



Dave Yost • Auditor of State

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fulton County Health Department, Fulton County, Ohio (the Health Department), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Health Department'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 Health Department'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 Health Department'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 the Fulton County Health Department, Fulton County, Ohio, as of December 31, 2015, and the respective changes in cash financial position and the respective budgetary comparison for the General, Environmental, and Women Infants and Children Funds 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

Supplemental Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 16, 2016, on our consideration of the Health Department'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 Health Department's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

September 16, 2016

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Net Position - Cash Basis
December 31, 2015

	Governmental Activities
Assets	
Cash with Fiscal Agent	\$ 709,504
Net Position	
Restricted for:	
Other Purposes	86,538
Unrestricted	622,966
<i>Total Net Position</i>	<u>\$ 709,504</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2015**

	<u>Program Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General Health				
General Health	\$ 846,400	\$ 447,927	\$ 4,050	\$ (394,423)
Vital Statistics	34,346	62,662		28,316
Administration	307,992			(307,992)
Environmental Health	331,689	159,757		(171,932)
Women, Infant and Children (WIC)	335,193		330,246	(4,947)
Breast Cervical Cancer Project (BCCP)	153,921		158,702	4,781
Immunizations - IAP	47,861		47,694	(167)
Child and Family Health Services (CFHS)	39,193		39,249	56
Family Planning (FP)	212,600	76,606	98,596	(37,398)
Help Me Grow (HMG)	174,261		174,261	
Drug Free Communities (DFC)	129,122		129,122	
Public Health Infrastructure (PHI)	131,306	43,217	82,793	(5,296)
<i>Total Governmental Activities</i>	<u>\$ 2,743,884</u>	<u>\$ 790,169</u>	<u>\$ 1,064,713</u>	<u>(889,002)</u>
		General Receipts		
				Property Taxes Levied for
				General Health District Purposes 591,390
				Grants and Entitlements not
				Restricted to Specific Programs 146,923
				Gifts and Contributions 6,314
				Miscellaneous 16,124
				<u>Total General Receipts 760,751</u>
				Change in Net Position (128,251)
				<i>Net Position Beginning of Year 837,755</i>
				<u><i>Net Position End of Year \$ 709,504</i></u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2015

	<u>General</u>	<u>Enviromental</u>	<u>Women Infants and Children</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash with Fiscal Agent	\$ 622,966	\$ 26,630	\$ 6,259	\$ 53,649	\$ 709,504
Fund Balances					
Restricted		26,630	6,259	44,516	77,405
Committed				9,133	9,133
Assigned	1,433				1,433
Unassigned	621,533				621,533
<i>Total Fund Balances</i>	<u>\$ 622,966</u>	<u>\$ 26,630</u>	<u>\$ 6,259</u>	<u>\$ 53,649</u>	<u>\$ 709,504</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2015

