

FRANKLIN COUNTY PUBLIC HEALTH

FRANKLIN COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2017





Dave Yost • Auditor of State

Board of Health
Franklin County Public Health
280 East Broad St. Ste 200
Columbus, OH 43215

We have reviewed the *Independent Auditor's Report* of the Franklin County Public Health, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Franklin County Public Health is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

September 11, 2018

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

**CASH BASIS BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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 cash basis 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, 2017, 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 the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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, 2017, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Construction and Demolition Debris Fund, Prevention and Wellness Fund, Environmental Health Fund, 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

We applied no procedures to Management's Discussion & Analysis as 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 June 22, 2018 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 not to provide an opinion on the effectiveness of the District's internal control 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 and compliance.



Charles E. Harris & Associates, Inc.
June 22, 2018

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)**

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, 2017, 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 2017 are as follows:

- Net position increased \$36,175 which represents a 1.08% increase from 2016.
- General receipts accounted for \$1,542,509, or 18.67% of all receipts. Program specific receipts, in the form of charges for services and sales and operating grants and contributions, accounted for \$6,719,086 or 81.33% of total revenues of \$8,261,595.
- The District had \$8,225,420 in disbursements related to governmental activities; program-specific charges for services, grants and contributions offset only \$6,719,086 of these disbursements. General receipts supporting governmental activities totaling \$1,542,509, including unrestricted grants and entitlements and miscellaneous receipts, were adequate to provide for these programs.
- The District's disbursements increased \$710,949 or 9.47% from the prior year. The increase was primarily due to increases in disbursements related to the prevention and wellness fund and the environmental health fund.

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, 2017
(UNAUDITED)

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 2017, 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.

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 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 demo and debris fund, prevention and wellness 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, 2017
(UNAUDITED)

The District as a Whole

Table 1 provides a summary of the District's net position for 2017 compared to 2016 on a cash basis:

**Table 1
Net Position**

	Governmental Activities	
	2017	2016
<u>Assets:</u>		
Cash and cash equivalents with fiscal agent	\$ 3,389,099	\$ 3,352,924
Total assets	<u>\$ 3,389,099</u>	<u>\$ 3,352,924</u>
<u>Net position:</u>		
Restricted	\$ 2,896,926	\$ 2,687,220
Unrestricted	492,173	665,704
Total net position	<u>\$ 3,389,099</u>	<u>\$ 3,352,924</u>

The District's cash balance and net position at December 31, 2017 amounted to \$3,389,099. Of this amount, \$2,896,926 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, 2017
(UNAUDITED)

Table 2 reflects the change in net position in 2017 and provides a comparison to 2016:

**Table 2
Changes in Net Position - Cash Basis**

	Governmental Activities		Change
	2017	2016	
Receipts:			
Program cash receipts:			
Charges for services and sales	\$ 3,944,200	\$ 3,610,362	\$ 333,838
Operating grants and contributions	2,774,886	2,603,612	171,274
Total program cash receipts	<u>6,719,086</u>	<u>6,213,974</u>	<u>505,112</u>
General receipts:			
Grants and entitlements not restricted			
by specific program	1,535,662	1,400,507	135,155
Miscellaneous	6,847	15,630	(8,783)
Total general receipts	<u>1,542,509</u>	<u>1,416,137</u>	<u>126,372</u>
Total receipts	<u>8,261,595</u>	<u>7,630,111</u>	<u>631,484</u>
Disbursements:			
Salaries	4,234,791	4,154,720	80,071
Supplies	334,068	234,733	99,335
Other	-	8,889	(8,889)
Equipment	23,770	-	23,770
Contracts-repair	42,632	41,374	1,258
Contracts-services	1,267,696	996,588	271,108
Rentals	180,965	193,727	(12,762)
Travel and meetings	103,538	87,743	15,795
Advertising and printing	65,948	35,711	30,237
PERS	582,497	558,774	23,723
Workers' compensation	39,900	37,788	2,112
Other fringe benefits	1,349,615	1,164,424	185,191
Total disbursements	<u>8,225,420</u>	<u>7,514,471</u>	<u>710,949</u>
Change in net position	36,175	115,640	(79,465)
Net position at beginning of year	<u>3,352,924</u>	<u>3,237,284</u>	<u>115,640</u>
Net position at end of year	<u>\$ 3,389,099</u>	<u>\$ 3,352,924</u>	<u>\$ 36,175</u>

In 2017, program receipts represented 81.33% 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 18.67% of the District's total receipts, consisting mainly of receipts from other governments.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

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 51.49% and 16.41%, 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. 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.

