



Dave Yost • Auditor of State

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Board of Health, Franklin County, Ohio, as of December 31, 2013, and the respective changes in cash financial position and the respective budgetary comparison

for the General, Construction Debris and Demolition, Public Health Nursing and Environmental Health thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Matters

Supplemental and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

August 5, 2014

**FRANKLIN COUNTY PUBLIC HEALTH DISTRICT
FRANKLIN COUNTY**

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

This 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, 2013, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

- Net position of the district increased \$365,509 from the prior year.
- In 2013 program receipts represent 82% of total receipts and are primarily comprised of charges for services for food services licenses, trailer park, swimming pools and spas, and water system permits and state and federal operating grants. General receipts represent 18% of the district's total receipts, consisting mainly of revenue from other governments.
- The District had \$6,816,889 in disbursements during 2013.

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

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 to an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

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, 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 District-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 DISTRICT
FRANKLIN COUNTY**

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

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 position and the statement of activities reflect how the District did financially during 2013, within the limitations of cash basis 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 cash disbursements with program receipts for each governmental program 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 nonfinancial factors as well such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth.

In 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 District's Most Significant Funds

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 non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund, Construction Demo and Debris, Public Health Nursing Fund, and Environmental Health Fund. The programs reported in governmental funds are closely related to those reported in the Governmental activities section of the entity-wide statements.

**FRANKLIN COUNTY PUBLIC HEALTH DISTRICT
FRANKLIN COUNTY**

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

The District as a Whole

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

Table 1			
Net Assets – Cash Basis			
Governmental Activities			
	2013	2012	Change
Assets			
Cash with Fiscal Agent	\$ 1,976,828	\$ 1,611,319	\$ 365,509
Total Assets	1,976,828	1,611,319	365,509
Net Assets			
Restricted	1,483,247	1,235,740	247,507
Unrestricted	493,581	375,579	118,002
Total Net Assets	<u>\$1,976,828</u>	<u>\$1,611,319</u>	<u>\$365,509</u>

As mentioned previously, net position of governmental activities increased \$365,509 as a result of decrease expenditures compared to revenues.

**FRANKLIN COUNTY PUBLIC HEALTH DISTRICT
FRANKLIN COUNTY**

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

Table 2 reflects the changes in net position on a cash basis in 2013 and 2012 for governmental activities.

(Table 2)

Changes in Net Position

	Governmental		Change
	Activities		
	2013	2012	2013
Receipts:			
Program Receipts:			
Charges for Services	\$4,414,705	\$3,531,796	\$882,909
Operating Grants and Contributions	1,473,403	1,534,921	(61,518)
Total Program Receipts	<u>5,888,108</u>	<u>5,066,717</u>	<u>821,391</u>
General Receipts:			
Grants and Entitlements Not Restricted			
to Specific Programs	1,278,055	1,315,394	(37,339)
Miscellaneous	16,236	53,518	(37,282)
Total General Receipts	<u>1,294,291</u>	<u>1,368,912</u>	<u>(74,621)</u>
Total Receipts	<u>7,182,399</u>	<u>6,435,629</u>	<u>746,770</u>
Disbursements:			
Salaries	3,442,482	3,283,466	159,016
Supplies	218,417	257,701	(39,284)
Remittance to State	614,158	496,698	117,460
Equipment	8,740	33,841	(25,101)
Contracts-Repair	42,603	39,551	3,052
Contracts-Services	896,564	840,864	55,700
Rentals	142,798	93,066	49,732
Travel and Meetings	47,345	54,399	(7,054)
Advertising and Printing	50,031	61,945	(11,914)
PERS	463,078	447,272	15,806
Worker's Compensation	30,338	36,545	(6,207)
Unemployment Compensation		0	0
Other Fringe Benefits	860,336	790,231	70,105
Total Disbursements	<u>6,816,890</u>	<u>6,435,579</u>	<u>381,311</u>
Change in Net Position	<u>365,509</u>	<u>50</u>	<u>365,459</u>
Net Position, January 1, 2013	<u>1,611,319</u>	<u>1,611,269</u>	<u>1,611,319</u>
Net Position, December 31, 2013	<u>\$1,976,828</u>	<u>\$1,611,319</u>	<u>\$365,509</u>

**FRANKLIN COUNTY PUBLIC HEALTH DISTRICT
FRANKLIN COUNTY**

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

In 2013 program receipts represent 82% of total receipts and are primarily comprised of charges for services for food services licenses, trailer park, swimming pools and spas, and water system permits and state and federal operating grants. General receipts represent 18% of the district's total receipts, consisting mainly of revenue from other governments.