	General	Environmental	Women Infants and Children	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 591,390				\$ 591,390
Intergovernmental	150,973		\$ 330,246	\$ 730,417	1,211,636
Fines, Licenses and Permits		\$ 148,470			148,470
Charges for Services	327,601	11,037		76,606	415,244
Gifts and Contributions	2,515		105	3,694	6,314
Contractual Services	182,988	250		43,217	226,455
Miscellaneous	11,228	2,070	1,115	1,711	16,124
<i>Total Receipts</i>	<u>1,266,695</u>	<u>161,827</u>	<u>331,466</u>	<u>855,645</u>	<u>2,615,633</u>
Disbursements					
Current:					
General Health					
General Health	846,400				846,400
Vital Statistics	34,346				34,346
Administration	307,992				307,992
Environmental Health					
Women's, Infant and Children (WIC)		331,689	335,193		331,689
Breast, Cervical Cancer Project (BCCP)				153,921	153,921
Immunizations - IAP				47,861	47,861
Child and Family Health Services				39,193	39,193
Family Planning (FP)				212,600	212,600
Help Me Grow (HMG)				174,261	174,261
Drug Free Communities (DFC)				129,122	129,122
Public Health Infrastructure				131,306	131,306
<i>Total Disbursements</i>	<u>1,188,738</u>	<u>331,689</u>	<u>335,193</u>	<u>888,264</u>	<u>2,743,884</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>77,957</u>	<u>(169,862)</u>	<u>(3,727)</u>	<u>(32,619)</u>	<u>(128,251)</u>
Other Financing Sources (Uses)					
Transfers In					
Transfers In		178,430			178,430
Transfers Out					
Advance In	(178,430)		11,075	500	(178,430)
Advance Out	(11,575)		(1,200)	(1,000)	(13,775)
<i>Total Other Financing Sources (Uses)</i>	<u>(187,805)</u>	<u>178,430</u>	<u>9,875</u>	<u>(500)</u>	
<i>Net Change in Fund Balances</i>	<u>(109,848)</u>	<u>8,568</u>	<u>6,148</u>	<u>(33,119)</u>	<u>(128,251)</u>
<i>Fund Balances Beginning of Year</i>	<u>732,814</u>	<u>18,062</u>	<u>111</u>	<u>86,768</u>	<u>837,755</u>
<i>Fund Balances End of Year</i>	<u>\$ 622,966</u>	<u>\$ 26,630</u>	<u>\$ 6,259</u>	<u>\$ 53,649</u>	<u>\$ 709,504</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 582,311	\$ 582,311	\$ 591,390	\$ 9,079
Intergovernmental	160,000	160,000	150,973	(9,027)
Charges for Services	395,000	559,850	327,601	(232,249)
Gifts and Contributions	6,000	6,000	2,515	(3,485)
Contractual Services	35,500	105,500	182,988	77,488
Miscellaneous	63,546	57,546	11,228	(46,318)
<i>Total Receipts</i>	<u>1,242,357</u>	<u>1,471,207</u>	<u>1,266,695</u>	<u>(204,512)</u>
Disbursements				
Current:				
General Health	808,974	937,824	846,400	91,424
Vital Statistics	39,913	39,913	34,346	5,567
Administration	256,740	256,740	307,992	(51,252)
<i>Total Disbursements</i>	<u>1,105,627</u>	<u>1,234,477</u>	<u>1,188,738</u>	<u>45,739</u>
<i>Excess of Receipts Over Disbursements</i>	<u>136,730</u>	<u>236,730</u>	<u>77,957</u>	<u>(158,773)</u>
Other Financing Sources (Uses)				
Transfers Out	(136,730)	(178,430)	(178,430)	
Advance In			2,200	2,200
Advance Out		(58,300)	(11,575)	46,725
<i>Total Other Financing Sources (Uses)</i>	<u>(136,730)</u>	<u>(236,730)</u>	<u>(187,805)</u>	<u>48,925</u>
<i>Net Change in Fund Balance</i>			(109,848)	(109,848)
<i>Fund Balance Beginning of Year</i>	<u>732,814</u>	<u>732,814</u>	<u>732,814</u>	
<i>Fund Balance End of Year</i>	<u>\$ 732,814</u>	<u>\$ 732,814</u>	<u>\$ 622,966</u>	<u>\$ (109,848)</u>

See accompanying notes to the basic financial statements

FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Environmental Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Fines, Licenses and Permits	\$ 142,075	\$ 142,075	\$ 148,470	\$ 6,395
Charges for Services	22,300	22,300	11,037	(11,263)
Contractual Services	3,600	3,600	250	(3,350)
Miscellaneous	10,000	10,000	2,070	(7,930)
<i>Total Receipts</i>	<u>177,975</u>	<u>177,975</u>	<u>161,827</u>	<u>(16,148)</u>
Disbursements				
Environmental Health	317,280	336,655	334,264	2,391
<i>Excess of Disbursements Over Receipts</i>	<u>(139,305)</u>	<u>(158,680)</u>	<u>(172,437)</u>	<u>(13,757)</u>
Other Financing Sources				
Transfers In	136,730	156,030	178,430	22,400
<i>Net Change in Fund Balance</i>	(2,575)	(2,650)	5,993	8,643
<i>Prior Year Encumbrances Appropriated</i>	2,575	2,575	2,575	
<i>Fund Balance Beginning of Year</i>	<u>15,487</u>	<u>15,487</u>	<u>15,487</u>	
<i>Fund Balance End of Year</i>	<u>\$ 15,487</u>	<u>\$ 15,412</u>	<u>\$ 24,055</u>	<u>\$ 8,643</u>