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Disbursements:				
Salaries	\$ 4,234,791	\$ 794,806	\$ 4,154,720	\$ 608,475
Supplies	334,068	59,443	234,733	28,585
Other	-	-	8,889	6,878
Equipment	23,770	(606)	-	-
Contracts-repair	42,632	8,292	41,374	18,447
Contracts-services	1,267,696	214,075	996,588	329,341
Rentals	180,965	63,472	193,727	53,470
Travel and meetings	103,538	22,355	87,743	22,963
Advertising and printing	65,948	27,202	35,711	6,655
PERS	582,497	105,010	558,774	78,335
Workers' compensation	39,900	7,152	37,788	5,443
Other fringe benefits	1,349,615	205,133	1,164,424	141,905
Totals	<u>\$ 8,225,420</u>	<u>\$ 1,506,334</u>	<u>\$ 7,514,471</u>	<u>\$ 1,300,497</u>

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 18.32% 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 2017 the District had a total ending fund balance of \$3,389,099.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)**

The general fund is the chief operating fund of the District. At the end of 2017, unassigned fund balance in the general fund was \$167,534. 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 7.57% of the total general fund disbursements.

Disbursements exceeded receipts in the general fund by \$173,531 in 2017. Fees and charges for services account for 22.69% of receipts in the general fund. Intergovernmental receipts consist of payments from townships, villages and cities in the District. Salaries and benefits 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 2017, the fund balance was \$514,780.

The prevention and wellness fund accounts for the services provided by the prevention and wellness division. These services include immunizations, seasonal flu program, communicable disease program, as well as operating the Bureau for Children with Mental Handicaps (BCMh Program). During 2017, disbursements from this fund in support of these programs were \$2,202,326.

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 2017, disbursements from this fund in support of these programs were \$3,507,647.

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 2017, the fund balance was \$91,103.

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 2017, the District amended its general fund budget several times. For the general fund, final budgeted receipts were \$2,088,033, which were greater than original budgeted receipts of \$1,882,435. Actual receipts for 2017 were \$2,041,877; this represents a \$46,156 decrease from final budgeted receipts.

General fund final budgeted disbursements were \$2,484,484, which were less than original budgeted disbursements of \$2,245,829. Actual budget-basis disbursements for 2017 totaled \$2,215,408 and were \$269,076 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)**

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.

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

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2017

	Governmental Activities
Assets	
Cash and cash equivalents with fiscal/escrow agents	\$ 3,389,099
Total assets	\$ 3,389,099
 Net position	
Restricted for:	
Prevention and wellness.	\$ 674,354
Environmental health	1,400,916
Construction and demolition debris	514,780
Other purposes.	306,876
Unrestricted.	492,173
Total net position	\$ 3,389,099

