

FRANKLIN COUNTY PUBLIC HEALTH

FRANKLIN COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2018



OHIO AUDITOR OF STATE KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPARReport@ohioauditor.gov
(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of Franklin County Public Health, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2018 through December 31, 2018. 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. Franklin County Public Health is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

July 23, 2019

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

**CASH BASIS BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

TABLE OF CONTENTS

Independent Auditor's Report.....	1 - 2
Management's Discussion and Analysis	3 - 9
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis	11
Statement of Activities - Cash Basis	12
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund	
Balances - Governmental Funds	14 - 15
Statement of Cash Receipts, Disbursements and Changes in	
Cash Basis Fund Balances - Governmental Funds	16 - 17
Statement of Receipts, Disbursements and Changes in Fund	
Fund Balance - Budget and Actual - Budget Basis	
General Fund	18
Construction and Demolition Debris Fund	19
Prevention and Wellness Fund	20
Environmental Health Fund	21
Regional Public Health Emergency Preparedness Fund.....	22
Statement of Fiduciary Net Position - Cash Basis	23
Notes to the Basic Financial Statements.....	25 - 36
Independent Auditor's Report on Internal Control Over Financial Reporting and on	
Compliance and Other Matters Required by <i>Government Auditing Standards</i>	37 - 38

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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, 2018, 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 opinion.

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, 2018, 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 7, 2019 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 7, 2019

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(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, 2018, 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 2018 are as follows:

- Net position increased \$291,581 which represents an 8.60% increase from 2017.
- General receipts accounted for \$2,174,627, or 23.06% of all receipts. Program specific receipts, in the form of charges for services and sales and operating grants and contributions, accounted for \$7,255,575 or 76.94% of total revenues of \$9,430,202.
- The District had \$9,138,621 in disbursements related to governmental activities; program-specific charges for services, grants and contributions offset only \$7,255,575 of these disbursements. General receipts supporting governmental activities totaling \$2,174,627, including unrestricted grants and entitlements and miscellaneous receipts, were adequate to provide for these programs.
- The District's disbursements increased \$913,201 or 11.10% from the prior year. The increase was primarily due to the addition of several new programs in 2018 and customary increases to salaries and fringe benefits.

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, 2018
(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 2018, 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, 2018
(UNAUDITED)**

The District as a Whole

Table 1 provides a summary of the District's net position for 2018 compared to 2017 on a cash basis:

**Table 1
Net Position**

	Governmental Activities	
	2018	2017
<u>Assets:</u>		
Cash and cash equivalents with fiscal agent	\$ 3,680,680	\$ 3,389,099
Total assets	<u>\$ 3,680,680</u>	<u>\$ 3,389,099</u>
<u>Net position:</u>		
Restricted	\$ 3,067,066	\$ 2,896,926
Unrestricted	<u>613,614</u>	<u>492,173</u>
Total net position	<u>\$ 3,680,680</u>	<u>\$ 3,389,099</u>

The District's cash balance and net position at December 31, 2018 amounted to \$3,680,680. Of this amount, \$3,067,066 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, 2018
(UNAUDITED)**

Table 2 reflects the change in net position in 2018 and provides a comparison to 2017:

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

	Governmental Activities		
	2018	2017	Change
Receipts:			
Program cash receipts:			
Charges for services and sales	\$ 3,875,085	\$ 3,944,200	\$ (69,115)
Operating grants and contributions	3,380,490	2,774,886	605,604
Total program cash receipts	7,255,575	6,719,086	536,489
General receipts:			
Grants and entitlements not restricted			
by specific program	2,135,116	1,535,662	599,454
Miscellaenous	39,511	6,847	32,664
Total general receipts	2,174,627	1,542,509	632,118
Total receipts	9,430,202	8,261,595	1,168,607
Disbursements:			
Salaries	4,701,619	4,234,791	466,828
Supplies	352,137	334,068	18,069
Equipment	79,289	23,770	55,519
Contracts-repair	35,925	42,632	(6,707)
Contracts-services	1,357,243	1,267,696	89,547
Rentals	169,713	180,965	(11,252)
Travel and meetings	119,756	103,538	16,218
Advertisting and printing	143,912	65,948	77,964
PERS	647,473	582,497	64,976
Workers' compensation	45,162	39,900	5,262
Other fringe benefits	1,486,392	1,349,615	136,777
Total disbursements	9,138,621	8,225,420	913,201
Change in net position	291,581	36,175	255,406
Net position at beginning of year	3,389,099	3,352,924	36,175
Net position at end of year	\$ 3,680,680	\$ 3,389,099	\$ 291,581