See accompanying notes to the basic financial statements

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Women, Infants, and Children's Fund
For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 327,061	\$ 338,136	\$ 330,246	\$ (7,890)
Gifts and Contributions			105	105
Miscellaneous	100	100	1,115	1,015
<i>Total Receipts</i>	<u>327,161</u>	<u>338,236</u>	<u>331,466</u>	<u>(6,770)</u>
Disbursements				
Current:				
Women, Infant and Children (WIC)	327,161	337,036	335,193	1,843
<i>Excess of Receipts Over (Under) Disbursements</i>		<u>1,200</u>	<u>(3,727)</u>	<u>(4,927)</u>
Other Financing Uses				
Advance In			11,075	11,075
Advance Out		(1,200)	(1,200)	
<i>Total Other Financing Sources (Uses)</i>		<u>(1,200)</u>	<u>9,875</u>	<u>11,075</u>
<i>Net Change in Fund Balance</i>			6,148	6,148
<i>Fund Balance Beginning of Year</i>	<u>111</u>	<u>111</u>	<u>111</u>	
<i>Fund Balance End of Year</i>	<u>\$ 111</u>	<u>\$ 111</u>	<u>\$ 6,259</u>	<u>\$ 6,148</u>

See accompanying notes to the basic financial statements

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**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1 - Reporting Entity

The Fulton County Health Department (the Health Department), 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 six-member Board of Health, four appointed by the District Advisory Council, one member is appointed by the City of Wauseon and one member is appointed by the Fulton County Licensing Council, governs the Health Department. The Board appoints a health commissioner and all employees of the Health Department.

The reporting entity is composed of the primary government that is included to ensure the financial statements of the Health Department are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Health Department. The Health Department'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.

Public Entity Risk Pool

The Health Department participates in a public entity risk pool. This organization is presented in Note 5 to the financial statements.

The Health Department's management believes these financial statements present all activities for which the Health Department 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 Health Department's accounting policies.

Basis of Presentation

The Health Department'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 Health Department as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the Health Department that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health Department has no business-type activities.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

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

The statement of net position presents the cash balance of the governmental and business-type activities of the Health Department at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health Department'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 Health Department 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 sent back to the Ohio Department of Health. Receipts which are not classified as program receipts are presented as general receipts of the Health Department, 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 Health Department.

Fund Financial Statements

During the year, the Health Department segregates transactions related to certain Health Department 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 Health Department 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 Health Department 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. The funds of the Health Department are presented governmental fund category.

Governmental Funds

Governmental funds are those through which most governmental functions of the Health Department are financed. The following are the Health Department'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 Health Department for any purpose provided it is expended or transferred according to the general laws of Ohio.

Environmental Fund - The fund accounts for monies received from licenses and permits for items such as food, water, sewage, swimming pools, camps, solid water, infectious waste and other non-mandated programs.

Women, Infants and Children Fund - This fund accounts for and reports federal grant monies restricted to the Women, Infants and Children program.

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

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

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

Basis of Accounting

The Health Department's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Health Department'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. Any such modifications made by the Health Department are described in the appropriate section in this note.

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.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Health Department may appropriate. The appropriations resolution is the Health Department's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Health Department. The legal level of control has been established by the Health Department at the object level for all funds.

ORC Section 3709.28 establishes budgetary requirements for the Health Department, which are similar to ORC Chapter 5705 budgetary requirements. On or about the first Monday of April the Health Department 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 Health Department 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 Health Department.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Health Department during the year.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

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

Cash and Investments

The County Treasurer is the custodian for the Health Department's cash and investments. The County's cash and investment pool holds the Health Department'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. This information may be obtained by writing Charlene E Lee, Fulton County Treasurer, 152 South Fulton Street, Wauseon OH 43567-1390 or by call 419-337-9252.

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.

Inventory and Prepaid Items

The Health Department reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets 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 Health Department's modified cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Health Department 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.

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 include resources restricted for the following funds: Environmental; Women, Infant and Children; Breast and Cervical Cancer Project; Children and Family Health Services; Family Planning; Immunization Action Plan; and Public Health Emergency Preparedness.

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

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Health Department must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

- 1. Nonspendable**
The Health Department classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.
- 2. Restricted**
Fund balance is *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.
- 3. Committed**
The Board can *commit* amounts via formal action (resolution). The Health Department must adhere to these commitments unless the Board amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.
- 4. Assigned**
Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a Health Department official delegated that authority by resolution, or by State Statute.
- 5. Unassigned**
Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Health Department 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 inter-fund transfers. Inter-fund 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.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(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 and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$1,433 for the General Fund, \$29 for the Environmental Fund, and \$41 for the Women, Infants, and Children Fund.

Note 4 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Health Department. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015. Real property taxes are

payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all Health Department operations for the year ended December 31, 2015, was \$1 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

Real Property	\$960,589,950
Public Utility Personal Property	45,045,490
Total	<u>\$1,005,635,440</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the County. The County Auditor periodically remits to the Health Department its portion of the taxes collected.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

Note 5 - Risk Management

The Health Department is exposed to various risks of property and casualty losses and injuries to employees.