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, 2017

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Salaries.	\$ 4,234,791	\$ 2,034,301	\$ 1,405,684	\$ (794,806)
PERS	582,497	281,619	195,868	(105,010)
Workers' compensation.	39,900	18,945	13,803	(7,152)
Other fringe benefits	1,349,615	665,244	479,238	(205,133)
Supplies.	334,068	115,327	159,298	(59,443)
Equipment.	23,770	19,757	4,619	606
Travel, meeting and memberships	103,538	52,066	29,117	(22,355)
Contract - services.	1,267,696	623,067	430,554	(214,075)
Contract - repairs.	42,632	21,402	12,938	(8,292)
Rentals.	180,965	94,523	22,970	(63,472)
Advertising and promotion.	65,948	17,949	20,797	(27,202)
Total governmental activities.	<u>\$ 8,225,420</u>	<u>\$ 3,944,200</u>	<u>\$ 2,774,886</u>	<u>(1,506,334)</u>
General receipts:				
Grants and entitlements not restricted to specific programs.				1,535,662
Miscellaneous				6,847
Total general receipts				<u>1,542,509</u>
Change in net position				36,175
Net position at beginning of year				<u>3,352,924</u>
Net position at end of year				<u>\$ 3,389,099</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General	Construction and Demolition Debris	Prevention and Wellness	Environmental Health
Assets				
Cash and cash equivalents with fiscal/escrow agent.	\$ 492,173	\$ 514,780	\$ 674,354	\$ 1,400,916
Fund balances				
Restricted:				
Prevention and wellness	\$ -	\$ -	\$ 674,354	\$ -
Environmental health	-	-	-	1,400,916
Construction and demolition debris	-	514,780	-	-
Other purposes.	-	-	-	-
Assigned:				
Subsequent year appropriation	324,639	-	-	-
Unassigned	167,534	-	-	-
Total fund balances.	\$ 492,173	\$ 514,780	\$ 674,354	\$ 1,400,916

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Regional Public Health Emergency Preparedness	Nonmajor Governmental Funds	Total Governmental Funds
<u>\$ 91,103</u>	<u>\$ 215,773</u>	<u>\$ 3,389,099</u>
\$ -	\$ -	\$ 674,354
-	-	1,400,916
-	-	514,780
91,103	215,773	306,876
-	-	324,639
-	-	167,534
<u>\$ 91,103</u>	<u>\$ 215,773</u>	<u>\$ 3,389,099</u>

**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, 2017

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>Prevention and Wellness</u>	<u>Environmental Health</u>
Receipts:				
Charges for services.	\$ 463,173	\$ 140,309	\$ 312,666	\$ 705,555
Fines, licenses and permits.	-	-	-	2,209,927
Intergovernmental.	1,575,454	-	1,839,978	681,541
Miscellaneous.	3,250	-	-	3,597
Total receipts.	<u>2,041,877</u>	<u>140,309</u>	<u>2,152,644</u>	<u>3,600,620</u>
Disbursements:				
Current:				
Health:				
Salaries.	1,137,466	52,474	1,175,821	1,789,700
PERS.	151,100	7,346	164,072	248,873
Workers' compensation.	10,237	491	11,842	16,616
Other fringe benefits.	298,721	14,976	404,941	599,581
Supplies.	90,012	-	135,789	78,372
Equipment.	-	-	-	23,770
Travel, meetings & memberships	33,691	-	14,262	51,713
Contract - services.	363,518	-	258,162	580,234
Contract - repairs.	11,125	-	10,319	21,188
Rentals.	84,690	-	5,083	88,535
Advertising and promotion.	34,848	-	22,035	9,065
Total disbursements	<u>2,215,408</u>	<u>75,287</u>	<u>2,202,326</u>	<u>3,507,647</u>
Net change in fund balances	(173,531)	65,022	(49,682)	92,973
Fund balances at beginning				
of year.	665,704	449,758	724,036	1,307,943
Fund balances at end of year	<u>\$ 492,173</u>	<u>\$ 514,780</u>	<u>\$ 674,354</u>	<u>\$ 1,400,916</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Regional Public Health Emergency Preparedness	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,621,703
-	112,570	2,322,497
213,575	-	4,310,548
-	-	6,847
<u>213,575</u>	<u>112,570</u>	<u>8,261,595</u>
32,479	46,851	4,234,791
4,547	6,559	582,497
292	422	39,900
11,224	20,172	1,349,615
17,082	12,813	334,068
-	-	23,770
3,857	15	103,538
56,301	9,481	1,267,696
-	-	42,632
-	2,657	180,965
-	-	65,948
<u>125,782</u>	<u>98,970</u>	<u>8,225,420</u>
87,793	13,600	36,175
3,310	202,173	3,352,924
<u>\$ 91,103</u>	<u>\$ 215,773</u>	<u>\$ 3,389,099</u>