Governmental Activities

If you look at the Statement of Activities-Cash Basis, you will see that the first column lists the major 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 50% and 13% 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, 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

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
Salaries	\$3,442,791	\$430,081	\$3,283,466	\$714,013
Supplies	\$218,417	\$84,928	\$257,701	\$56,997
Remittance to State	614,158	47,936	496,698	55,137
Equipment	8,740	4,865	33,841	(19,392)
Contracts-Repair	42,603	22,016	39,551	26,794
Contracts-Services	896,564	67,853	840,864	147,908
Rentals	142,798	75,852	93,066	67,442
Travel and Meetings	47,345	12,608	54,399	15,228
Advertising and Printing	50,031	27,429	61,945	44,113
PERS	463,078	58,511	447,272	88,808
Worker's Compensation	30,338	(805)	36,545	8,384
Other Fringe Benefits	860,027	97,508	790,231	163,430
Total Expenses	\$6,816,890	\$928,782	\$6,435,579	\$1,368,862

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 19% of the District cost 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 balances 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 DISTRICT
FRANKLIN COUNTY**

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

At the end of 2013 the District had a total ending fund balance of \$1,976,828.

The General Fund is the chief operating fund of the District. At the end of 2013, unassigned fund balance in the General fund was \$493,581. 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 23% of the total general fund expenditures.

Receipts exceeded expenditures in the General fund by \$118,002 in 2013. Fees and charges for services account for 24% 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 2013, the fund balance was \$208,222.

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 2013, expenditures from this fund in support of these programs were \$966,106.

The Environmental Health fund accounts for the 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 nail-a-dumper program, and water and wastewater programs. During 2013, expenditures from this fund in support of these programs were \$2,861,496.

General Fund Budgeting Highlights

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

During 2013, 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.

Significant differences from Final Budgeted amount to Actual are due to re-categorization of actual amounts for the General Fund, Construction Demo and Debris, Public Health Nursing Fund and the Environmental Health Fund.

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 monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to John Wolf, Director of Finance and Business Operations, 280 East Broad Street, Room 200 Columbus, Ohio, 43215.

FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2013

	Governmental Activities
Assets	
Cash and Cash Equivalents with Fiscal/Escrow Agents	\$ 1,976,828
<i>Total Assets</i>	<u>1,976,828</u>
Net Position	
Restricted for:	1,483,247
Other Purposes	
Unrestricted	<u>493,581</u>
<i>Total Net Position</i>	<u>\$ 1,976,828</u>

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Program Cash			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Salaries	\$ 3,442,482	\$ 2,152,876	\$ 859,525	\$ (430,081)
PERS Contribution	463,078	287,547	117,020	(58,511)
Other Fringe Benefits	860,336	538,494	224,334	(97,508)
Workers Comp	30,338	17,969	13,174	805
Supplies	218,417	114,687	18,802	(84,928)
Equipment	8,740	3,875	-	(4,865)
Travel Meeting, and Memberships	47,345	27,507	7,230	(12,608)
Contract- Services	896,564	626,493	202,218	(67,853)
Contract- Repairs	42,603	19,637	950	(22,016)
Rentals	142,798	65,812	1,134	(75,852)
Advertising & Promotion	50,031	22,346	256	(27,429)
Remittance to State	614,158	537,462	28,760	(47,936)
<i>Total Governmental Activities</i>	<u>\$ 6,816,890</u>	<u>\$ 4,414,705</u>	<u>\$ 1,473,403</u>	<u>(928,782)</u>
General Receipts:				
Grants/Entitlements not Restricted to Specific Programs				1,278,055
Miscellaneous				<u>16,236</u>
<i>Total General Receipts</i>				<u>1,294,291</u>
Change in Net Position				365,509
<i>Net Position Beginning of Year</i>				<u>1,611,319</u>
<i>Net Position End of Year</i>				<u>\$ 1,976,828</u>

