,311	100,789	1,522
Travel and Meetings	53,352	51,710	1,642
Advertising and Printing	63,466	70,642	(7,176)
Public Employee's Retirement	448,085	465,605	(17,520)
Worker's Compensation	32,801	32,512	289
Unemployment Compensation	408	4,325	(3,917)
Other Fringe Benefits	742,889	722,899	19,990
<b>Total Disbursements</b>	<b>6,491,866</b>	<b>8,158,767</b>	<b>(1,666,901)</b>
<b>Change in Net Assets</b>	<b>381,916</b>	<b>(111,472)</b>	<b>493,388</b>
<b>Net Assets Beginning of Year</b>	<b>1,229,353</b>	<b>1,340,825</b>	<b>(111,472)</b>
<b>Net Assets End of Year</b>	<b>\$ 1,611,269</b>	<b>\$ 1,229,353</b>	<b>\$ 381,916</b>

In 2011, 35% percent of the District's total receipts were from general receipts, consisting mainly of revenue from other governments. Program receipts accounted for 65% percent of the District's total receipts in year 2011. These receipts consist primarily of charges for services for food service licenses, trailer park, swimming pools and spas, and water system permits and state and federal operating grants. The decrease in receipts and disbursements is mainly due to the discontinuation of the CDBG Federal program through HUD and a shift in tipping fees from the District to the City of Columbus for 2011.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED  
(Continued)**

**Governmental Activities**

If you look at the Statement of Activities – Cash Basis, you will see that the first column lists the major expenditure functions of the District. The next column identifies the expenditure amounts associated with each function. The major function disbursements for governmental activities are for payroll and contracted services, which account for 49% and 14% of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific service. The net cost column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service, which ends up being paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts, which are presented at the bottom of the Statement.

	<b>Total Cost of Services 2010</b>	<b>Net Cost of Services 2010</b>	<b>Total Cost of Services 2010</b>	<b>Net Cost of Services 2010</b>
Salaries	\$ 3,160,535	\$ 1,141,948	\$ 3,206,486	\$ 1,381,390
Supplies	449,843	235,096	243,657	113,903
Remittances to State	407,640	67,149	470,488	84,794
Equipment	98,075	37,995	82,555	47,332
Contracts - Repair	40,334	22,068	33,188	19,070
Contracts - Services	892,127	3,925	2,673,911	434,445
Rentals	102,311	56,594	100,789	51,094
Travel and Meetings	53,352	22,045	51,710	23,925
Advertising and Printing	63,466	34,536	70,642	40,534
Public Employees' Retirement	448,085	165,399	465,605	216,241
Workers' Compensation	32,801	10,906	32,512	14,670
Unemployment Compensation	408	227	4,325	2,505
Other Fringe Benefits	742,889	257,782	722,899	302,819
<b>Totals</b>	<b>6,491,866</b>	<b>2,055,670</b>	<b>8,158,767</b>	<b>2,732,722</b>

The District has tried to limit its dependence upon state and local subsidies by actively pursuing Federal grants and charging rates for services that are closely related to costs. Only 35% of the District costs are supported through unrestricted grants and other general receipts.

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

**The District's Funds**

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

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

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

Management's Discussion and Analysis  
For the Year Ended December 31, 2011  
Unaudited  
(Continued)

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**The District's Funds (Continued)**

At the end of 2011 the District had a total ending fund balance of all funds of \$1,611,269.

The General Fund is the chief operating fund of the District. At the end of 2011, unassigned fund balance in the General Fund was \$373,482. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 17% of the total general fund expenditures.

Expenditures exceeded receipts in the general fund by \$96,659 in 2011. Fees and Charges for Services account for 43% of revenues in the General Fund. Intergovernmental revenues consist of payments from the townships, villages, and cities in the District. Salaries account for the majority of expenditures in the General Fund.

The Construction and Demo Debris Fund accounts for monies received and paid out for the disposal of debris from construction and demolition of buildings and other structures. The fund balance represents charges for services and state grant money that has been received for the purposes of proper disposal of debris. At the end of 2011, the fund balance was \$199,171.

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 2011, expenditures from this fund in support of these programs were \$958,277.

The Environmental Health fund accounts for the services provided by the Environmental Health Division. The general services provided by this division are: community environment health, food protection, plumbing inspections, solid waste and nail-a-dumper program, and water and wastewater programs. During 2011, expenditures from this fund in support of these programs were \$2,573,517.

**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 2011, the District amended its appropriations several times, and the budgetary statement reflects both the original and final appropriated amounts. There were no significant changes between the original and the final estimated receipts. Appropriations for materials and services increased due to the need for additional contracted services due to increased programs.