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

The Health Department 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. 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 YORK. 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, 2015, 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 auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2014 and 2015.

	2014	2015
Assets	\$35,402,177	\$38,307,677
Liabilities	(12,363,257)	(12,759,127)
Net Assets	<u>\$23,038,920</u>	<u>\$25,548,550</u>

At December 31, 2014 and 2015, respectively, the liabilities above include approximately \$11.1 million and 11.5 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11 million of unpaid claims to be billed. The Pool's membership increased from 488 members in 2014 to 499 members in 2015. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Health Department's share of these unpaid claims collectible in future years is approximately \$3,000.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

Note 5 - Risk Management – (Continued)

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.

Contributions to PEP	
2014	2015
\$4,931	\$5,417

After one year of membership, members may withdraw on each anniversary of the date they joined PEP, 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 budgetary contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 6 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description – Health Department 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. Health Department employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the 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 plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

Note 6 - Defined Benefit Pension Plans - (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	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	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula:	Formula:	Formula:
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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 percent 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 percent.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

Note 6 - Defined Benefit Pension Plans - (Continued)

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

	State and Local	Public Safety	Law Enforcement
2015 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

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

The Village's contractually required contribution was \$180,300 for year 2015.

Social Security System

Under the Ohio Revised Code (ORC) 145.034, all employees covered by the Ohio Public Employees Retirement System (OPERS) have the option to choose Social Security as their desired retirement system. As of December 31, 2015, six members of the Health Department have elected Social Security. The Board's liability is 6.2 percent of wages.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

Note 7 - Postemployment Benefits

Ohio Public Employees Retirement System

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 healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

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 Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5061 or 1-800-222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employees to fund postretirement 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 2015, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed 18.10 percent. These are 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 2.0 percent during calendar year 2015. The portion of employer contributions allocated to health care for members in the Combined Plan was 2.0 percent during calendar year 2015. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Health Department's contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2015, 2014, and 2013 were \$25,757, \$25,969, and \$12,282, respectively. These obligations are paid on a cash basis with 100 percent contributed for the years 2015, 2014, and 2013.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

Note 8 – Fund Balances

Fund balance is classified as restricted, committed, assigned and/or unassigned based primarily on the extent to which the Health Department is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Fund Environ- mental	Fund WIC	Other Governmental Funds	Total
Restricted for					
Environmental		\$ 26,630			\$ 26,630
Women, Infants and Children			\$ 6,259		6,259
Breast and Cervical Cancer Prevention				\$ 34,991	34,991
Reproductive Health and Wellness				6,521	6,521
Immunization Action Plan				2,974	2,974
Child Health Services				30	30
<i>Total Restricted</i>		<u>26,630</u>	<u>6,259</u>	<u>44,516</u>	<u>77,405</u>
Committed to					
Epidemiologist (6 Pact Agreement)				9,133	9,133
<i>Total Committed</i>				<u>9,133</u>	<u>9,133</u>
Assigned to					
Telephone, Postage lease, vaccine	\$ 1,433				1,433
<i>Total Assigned</i>	<u>1,433</u>				<u>\$1,433</u>
Unassigned:	<u>621,533</u>				<u>621,533</u>
Total Fund Balances	<u>\$ 622,966</u>	<u>\$ 26,630</u>	<u>\$ 6,259</u>	<u>\$ 53,649</u>	<u>\$ 709,504</u>

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

Note 9 - Interfund Transfers

During 2015 the following transfer was made:

Transfers To	Transfers From
Other Governmental Funds	General
Environmental	\$ 178,430

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The General Fund transferred monies in 2015 to the Environmental Fund because the fees and licenses revenue collected did not cover expenses for providing services required by the state.

During 2015 the General Fund advanced \$11,075 to the Women, Infants and Children (WIC) Fund and \$500 to the Child and Family Health Services Program (CFHS) Fund because the Ohio Department of Health had not reimbursed grant monies by the end of calendar year 2015. These advances were outstanding as of December 31, 2015. 2014 advances made from the General Fund were repaid from the WIC Fund \$1,200 and the CFHS Fund \$1,000.

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Health Department 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.

Note 11 – Related Party Transaction

Board member Denise Heban abstained from resolution 55.15 in August 2015 due to her property being potentially impacted by this project by the pipeline.