In 2018, program receipts represented 76.94% of total receipts and are primarily comprised of charges for services for food services licenses, swimming pool and spas, and water system permits and state and federal operating grants. General receipts represent 23.06% 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, 2018
(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 51.45% and 16.27%, 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 2018</u>	<u>Net Cost of Services 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>
Disbursements:				
Salaries	\$ 4,701,619	\$ 854,714	\$ 4,234,791	\$ 794,806
Supplies	352,137	95,473	334,068	59,443
Equipment	79,289	(13,619)	23,770	(606)
Contracts-repair	35,925	12,694	42,632	8,292
Contracts-services	1,357,243	428,068	1,267,696	214,075
Rentals	169,713	33,097	180,965	63,472
Travel and meetings	119,756	24,377	103,538	22,355
Advertising and printing	143,912	69,019	65,948	27,202
PERS	647,473	117,443	582,497	105,010
Workers' compensation	45,162	9,067	39,900	7,152
Other fringe benefits	1,486,392	252,713	1,349,615	205,133
Totals	<u>\$ 9,138,621</u>	<u>\$ 1,883,046</u>	<u>\$ 8,225,420</u>	<u>\$ 1,506,334</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 20.61% 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 2018 the District had a total ending fund balance of \$3,680,680.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

The general fund is the chief operating fund of the District. At the end of 2018, unassigned fund balance in the general fund was \$254,910. 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 7.35% of the total general fund disbursements. The increase in receipts and disbursements in the general fund during 2018 can be attributed to several reasons. First of all, during 2018, the health promotion and community engagement program was reclassified from the prevention and wellness fund to the general fund. Next, the District accounted for a new grant, the community cessation initiative grant, within the general fund in 2018. Finally, the prescription drug overdose prevention grant, also a new grant in 2018, was accounted for in the general fund. This grant did not have significant activity in 2018 but will become more significant in 2019. Most of the receipts in the general fund come from the fee charged to member subdivisions. In 2018, this increased by 5% over 2017. This increase was mainly due to an increase in salary and benefit costs and also the funding of programs that have limited financial resources.

Receipts exceeded disbursements in the general fund by \$102,103 in 2018. Fees and charges for services account for 6.55% 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 2018, the fund balance was \$542,610.

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 Medical Handicaps (BCMh Program). During 2018, disbursements from this fund in support of these programs were \$1,888,026. The primary reason for the decrease in receipts and disbursements in the prevention and wellness fund in 2018 was due to the reclassification of the health promotion and community engagement program to the general fund.

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 water and wastewater programs. During 2018, disbursements from this fund in support of these programs were \$3,388,125. Receipts in the environmental health fund continued to increase in 2018 due to the high rate of development in Central Ohio.

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 2018, the fund balance was \$131,534.

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 2018, the District amended its general fund budget several times. For the general fund, final budgeted receipts were \$4,014,265, which were greater than original budgeted receipts of \$3,384,265. Actual receipts and other financing sources for 2018 were \$3,591,714; this represents a \$422,551 decrease from final budgeted receipts.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

General fund final budgeted disbursements were \$4,338,904, which were greater than original budgeted disbursements of \$3,708,904. Actual budget-basis disbursements for 2018 totaled \$3,470,273 and were \$868,631 less than the final budget.

Capital Assets

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

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Board's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to John Wolf, Director of Finance and Business Operations, 280 East Broad Street, Room 200, Columbus, Ohio 43215.