**Contacting the District's Financial Management**

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

FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2011

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents with Fiscal/Escrow Agents	<u>\$ 1,611,269</u>
<i>Total Assets</i>	<u><u>\$ 1,611,269</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$ 1,237,787
Unrestricted	<u>373,482</u>
<i>Total Net Assets</i>	<u><u>\$ 1,611,269</u></u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Program Cash			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Current:				
Salaries	\$ 3,160,535	\$ 2,002,187	\$ 16,400	\$ (1,141,948)
PERS Contribution	448,085	282,686	-	(165,399)
Other Fringe Benefits	742,889	478,298	6,809	(257,782)
Workers Comp	32,801	21,895	-	(10,906)
Unemployment	408	181	-	(227)
Supplies	449,843	214,726	21	(235,096)
Equipment	98,075	60,080	-	(37,995)
Travel, Meeting, and Memberships	53,352	30,802	505	(22,045)
Contract - Services	892,127	518,630	369,572	(3,925)
Contract - Repairs	40,334	18,266	-	(22,068)
Rentals	102,311	45,717	-	(56,594)
Advertising and Promotion	63,466	28,930	-	(34,536)
Remittance to State	407,640	340,491	-	(67,149)
<i>Total Governmental Activities</i>	<u>\$ 6,491,866</u>	<u>\$ 4,042,888</u>	<u>\$ 393,307</u>	<u>(2,055,671)</u>
General Receipts:				
Grants/Entitlements not Restricted to Specific Programs				2,387,054
Miscellaneous				50,533
<i>Total General Receipts</i>				<u>2,437,587</u>
Change in Net Assets				381,916
<i>Net Assets Beginning of Year</i>				<u>1,229,353</u>
<i>Net Assets End of Year</i>				<u>\$ 1,611,269</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011**

	General Fund	Construction And Demo Debris	Public Health Nursing	Environmental Health	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Cash Equivalents with Fiscal/Escrow Agents	\$ 373,482	\$ 199,171	\$ 181,572	\$ 612,000	\$ 245,044	\$ 1,611,269
<i>Total Assets</i>	<u>\$ 373,482</u>	<u>\$ 199,171</u>	<u>\$ 181,572</u>	<u>\$ 612,000</u>	<u>\$ 245,044</u>	<u>\$ 1,611,269</u>
<b>Fund Balances</b>						
Restricted	\$ -	\$ 199,171	\$ 181,572	\$ 612,000	\$ 245,044	\$ 1,237,787
Unassigned (Deficit)	<u>373,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,482</u>
<i>Total Fund Balances</i>	<u>\$ 373,482</u>	<u>\$ 199,171</u>	<u>\$ 181,572</u>	<u>\$ 612,000</u>	<u>\$ 245,044</u>	<u>\$ 1,611,269</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General Fund	Construction And Demo Debris	Public Health Nursing	Environmental Health	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Charges for Services	\$ 1,002,622	\$ 389,327	\$ 538,936	\$ 214,754	\$ 24,580	\$ 2,170,219
Fines, Licenses and Permits	-	-	-	1,749,913	122,756	1,872,669
Intergovernmental:	1,338,281	-	491,958	799,576	147,316	2,777,131
Miscellaneous	19,452	-	-	34,311	-	53,763
<i>Total Receipts</i>	<u>2,360,355</u>	<u>389,327</u>	<u>1,030,894</u>	<u>2,798,554</u>	<u>294,652</u>	<u>6,873,782</u>
<b>Disbursements</b>						
Current:						
Salaries	898,547	89,973	580,596	1,501,970	89,449	3,160,535
PERS Contribution	134,324	12,596	77,115	211,483	12,567	448,085
Other Fringe Benefits	183,202	27,620	142,982	364,008	25,077	742,889
Workers Comp	7,252	667	3,871	20,351	660	32,801
Unemployment	408	-	-	-	-	408
Supplies	332,703	402	90,464	5,093	21,181	449,843
Equipment	49,236	25,310	-	12,700	10,829	98,075
Travel, Meeting, and Memberships	23,409	3,577	6,581	11,550	8,235	53,352
Contract - Services	441,166	33,716	50,957	286,444	79,844	892,127
Contract - Repairs	36,974	-	3,360	-	-	40,334
Rentals	99,271	-	600	-	2,440	102,311
Advertising and Promotion	57,204	-	1,751	-	4,511	63,466
Remittance to State	-	247,722	-	159,918	-	407,640
<i>Total Disbursements</i>	<u>2,263,696</u>	<u>441,583</u>	<u>958,277</u>	<u>2,573,517</u>	<u>254,793</u>	<u>6,491,866</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>96,659</u>	<u>(52,256)</u>	<u>72,617</u>	<u>225,037</u>	<u>39,859</u>	<u>381,916</u>
<i>Fund Balances Beginning of Year</i>	<u>276,823</u>	<u>251,427</u>	<u>108,955</u>	<u>386,963</u>	<u>205,185</u>	<u>1,229,353</u>
<i>Fund Balances End of Year</i>	<u>\$ 373,482</u>	<u>\$ 199,171</u>	<u>\$ 181,572</u>	<u>\$ 612,000</u>	<u>\$ 245,044</u>	<u>\$ 1,611,269</u>