See accompanying notes to the basic financial statements

FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY

STATEMENT OF ASSETS AND FUND BALANCES-CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General Fund	Construction Demo Debris	Public Health Nursing	Environmental Health	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents with Fiscal/Escrow Agents	\$ 493,581	\$ 208,222	\$ 274,411	\$ 752,121	\$ 248,493	\$ 1,976,828
<i>Total Assets</i>	<u>\$ 493,581</u>	<u>\$ 208,222</u>	<u>\$ 274,411</u>	<u>\$ 752,121</u>	<u>\$ 248,493</u>	<u>\$ 1,976,828</u>
Fund Balances						
Restricted	\$ -	\$ 208,222	\$ 274,411	\$ 752,121	\$ 248,493	\$ 1,483,247
Unassigned (Deficit)	<u>493,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,581</u>
<i>Total Fund Balances</i>	<u>\$ 493,581</u>	<u>\$ 208,222</u>	<u>\$ 274,411</u>	<u>\$ 752,121</u>	<u>\$ 248,493</u>	<u>\$ 1,976,828</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Construction Demo, Debris Fund	Public Health Nursing Fund	Environmental Health	Other Governmental Funds	Total Governmental Funds
Receipts						
Charges for Services	\$ 933,688	\$ 644,161	\$ 215,108	\$ 664,940	\$ 40,260	\$ 2,498,157
Fines, Licenses and Permits	-		-	1,826,313	90,235	1,916,548
Intergovernmental:	1,278,055	-	790,826	607,197	75,380	2,751,458
Miscellaneous	12,169	3,595	-	-	472	16,236
<i>Total Receipts</i>	<u>2,223,912</u>	<u>647,756</u>	<u>1,005,934</u>	<u>3,098,450</u>	<u>206,347</u>	<u>7,182,399</u>
Disbursements						
Current:						
Health:						
Salaries	998,869	98,400	646,334	1,611,209	87,670	3,442,482
PERS	135,370	13,776	89,412	212,246	12,274	463,078
Other Fringe Benefits	220,195	28,449	180,150	413,310	18,232	860,336
Workers Comp	8,079	804	7,719	12,991	745	30,338
Supplies	155,593	156	13,963	39,782	8,923	218,417
Equipment	8,740	-	-	-	-	8,740
Travel, Meeting & Memberships	22,737	280	6,246	10,228	7,854	47,345
Contract-Services	331,364	62,307	20,614	401,279	81,000	896,564
Contract-Repairs	39,814	-	684	2,105	-	42,603
Rentals	135,809	-	782	2,663	3,544	142,798
Advertising and Promotion	49,340	-	202	489	-	50,031
Remittance to State	-	426,756	-	155,194	32,208	614,158
<i>Total Disbursements</i>	<u>2,105,910</u>	<u>630,928</u>	<u>966,106</u>	<u>2,861,496</u>	<u>252,450</u>	<u>6,816,890</u>
<i>Excess of Receipts Over (Under)</i> Disbursements	<u>118,002</u>	<u>16,828</u>	<u>39,828</u>	<u>236,954</u>	<u>(46,103)</u>	<u>365,509</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	2,000	-	2,000
Transfers Out	-	-	-	-	(2,000)	(2,000)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	118,002	16,828	39,828	238,954	(48,103)	365,509
<i>Fund Balances Beginning of Year</i>	<u>375,579</u>	<u>191,394</u>	<u>234,583</u>	<u>513,167</u>	<u>296,596</u>	<u>1,611,319</u>
<i>Fund Balances End of Year</i>	<u>\$ 493,581</u>	<u>\$ 208,222</u>	<u>\$ 274,411</u>	<u>\$ 752,121</u>	<u>\$ 248,493</u>	<u>\$ 1,976,828</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, 2013**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 1,376,573	\$ 1,376,573	\$ 933,688	\$ (442,885)
Intergovernmental:	545,000	638,000	1,278,055	640,055
Miscellaneous	-	20,000	12,169	(7,831)
<i>Total Receipts</i>	<u>1,921,573</u>	<u>2,034,573</u>	<u>2,223,912</u>	<u>189,339</u>
Disbursements				
Current:				
Salaries	1,017,539	1,010,539	998,869	11,670
Fringe Benefits	413,700	390,700	363,644	27,056
Material and Services	656,538	799,038	734,656	64,382
Capital Outlay	15,000	15,000	8,741	6,259
<i>Total Disbursements</i>	<u>2,102,777</u>	<u>2,215,277</u>	<u>2,105,910</u>	<u>109,367</u>
<i>Net Change in Fund Balance</i>	(181,204)	(180,704)	118,002	298,706
<i>Fund Balance Beginning of Year</i>	<u>375,579</u>	<u>375,579</u>	<u>375,579</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 194,375</u>	<u>\$ 194,875</u>	<u>\$ 493,581</u>	<u>\$ 298,706</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 DEMO DEBRIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Charges for Services	\$ 225,000	\$ 576,000	\$ 644,161	\$ 68,161
Miscellaneous	-	-	3,595	3,595
<i>Total Receipts</i>	<u>225,000</u>	<u>576,000</u>	<u>647,756</u>	<u>71,756</u>
Disbursements				
Current:				
Health:				
Salaries	80,000	105,000	98,400	6,600
Fringe Benefits	28,000	50,250	43,029	7,221
Materials and Services	200,000	503,750	489,499	14,251
<i>Total Disbursements</i>	<u>308,000</u>	<u>659,000</u>	<u>630,928</u>	<u>28,072</u>
<i>Net Change in Fund Balance</i>	(83,000)	(83,000)	16,828	99,828
<i>Fund Balance Beginning of Year</i>	<u>191,394</u>	<u>191,394</u>	<u>191,394</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 108,394</u>	<u>\$ 108,394</u>	<u>\$ 208,222</u>	<u>\$ 99,828</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, 2013**