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

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2018**

	Governmental Activities
Assets	
Cash and cash equivalents with fiscal/escrow agents	\$ 3,680,680
Total assets	\$ 3,680,680
Net position	
Restricted for:	
Prevention and wellness.	\$ 350,421
Environmental health	1,827,956
Construction and demolition debris	542,610
Other purposes.	346,079
Unrestricted.	613,614
Total net position	\$ 3,680,680

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, 2018**

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Salaries.	\$ 4,701,619	\$ 2,083,380	\$ 1,763,525	\$ (854,714)
PERS	647,473	288,131	241,899	(117,443)
Workers' compensation.	45,162	19,128	16,967	(9,067)
Other fringe benefits	1,486,392	675,205	558,474	(252,713)
Supplies.	352,137	100,742	155,922	(95,473)
Equipment.	79,289	82,351	10,557	13,619
Travel, meeting and memberships	119,756	56,320	39,059	(24,377)
Contract - services.	1,357,243	449,652	479,523	(428,068)
Contract - repairs.	35,925	9,558	13,673	(12,694)
Rentals.	169,713	90,826	45,790	(33,097)
Advertising and promotion.	143,912	19,792	55,101	(69,019)
Total governmental activities.	\$ 9,138,621	\$ 3,875,085	\$ 3,380,490	(1,883,046)
General receipts:				
Grants and entitlements not restricted to specific programs.				2,135,116
Miscellaneous				39,511
Total general receipts				2,174,627
Change in net position				291,581
Net position at beginning of year				3,389,099
Net position at end of year				\$ 3,680,680

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, 2018**

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>Prevention and Wellness</u>	<u>Environmental Health</u>
Assets				
Cash and cash equivalents with fiscal/escrow agent.	\$ 613,614	\$ 542,610	\$ 350,421	\$ 1,827,956
Fund balances				
Restricted:				
Prevention and wellness	\$ -	\$ -	\$ 350,421	\$ -
Environmental health	-	-	-	1,827,956
Construction and demolition debris	-	542,610	-	-
Other purposes.	-	-	-	-
Assigned:				
Subsequent year appropriation	358,704	-	-	-
Unassigned	254,910	-	-	-
Total fund balances.	\$ 613,614	\$ 542,610	\$ 350,421	\$ 1,827,956

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Regional Public Health Emergency Preparedness	Nonmajor Governmental Funds	Total Governmental Funds
<u>\$ 131,534</u>	<u>\$ 214,545</u>	<u>\$ 3,680,680</u>
\$ -	\$ -	\$ 350,421
-	-	1,827,956
-	-	542,610
131,534	214,545	346,079
-	-	358,704
-	-	254,910
<u>\$ 131,534</u>	<u>\$ 214,545</u>	<u>\$ 3,680,680</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, 2018**

	<u>General</u>	<u>Construction and Demolition Debris</u>	<u>Prevention and Wellness</u>	<u>Environmental Health</u>
Receipts:				
Charges for services.	\$ 233,822	\$ 125,515	\$ 249,396	\$ 814,123
Fines, licenses and permits.	-	-	-	2,367,614
Intergovernmental.	3,318,381	-	1,314,697	633,428
Miscellaneous	20,173	-	-	-
Total receipts.	<u>3,572,376</u>	<u>125,515</u>	<u>1,564,093</u>	<u>3,815,165</u>
Disbursements:				
Current:				
Health:				
Salaries.	1,566,584	54,534	1,107,333	1,833,857
PERS.	216,408	7,627	150,045	253,891
Workers' compensation.	16,338	497	10,398	16,675
Other fringe benefits.	474,684	11,163	338,993	607,779
Supplies.	133,494	-	140,525	67,140
Equipment.	-	22,821	-	56,468
Travel, meetings & memberships	51,073	-	10,231	54,802
Contract - services.	805,672	-	94,802	393,429
Contract - repairs.	21,043	1,043	7,678	6,161
Rentals.	72,371	-	6,715	87,923
Advertising and promotion.	112,606	-	21,306	10,000
Total disbursements	<u>3,470,273</u>	<u>97,685</u>	<u>1,888,026</u>	<u>3,388,125</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>102,103</u>	<u>27,830</u>	<u>(323,933)</u>	<u>427,040</u>
Other financing sources:				
Sale of assets.	19,338	-	-	-
Total other financing sources.	<u>19,338</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	121,441	27,830	(323,933)	427,040
Fund balances at beginning of year.	<u>492,173</u>	<u>514,780</u>	<u>674,354</u>	<u>1,400,916</u>
Fund balances at end of year	<u>\$ 613,614</u>	<u>\$ 542,610</u>	<u>\$ 350,421</u>	<u>\$ 1,827,956</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Regional Public Health Emergency Preparedness	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,422,856
-	84,615	2,452,229
249,100	-	5,515,606
-	-	20,173
<u>249,100</u>	<u>84,615</u>	<u>9,410,864</u>