See accompanying notes to the basic financial statements



**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Charges for Services	\$ 933,483	\$ 933,483	\$ 1,002,622	\$ 69,139
Fines, Licenses and Permits	-	-	-	-
Intergovernmental:	1,245,996	1,245,996	1,338,281	92,285
Miscellaneous	18,111	18,111	19,452	1,341
<i>Total Receipts</i>	<u>2,197,590</u>	<u>2,197,590</u>	<u>2,360,355</u>	<u>162,765</u>
<b>Disbursements</b>				
Current:				
Salaries	959,486	959,486	898,751	60,735
Fringe Benefits	374,155	374,155	324,982	49,173
Materials and Services	1,069,941	1,069,941	990,727	79,214
Capital Outlay	69,900	69,900	49,236	20,664
<i>Total Disbursements</i>	<u>2,473,482</u>	<u>2,473,482</u>	<u>2,263,696</u>	<u>209,786</u>
<i>Net Change in Fund Balance</i>	(275,892)	(275,892)	96,659	372,551
<i>Fund Balance Beginning of Year</i>	<u>276,823</u>	<u>276,823</u>	<u>276,823</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 931</u>	<u>\$ 931</u>	<u>\$ 373,482</u>	<u>\$ 372,551</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
CONSTRUCTION AND DEMOLITION DEBRIS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Charges for Services	\$ 325,000	\$ 325,000	\$ 389,327	\$ 64,327
<i>Total Receipts</i>	<u>325,000</u>	<u>325,000</u>	<u>389,327</u>	<u>64,327</u>
<b>Disbursements</b>				
Current:				
Salaries	98,000	98,000	89,973	8,027
Fringe Benefits	43,000	43,000	40,883	2,117
Materials and Services	357,000	357,000	310,727	46,273
<i>Total Disbursements</i>	<u>498,000</u>	<u>498,000</u>	<u>441,583</u>	<u>56,417</u>
<i>Net Change in Fund Balance</i>	(173,000)	(173,000)	(52,256)	120,744
<i>Fund Balance Beginning of Year</i>	<u>251,427</u>	<u>251,427</u>	<u>251,427</u>	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 78,427</u>	<u>\$ 78,427</u>	<u>\$ 199,171</u>	<u>\$ 120,744</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
PUBLIC HEALTH NURSING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Charges for Services	\$ 524,353	\$ 524,353	\$ 538,936	\$ 14,583
Intergovernmental:	478,647	478,647	491,958	13,311
<i>Total Receipts</i>	1,003,000	1,003,000	1,030,894	27,894
<b>Disbursements</b>				
Current:				
Salaries	669,361	669,361	580,596	88,765
Fringe Benefits	261,478	261,478	223,968	37,510
Materials and Services	159,000	159,000	153,713	5,287
<i>Total Disbursements</i>	1,089,839	1,089,839	958,277	131,562
<i>Net Change in Fund Balance</i>	(86,839)	(86,839)	72,617	159,456
<i>Fund Balance Beginning of Year</i>	108,955	108,955	108,955	-
<i>Unencumbered Fund Balance End of Year</i>	\$ 22,116	\$ 22,116	\$ 181,572	\$ 159,456

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ENVIRONMENTAL HEALTH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Charges for Services	\$ 192,290	\$ 196,127	\$ 214,754	\$ 18,627
Fines, Licenses and Permits	1,566,863	1,598,128	1,749,913	151,785
Intergovernmental:	715,936	730,222	799,576	69,354
Miscellaneous	30,722	31,335	34,311	2,976
<i>Total Receipts</i>	<u>2,505,811</u>	<u>2,555,811</u>	<u>2,798,554</u>	<u>242,743</u>
<b>Disbursements</b>				
Current:				
Salaries	1,492,657	1,520,792	1,501,970	18,822
Fringe Benefits	617,035	628,665	595,842	32,823
Materials and Services	530,501	540,500	463,005	77,495
Capital Outlay	12,465	12,700	12,700	-
<i>Total Disbursements</i>	<u>2,652,657</u>	<u>2,702,657</u>	<u>2,573,517</u>	<u>129,140</u>
<i>Net Change in Fund Balance</i>	(146,846)	(146,846)	225,037	371,883
<i>Fund Balance Beginning of Year</i>	<u>386,963</u>	<u>386,963</u>	<u>386,963</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 240,117</u>	<u>\$ 240,117</u>	<u>\$ 612,000</u>	<u>\$ 371,883</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**Note 1 - Reporting Entity**

The 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 of Health appointed by the District Advisory Council governs the District. The Board appoints a health commissioner and all employees of the District.