**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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Charges for services	\$ 342,500	\$ 402,455	\$ 463,173	\$ 60,718
Intergovernmental	1,539,935	1,682,578	1,575,454	(107,124)
Miscellaneous	-	3,000	3,250	250
Total receipts.	<u>1,882,435</u>	<u>2,088,033</u>	<u>2,041,877</u>	<u>(46,156)</u>
Disbursements:				
Current:				
Health:				
Salaries.	1,149,793	1,199,510	1,137,466	62,044
Fringe benefits.	556,198	583,480	460,056	123,424
Materials and services	539,838	701,494	617,886	83,608
Total disbursements.	<u>2,245,829</u>	<u>2,484,484</u>	<u>2,215,408</u>	<u>269,076</u>
Net change in fund balance	(363,394)	(396,451)	(173,531)	222,920
Fund balance at beginning of year.	<u>665,704</u>	<u>665,704</u>	<u>665,704</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 302,310</u>	<u>\$ 269,253</u>	<u>\$ 492,173</u>	<u>\$ 222,920</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Charges for services	\$ 125,000	\$ 125,000	\$ 140,309	\$ 15,309
Total receipts	<u>125,000</u>	<u>125,000</u>	<u>140,309</u>	<u>15,309</u>
Disbursements:				
Current:				
Health:				
Salaries	60,000	60,000	52,474	7,526
Fringe benefits	35,000	35,000	22,813	12,187
Materials and services	5,000	5,000	-	5,000
Capital outlay	35,000	35,000	-	35,000
Total disbursements	<u>135,000</u>	<u>135,000</u>	<u>75,287</u>	<u>59,713</u>
Net change in fund balance	(10,000)	(10,000)	65,022	75,022
Fund balance at beginning of year	<u>449,758</u>	<u>449,758</u>	<u>449,758</u>	<u>-</u>
Fund balance at end of year	<u>\$ 439,758</u>	<u>\$ 439,758</u>	<u>\$ 514,780</u>	<u>\$ 75,022</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
PREVENTION AND WELLNESS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Charges for services	\$ 417,000	\$ 88,147	\$ 312,666	\$ 224,519
Intergovernmental	1,552,633	1,916,833	1,839,978	(76,855)
Miscellaneous	112,000	112,000	-	(112,000)
Total receipts	<u>2,081,633</u>	<u>2,116,980</u>	<u>2,152,644</u>	<u>35,664</u>
Disbursements:				
Current:				
Health:				
Salaries.	1,396,065	1,385,065	1,175,821	209,244
Fringe benefits.	747,713	747,713	580,856	166,857
Materials and services	436,700	483,047	445,649	37,398
Total disbursements.	<u>2,580,478</u>	<u>2,615,825</u>	<u>2,202,326</u>	<u>413,499</u>
Net change in fund balance	(498,845)	(498,845)	(49,682)	449,163
Fund balance at beginning of year.	724,036	724,036	724,036	-
Fund balance at end of year.	<u>\$ 225,191</u>	<u>\$ 225,191</u>	<u>\$ 674,354</u>	<u>\$ 449,163</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Charges for services.	\$ 885,258	\$ 927,758	\$ 705,555	\$ (222,203)
Fines, licenses and permits.	1,622,000	1,746,000	2,209,927	463,927
Intergovernmental	426,000	652,500	681,541	29,041
Miscellaneous	-	10,770	3,597	(7,173)
Total receipts.	<u>2,933,258</u>	<u>3,337,028</u>	<u>3,600,620</u>	<u>263,592</u>
Disbursements:				
Current:				
Health:				
Salaries.	1,892,960	1,892,960	1,789,700	103,260
Fringe benefits.	1,081,681	1,081,681	865,071	216,610
Materials and services	687,000	1,055,950	829,106	226,844
Capital outlay.	-	24,050	23,770	280
Total disbursements.	<u>3,661,641</u>	<u>4,054,641</u>	<u>3,507,647</u>	<u>546,994</u>
Net change in fund balance	(728,383)	(717,613)	92,973	810,586
Fund balance at beginning of year.	<u>1,307,943</u>	<u>1,307,943</u>	<u>1,307,943</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 579,560</u>	<u>\$ 590,330</u>	<u>\$ 1,400,916</u>	<u>\$ 810,586</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 135,096	\$ 233,477	\$ 213,575	\$ (19,902)
Total receipts.	<u>135,096</u>	<u>233,477</u>	<u>213,575</u>	<u>(19,902)</u>
Disbursements:				
Current:				
Health:				
Salaries.	60,000	34,515	32,479	2,036
Fringe benefits.	28,000	28,000	16,063	11,937
Materials and services	49,000	84,378	77,240	7,138
Total disbursements.	<u>137,000</u>	<u>146,893</u>	<u>125,782</u>	<u>21,111</u>
Net change in fund balance	(1,904)	86,584	87,793	1,209
Fund balance at beginning of year.	<u>3,310</u>	<u>3,310</u>	<u>3,310</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,406</u>	<u>\$ 89,894</u>	<u>\$ 91,103</u>	<u>\$ 1,209</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, 2017