	Budgeted Amounts			(Optional) Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Receipts				
Charges for Services	\$ 370,000	\$ 370,000	\$ 215,108	\$ (154,892)
Intergovernmental:	645,000	565,000	790,826	225,826
<i>Total Receipts</i>	1,015,000	935,000	1,005,934	70,934
Disbursements				
Current:				
Salaries	692,075	662,075	646,334	15,741
Fringe Benefits	323,056	313,056	277,281	35,775
Material and Services	115,300	75,300	42,491	32,809
<i>Total Disbursements</i>	1,130,431	1,050,431	966,106	84,325
<i>Net Change in Fund Balance</i>	(115,431)	(115,431)	39,828	155,259
<i>Fund Balance Beginning of Year</i>	234,583	234,583	234,583	-
<i>Fund Balance End of Year</i>	\$ 119,152	\$ 119,152	\$ 274,411	\$ 155,259

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
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$ 831,000	\$ 706,000	\$ 664,940	\$ (41,060)
Fines, Licenses and Permits	1,558,000	1,558,000	1,826,313	268,313
Intergovernmental:	594,685	594,685	607,197	12,512
<i>Total Receipts</i>	2,983,685	2,858,685	3,098,450	239,765
Disbursements				
Current:				
Health:				
Salaries	1,792,099	1,717,099	1,611,209	105,890
Fringe Benefits	823,986	773,986	638,547	135,439
Materials and Services	712,500	752,500	611,740	140,760
Capital Outlay				-
<i>Total Disbursements</i>	3,328,585	3,243,585	2,861,496	382,089
<i>Excess of Receipts Over (Under) Disbursements</i>	(344,900)	(384,900)	236,954	621,854
Other Financing Sources (Uses)				
Transfers In	-	-	2,000	2,000
<i>Total Other Financing Sources (Uses)</i>	-	-	2,000	2,000
<i>Net Change in Fund Balance</i>	(344,900)	(384,900)	238,954	623,854
<i>Fund Balance Beginning of Year</i>	513,167	513,167	513,167	-
<i>Fund Balance End of Year</i>	\$ 168,267	\$ 128,267	\$ 752,121	\$ 623,854

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

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

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 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. 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 position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the 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 position 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(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. Non-major 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 BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

Note 2- Summary of 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. 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.