***Primary Government***

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

The District's management believes these financial statements present all activities for which the District 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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements. Following are the more significant of the District's accounting policies.

***Basis of Presentation***

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

***Government-Wide Financial Statement***--The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities 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 or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the District.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

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

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

**Fund Accounting**

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

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

**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 District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

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

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

**Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

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

***Budgetary Process***

All funds are legally required to be budgeted and appropriated. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, 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 disbursements plus encumbrances at the level of control selected by the Board of Health. The legal level of control has been established by the Board at the function level for all funds.

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

ORC Section 3709.28 establishes budgetary requirements for the District, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the District must adopt an itemized appropriation measure. The appropriation measure, together with an itemized estimate of revenues to be collected during the next fiscal year, shall be certified to the county budget commission. Subject to estimated resources, the 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 of Health.

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 Board during the year.

***Cash and Investments***

The County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. Requests for the financial statements of Franklin County should be addressed to the Franklin County Auditor, Fiscal Services Division, 373 South High Street, 21<sup>st</sup> Floor, Columbus, Ohio 432215.

***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.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

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

***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.

***Capital Assets***

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

***Interfund Receivables/Payables***

The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities 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 District's cash basis of accounting.

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

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 5 and 6, the employer contributions include portions for pension benefits and for postretirement health care benefits.

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

***Net Assets***

Net assets are 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 assets restricted for other purposes primarily include monies restricted by grantors and reported in special revenue funds.

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



**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

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

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

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the 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 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 of Health 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 amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District 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 interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating 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.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

**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 Balances – Budget and Actual – Budgetary Basis presented for the General, Construction and Demo Debris, Public Health Nursing and Environmental Health funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 4 – Risk Management**

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

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

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, 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, 2011 and 2010):

	<u>2011</u>	<u>2010</u>
Assets	\$33,362,404	\$34,952,010
Liabilities	<u>(14,187,273)</u>	<u>(14,320,812)</u>
Net Assets	<u>\$19,175,131</u>	<u>\$20,631,198</u>

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

**Note 4 – Risk Management (Continued)**

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13 million and \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Government's share of these unpaid claims collectible in future years is approximately \$35,646.

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.

<b><u>Contributions to PEP</u></b>	
<b><u>2011</u></b>	<b><u>2010</u></b>
\$38,746	\$38,972

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 5 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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 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.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

**Note 5 - Defined Benefit Pension Plans (Continued)**

***Ohio Public Employees Retirement System (Continued)***

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.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The 2011 member contribution rates were 10.0% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 11.0% and 11.6%, respectively. The 2011 employer contribution rate for state and local employees was 14.0% of covered payroll.

The District's required employer contributions for 2011, 2010 and 2009 are \$448,085, \$465,605 and \$477,207 respectively. The District has made 100% of required contribution for 2011, 2010 and 2009.

**Note 6 - 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 health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide 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.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

**Note 6 - Postemployment Benefits (Continued)**

***Ohio Public Employees Retirement System (Continued)***

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits.

The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's contributions allocated to fund post-employment health care benefits for the year ended December 31, 2011 is \$128,018.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

**Note 7 – Change in Accounting Principle and Fund Balances**

For fiscal year 2011, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a governmental is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on the fund balance of the District's funds.

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District 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.

**FRANKLIN COUNTY PUBLIC HEALTH  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

**Note 7 – Change in Accounting Principle and Fund Balances (Continued)**

Fund Balances	General Fund	Construction And Demo Debris	Public Health Nursing	Environmental Health	Other Governmental Funds
<b>Restricted for</b>					
Construction Demo	0	199,171	0	0	0
Public Health Nursing	0	0	181,572	0	0
Environmental Health	0	0	0	612,000	0
Other	0	0	0	0	245,044
<i>Total Restricted</i>	<u>0</u>	<u>199,171</u>	<u>181,572</u>	<u>612,000</u>	<u>245,044</u>
Unassigned (deficits):	<u>373,482</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances</i>	<u><u>\$373,482</u></u>	<u><u>\$199,171</u></u>	<u><u>\$181,572</u></u>	<u><u>\$612,000</u></u>	<u><u>\$245,044</u></u>

**Note 8 – Contingent Liabilities**

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



# Dave Yost • Auditor of State

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

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

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Public Health, Franklin County, (the District) as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2012, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles and also noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

### **Compliance and Other Matters**

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

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 14, 2012.

We intend this report solely for the information and use of management, the Board of Health, and others within the District. We intend it for no one other than these specified parties.

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

**Dave Yost**  
Auditor of State

December 14, 2012





# 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  
JANUARY 22, 2013**