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**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Directly Funded Through U.S. Department of Health and Human Services</i>			
Drug Free Communities Support Program	93.276	2H79SPO15851-06 2H79SPO15851-07	\$ 106,998 <u>21,329</u>
Total 93.276			<u>128,327</u>
<i>Passed Through Ohio Department of Health</i>			
NACCHO (Medical Reserve Corps)	93.008	MRCSG101005-04-00	1,741
Emergency Ebola Supplemental - PHEP Program	93.069	04810012EB0116	2,867
Public Health Emergency Preparedness (PHEP)	93.074	02610012PH0615 02610012PH0716	40,954 <u>37,523</u>
Total 93.074			<u>78,477</u>
Reproductive Health and Wellness	93.217	0261001RH0416	80,000
Immunization Action Plan (IAP)	93.268	02610012IM0714 02610012IM0815	35 <u>28,616</u>
Total 93.268			<u>28,651</u>
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.919	02610014BC0815 02610014BC0916	80,499 <u>54,205</u>
Total 93.919			<u>134,704</u>
Maternal and Child Health Services Block Grant to the States Reproductive Health and Wellness	93.994	02610011MC0815 02610011MC0916 02610011RH0516	14,115 16,951 <u>15,000</u>
Total 93.994			<u>46,066</u>
<i>Passed Through Fulton County Jobs and Family Services</i>			
Temporary Assistance for Needy Families	93.558	(Headlice) FY15 (Headlice) FY16 (BTIO) FY15 (BTIO) FY16	358 991 36,495 <u>21,254</u>
Total 93.558			<u>59,098</u>
Total U.S. Department of Health and Human Services			<u>559,931</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Health</i>			
Help Me Grow	84.181	02610011HG0615 02610011HG0716	13,515 <u>48,802</u>
Total U.S. Department of Education			<u>62,317</u>
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	02610011WA0815 02610011WA0916	267,244 <u>69,373</u>
Total U.S. Department of Agriculture			<u>336,617</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Public Safety</i>			
Safe and Community Highway Safety	20.600	SC-2015-26-00-00-00604-00 SC-2016-26-00-00-00425-00	17,567 <u>9,308</u>
Total U.S. Department of Transportation			<u>26,875</u>
Total Expenditures of Federal Awards			<u><u>\$985,740</u></u>

The accompanying notes are an integral part of this schedule.

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Fulton County Health Department (the Health Department) under programs of the federal government for the year ended December 31, 2015. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Health Department, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Health Department.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Health Department has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require the Health Department to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Health Department has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE D – MEDICAID ADMINISTRATIVE CLAIMING ADJUSTMENTS

During the calendar year, the Health Department received a deferred payment from the Ohio Department of Health (ODH) for the Medicaid program (CFDA # 93.778) in the amount of \$32,295. The deferred payment was for Medicaid Administrative Claiming (MAC) expenses the Health District incurred in prior reporting periods due to federal funding received by ODH to reimburse these expenses and also due to changes in the health department's Medicaid Eligibility Rate (MER) for certain activity codes within MAC. This revenue is not listed on the Health Department's Schedule of Federal Awards since the underlying expenses are on a cost-reimbursement basis and occurred in prior reporting periods.



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*

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fulton County Health Department, Fulton County, Ohio (the Health Department) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Health Department's basic financial statements and have issued our report thereon dated September 16, 2016 wherein we noted the Health Department uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Health Department's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Health Department'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 Health Department'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 Health Department'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 Health Department's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Health Department'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 "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

September 16, 2016



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Fulton County Health Department
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Board of Health:

Report on Compliance for Each Major Federal Program

We have audited the Fulton County Health Department's, Fulton County, Ohio (the Health Department) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Health Department's major federal programs for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Health Department's major federal programs.

Management's Responsibility

The Health Department's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Health Department's compliance for each of the Health Department's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the Health Department's major programs. However, our audit does not provide a legal determination of the Health Department's compliance.

One Government Center, Suite 1420, Toledo, Ohio 43604-2246
Phone: 419-245-2811 or 800-443-9276 Fax: 419-245-2484
www.ohioauditor.gov

Opinion on Each Major Federal Program

In our opinion, the Fulton County Health Department, Fulton County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2015.


Report on Internal Control Over Compliance

The Health Department's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Health Department's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Health Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

September 16, 2016

**FULTON COUNTY HEALTH DEPARTMENT
FULTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR §2 00.515
DECEMBER 31, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Supplemental, Nutrition Program for Women, Infants and Children (WIC) – CFDA #10.557 Public Health Emergency Preparedness (PHEP) – CFDA #93.074
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS FOR FEDERAL AWARDS

None

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Dave Yost • Auditor of State

FULTON COUNTY HEALTH DEPARTMENT

FULTON 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
OCTOBER 4, 2016**