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. 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, 21st Floor, Columbus, Ohio 43215

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

Note 2- Summary of 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 inter-fund 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 another financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes 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.

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**

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

Note 2- Summary of Accounting Policies (Continued)

Fund Balance (Continued)

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. 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 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 non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(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 Balance – Budget and Actual – Budgetary Basis presented for the General fund, Construction Demo Debris, Public Health Nursing and Environmental Health 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, 2013, 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.

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, 2012 and 2013:

	<u>2012</u>	<u>2013</u>
Assets	\$34,389,569	\$34,411,883
Liabilities	(14,208,353)	(12,760,194)
Net Position	<u>\$20,181,216</u>	<u>\$21,651,689</u>

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

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

Note 4 - Risk Management (Continued)

At December 31, 2012 and 2013, respectively, the liabilities above include approximately \$13.1 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$11.1 million of unpaid claims to be billed to approximately 475 member governments in the future, as of December 31, 2012 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the District's share of these unpaid claims collectible in future years is approximately \$34,000.

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

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

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 - Pension Plan

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

1. The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan - a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

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

Note 5 - Pension Plan (Continued)

- B. 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.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, 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.
- F. The 2013 member contribution rates were 10.00% of covered payroll for members in state and local classifications.
- G. The 2013 employer contribution rate for state and local employers was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 18.10% of covered payroll.
- H. Total required employer contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records.
- I. In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This accounting standard replaces GASB Statement 27, and it is effective for employer fiscal years beginning after June 15, 2014. OPERS recommends employers begin a dialog with their external auditors to determine the impact this standard will have on employer financial statements.

Note 6 - Other Post-Employment Benefits (OPEB)

A. 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.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

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

Note 6 - Other Post-Employment Benefits (OPEB) (Continued)

A. Plan Description (Continued)

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 the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan 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>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care coverage 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 coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.00% of covered payroll. This is the maximum employer contribution rates 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 1.0% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1% during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. 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.

C. Information from employer's records

The rates stated in Section B, above, are the contractually required contribution rates for OPERS. As part of this disclosure, it will be necessary for the employer to disclose the employer contributions actually made to fund post-employment benefits. The portion of your employer contributions that were used to fund post-employment benefits can be approximated by multiplying actual employer contributions for calendar year 2013 by 0.0714 for state and local employers.

**FRANKLIN COUNTY PUBLIC HEALTH
FRANKLIN COUNTY**

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

Note 6 - Other Post-Employment Benefits (OPEB) (Continued)

D. OPERS Board of Trustees Adopt Changes to the Health Care 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 SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Note 7 – Fund Balances

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 District funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Public Health Nursing	Environmental Health	Other Governmental Funds	Total
Restricted for					
Public Health Nursing	\$ -	\$ 274,411	\$ -	\$ -	\$ 274,411
Environmental Health	-	-	752,121	-	752,121
Other	-	-	-	456,715	456,715
<i>Total Restricted</i>		<u>274,411</u>	<u>752,121</u>	<u>456,715</u>	<u>1,483,247</u>
Unassigned (deficits):	<u>493,581</u>	-	-	-	<u>493,581</u>
<i>Total Fund Balances</i>	<u>\$ 493,581</u>	<u>\$ 274,411</u>	<u>\$ 752,121</u>	<u>\$ 456,715</u>	<u>\$ 1,976,828</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 AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Public Health, Franklin County, Ohio (the District) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 5, 2014, wherein we noted the district uses a special purpose frame work other than generally accepted accounting principles.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

August 5, 2014



Dave Yost • Auditor of State

FRANKLIN COUNTY PUBLIC HEALTH DISTRICT

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 02, 2014**