96,704	42,607	4,701,619
13,539	5,963	647,473
870	384	45,162
39,321	14,452	1,486,392
-	10,978	352,137
-	-	79,289
3,581	69	119,756
54,654	8,686	1,357,243
-	-	35,925
-	2,704	169,713
-	-	143,912
<u>208,669</u>	<u>85,843</u>	<u>9,138,621</u>

<u>40,431</u>	<u>(1,228)</u>	<u>272,243</u>
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<u>-</u>	<u>-</u>	<u>19,338</u>
<u>-</u>	<u>-</u>	<u>19,338</u>

40,431	(1,228)	291,581
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91,103	215,773	3,389,099
<u>\$ 131,534</u>	<u>\$ 214,545</u>	<u>\$ 3,680,680</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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts:				
Charges for services.	\$ 291,000	\$ 291,000	\$ 233,822	\$ (57,178)
Intergovernmental	3,093,265	3,723,265	3,318,381	(404,884)
Miscellaneous	-	-	20,173	20,173
Total receipts.	<u>3,384,265</u>	<u>4,014,265</u>	<u>3,572,376</u>	<u>(441,889)</u>
Disbursements:				
Current:				
Health:				
Salaries.	1,516,206	1,661,124	1,566,584	94,540
Fringe benefits.	744,254	808,248	707,430	100,818
Materials and services	1,448,444	1,869,532	1,196,259	673,273
Total disbursements.	<u>3,708,904</u>	<u>4,338,904</u>	<u>3,470,273</u>	<u>868,631</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>(324,639)</u>	<u>(324,639)</u>	<u>102,103</u>	<u>426,742</u>
Other financing sources:				
Sale of assets.	-	-	19,338	19,338
Total other financing sources.	<u>-</u>	<u>-</u>	<u>19,338</u>	<u>19,338</u>
Net change in fund balance	<u>(324,639)</u>	<u>(324,639)</u>	<u>121,441</u>	<u>446,080</u>
Fund balance at beginning of year.	<u>492,173</u>	<u>492,173</u>	<u>492,173</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 167,534</u>	<u>\$ 167,534</u>	<u>\$ 613,614</u>	<u>\$ 446,080</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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Charges for services.	\$ 100,000	\$ 100,000	\$ 125,515	\$ 25,515
Total receipts	<u>100,000</u>	<u>100,000</u>	<u>125,515</u>	<u>25,515</u>
Disbursements:				
Current:				
Health:				
Salaries.	60,000	60,000	54,534	5,466
Fringe benefits.	35,000	35,000	19,287	15,713
Materials and services.	5,000	5,000	1,043	3,957
Capital outlay.	<u>35,000</u>	<u>35,000</u>	<u>22,821</u>	<u>12,179</u>
Total disbursements	<u>135,000</u>	<u>135,000</u>	<u>97,685</u>	<u>37,315</u>
Net change in fund balance.	(35,000)	(35,000)	27,830	62,830
Fund balance at beginning of year	<u>514,780</u>	<u>514,780</u>	<u>514,780</u>	<u>-</u>
Fund balance at end of year	<u>\$ 479,780</u>	<u>\$ 479,780</u>	<u>\$ 542,610</u>	<u>\$ 62,830</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, 2018**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Charges for services	\$ 214,800	\$ 214,800	\$ 249,396	\$ 34,596
Intergovernmental	1,446,960	1,446,960	1,314,697	(132,263)
Total receipts	<u>1,661,760</u>	<u>1,661,760</u>	<u>1,564,093</u>	<u>(97,667)</u>
Disbursements:				
Current:				
Health:				
Salaries.	1,157,837	1,157,837	1,107,333	50,504
Fringe benefits.	581,872	581,872	499,436	82,436
Materials and services	323,480	323,480	281,257	42,223
Total disbursements.	<u>2,063,189</u>	<u>2,063,189</u>	<u>1,888,026</u>	<u>175,163</u>
Net change in fund balance	(401,429)	(401,429)	(323,933)	77,496
Fund balance at beginning of year.	674,354	674,354	674,354	-
Fund balance at end of year.	<u>\$ 272,925</u>	<u>\$ 272,925</u>	<u>\$ 350,421</u>	<u>\$ 77,496</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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts:				
Charges for services.	\$ 892,758	\$ 1,038,400	\$ 814,123	\$ (224,277)
Fines, licenses and permits.	1,821,000	1,821,000	2,367,614	546,614
Intergovernmental	604,886	634,994	633,428	(1,566)
Total receipts.	<u>3,318,644</u>	<u>3,494,394</u>	<u>3,815,165</u>	<u>320,771</u>
Disbursements:				
Current:				
Health:				
Salaries.	2,027,395	2,027,395	1,833,857	193,538
Fringe benefits.	1,081,067	1,081,067	878,345	202,722
Materials and services	665,000	784,282	619,455	164,827
Capital outlay.	-	56,468	56,468	-
Total disbursements.	<u>3,773,462</u>	<u>3,949,212</u>	<u>3,388,125</u>	<u>561,087</u>
Net change in fund balance	(454,818)	(454,818)	427,040	881,858
Fund balance at beginning of year.	<u>1,400,916</u>	<u>1,400,916</u>	<u>1,400,916</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 946,098</u>	<u>\$ 946,098</u>	<u>\$ 1,827,956</u>	<u>\$ 881,858</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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental	\$ 70,000	\$ 176,975	\$ 249,100	\$ 72,125
Total receipts.	<u>70,000</u>	<u>176,975</u>	<u>249,100</u>	<u>72,125</u>
Disbursements:				
Current:				
Health:				
Salaries.	60,000	98,000	96,704	1,296
Fringe benefits.	28,000	54,803	53,730	1,073
Materials and services	49,000	91,172	58,235	32,937
Total disbursements.	<u>137,000</u>	<u>243,975</u>	<u>208,669</u>	<u>35,306</u>
Net change in fund balance	(67,000)	(67,000)	40,431	107,431
Fund balance at beginning of year.	91,103	91,103	91,103	-
Fund balance at end of year.	<u>\$ 24,103</u>	<u>\$ 24,103</u>	<u>\$ 131,534</u>	<u>\$ 107,431</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, 2018**