	<u>Agency</u>
Assets	
Cash and cash equivalents with fiscal/escrow agents	\$ 64,766
Total assets	<u>\$ 64,766</u>
Net position	
Held for other agencies.	\$ 64,766
Total net position	<u>\$ 64,766</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, prevention and wellness, 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, 2017

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 Demo 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, 2017

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

Prevention and Wellness Fund - This fund, previously known as the Public Health Nursing 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, 2017

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, 21st 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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.

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:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For 2017, the District has implemented GASB Statement No. 80, “*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*”, GASB Statement No. 81 “*Irrevocable Split-Interest Agreements*”, and GASB Statement No. 82, “*Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*”.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 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 demo debris fund, prevention and wellness 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 loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - RISK MANAGEMENT - (Continued)

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, 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 net position at December 31, 2017:

<u>Casualty & Property Coverage</u>	<u>2017</u>
Assets	\$44,452,326
Liabilities	<u>(13,004,011)</u>
Net Position	<u>\$31,448,315</u>

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the District's share of these unpaid claims collectible in 2017 years is approximately \$26,000.

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.

<u>Contributions to PEP</u>	
2017	\$41,244

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - RISK MANAGEMENT - (Continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

NOTE 6 - PENSION PLAN

Plan Description - District employees participate 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 and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 6 - PENSION PLAN - (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 6 - PENSION PLAN - (Continued)

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The District’s contractually required contribution was \$582,497 for year 2017.

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/financial/reports.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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 7 - POSTRETIREMENT BENEFIT PLAN - (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, 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 2017 was 1.00% or \$41,607.

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.

NOTE 8 - CONTINGENCIES AND 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.

The District received the following significant grants in 2017 from the Ohio Department of Health:

Regional Public Health Emergency Preparedness Grant: CFDA 93.074; Project 02510012PH0817/02510012PH0918 – These funds are received for Regional Emergency Preparedness.

Tobacco Use Prevention and Cessation Grant: CFDA 93.305; Project 02510014TU0117/02510014TU0218 – These funds were received for smoking cessation initiatives.

Community Cessation Initiative: Project 02510014C10118 – These funds were received for smoking cessation for individuals and was implemented in late 2017 with no expenditure activity until 2018. The funds are derived from the State General Revenue Fund and referenced by H.B. 49 and are not federal dollars.

Prescription Drug Overdose Prevention Grant: CFDA 93.136; Project 02510014PD0118 – These funds were received to address the opioid crisis in our county. The program was implemented in late 2017 with little expenditure activity.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Public Health, Franklin County, Ohio (the District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 22, 2018, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

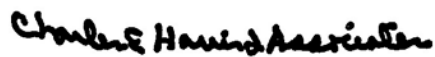
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 22, 2018



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
SEPTEMBER, 25 2018