	<u>Agency</u>
Assets	
Cash and cash equivalents with fiscal/escrow agents	\$ 8,485
Total assets	<u>\$ 8,485</u>
 Net position	
Held for other agencies.	\$ 8,485
Total net position	<u>\$ 8,485</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, 2018**

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, 2018**

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, 2018**

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, 2018**

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, 2018**

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, 2018**

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. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget in the General Fund.

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, 2018**

NOTE 3 – Change in Accounting Principles

For fiscal year 2018, the District has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the District's postemployment benefit plan disclosures.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the District.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 5 - RISK MANAGEMENT – (Continued)

The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

Financial Position

PEP's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2018.

<u>Casualty & Property Coverage</u>	<u>2018</u>
Assets	\$35,381,789
Liabilities	<u>(12,965,015)</u>
Net Position	<u>\$22,416,774</u>

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):

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 6 - PENSION PLAN - (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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.

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 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. 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. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. 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 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 6 - PENSION PLAN - (Continued)

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

	<u>State and Local</u>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

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

The District's contractually required contribution was \$647,473 for 2018.

NOTE 7 - POSTRETIREMENT BENEFIT PLAN

Plan Description - The 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 trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' CAFR referenced below for additional information.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 7 - POSTRETIREMENT BENEFIT PLAN - (Continued)

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$0 for 2018.

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 2018 from the Ohio Department of Health:

Regional Public Health Emergency Preparedness Grant: CFDA 93.074; Project 02510012PH0818/02510012PH0919 – These funds are received for Regional Emergency Preparedness.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 8 - CONTINGENCIES AND GRANTS – (Continued)

Community Cessation Initiative: Project 02510014C10118 – These funds were received for smoking cessation for individuals. 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 02510014PD0118/02510014PD0219 – These funds were received to address the opioid crisis in our county.

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

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

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, 2018, 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 7, 2019, 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 opinion 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 District'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 7, 2019

OHIO AUDITOR OF STATE KEITH FABER



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 Bablitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2019**

