



Mary Taylor, CPA
Auditor of State

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Columbiana General Health District
Columbiana County
7360 State Route 45
Lisbon, Ohio 44432

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, Ohio (the Government), as of and for the year ended December 31, 2007, which collectively comprise the Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, Ohio, as of December 31, 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, Public Health Infrastructure, Early Start, Cancer Levy and Solid Waste/Landfill Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2007, the Government revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2009, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 11, 2009

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007
(UNAUDITED)**

The management's discussion and analysis of the Columbiana General Health District's (the "Health District") financial performance provides an overall review of the Health District's financial activities for the year ended December 31, 2007, within the limitations of the Health District's cash basis of accounting. The intent of this discussion and analysis is to look at the Health District's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Health District's financial performance.

Financial Highlights

Key financial highlights for 2007 are as follows:

- For fiscal year 2007, the total net cash assets of the Health District decreased \$77,912, which represents a 18.08% decrease over fiscal year 2006.
- For fiscal year 2007, general cash receipts accounted for \$589,560 or 32.93% of total governmental activities cash receipts. Program specific cash receipts accounted for \$1,200,935 or 67.07% of total governmental activities cash receipts.
- For fiscal year 2007, the Health District had \$1,868,407 in cash disbursements related to governmental activities; \$1,200,935 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily property taxes) of \$589,560 were not adequate to provide for these programs.
- The Health District's major funds are the general fund, the public health infrastructure fund, the early start fund, the cancer levy fund, and the solid waste/landfill fund. The general fund, the Health District's largest major fund, had cash receipts of \$660,613 in 2007. The cash disbursements of the general fund, totaled \$770,902 in 2007. The general fund's cash balance decreased \$110,289 from 2006 to 2007.
- The public health infrastructure fund, a Health District major fund, had cash receipts of \$199,199 in 2007. The public health infrastructure fund had cash disbursements of \$197,789 in 2007. The public health infrastructure fund cash balance increased \$1,410 from 2006 to 2007.
- The early start fund, a Health District major fund, had cash receipts of \$352,734 in 2007. The early start fund had cash disbursements of \$332,496 in 2007. The early start fund cash balance increased \$20,238 from 2006 to 2007.
- The cancer levy fund, a Health District major fund, had cash receipts of \$219,916 in 2007. The cancer levy fund had cash disbursements of \$219,818 in 2007. The cancer levy fund cash balance increased \$98 from 2006 to 2007.
- The solid waste/landfill fund, a Health District major fund, had cash receipts of \$58,615 in 2007. The solid waste/landfill fund had cash disbursements of \$3,326 in 2007. The solid waste/landfill fund cash balance increased \$55,289 from 2006 to 2007.

Using this Cash Basis Basic Financial Statements (BFS)

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007
(UNAUDITED)**

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole Health District, presenting an aggregate view of the Health District's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Health District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Health District, there are five major governmental funds. The general fund is the largest major fund.

Reporting the Health District as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis answer the question, how did we do financially during 2007? These statements include *only net assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Health District's net assets and changes in those assets on a cash basis. This change in net cash assets is important because it tells the reader that, for the Health District as a whole, the cash basis financial position of the Health District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Health District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and 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. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, Governmental Activities - include the Health District's programs and services, including public health infrastructure, early start, cancer levy, solid waste/landfill, and general government.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis can be found on pages 12-13 of this report.

Reporting the Health District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Health District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Health District are classified as governmental funds.

Fund financial reports provide detailed information about the Health District's major funds. The Health District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Health District's most significant funds. The Health District's major governmental funds are the General Fund, the Public Health Infrastructure Fund, the Early Start Fund, the Cancer Levy Fund, and the Solid Waste/Landfill Fund. The analysis of the Health District's major governmental funds begins on page 9.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007
(UNAUDITED)

Governmental Funds

All of the Health District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Health District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Health District programs. Since the Health District is reporting on the cash basis of accounting, there are no differences in the Net Assets and fund cash balances or changes in Net Assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 14-17 of this report.

The Health District's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the General Fund, the Public Health Infrastructure Fund, the Early Start Fund, the Cancer Levy Fund, and the Solid Waste/Landfill Fund are presented to demonstrate the Health District's compliance with annually adopted budgets. The budgetary statements can be found on pages 18-22 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-28 of this report.

Government-Wide Financial Analysis

Recall that the Statement of Net Assets – Cash Basis provides the perspective of the Health District as a whole.

The table below provides a summary of the Health District's net cash assets for 2007 and 2006.

	Net Cash Assets	
	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 353,071	\$ 430,983
Total assets	<u>353,071</u>	<u>430,983</u>
<u>Net Assets</u>		
Restricted	184,024	142,871
Unrestricted	<u>169,047</u>	<u>288,112</u>
Total net assets	<u>\$ 353,071</u>	<u>\$ 430,983</u>

For fiscal year 2007, the total net cash assets of the Health District decreased \$77,912, which represents a 18.08% decrease.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007
(UNAUDITED)**

The balance of government-wide unrestricted net cash assets of \$169,047 at December 31, 2007, may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash assets for fiscal years 2007 and 2006.

	Change in Net Cash Assets	
	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 561,168	\$ 730,390
Operating grants and contributions	<u>639,767</u>	<u>549,737</u>
Total program cash receipts	<u>1,200,935</u>	<u>1,280,127</u>
General cash receipts:		
Property and other taxes	420,920	415,880
Unrestricted grants	140,948	66,122
Other	<u>27,692</u>	<u>28,918</u>
Total general cash receipts	<u>589,560</u>	<u>510,920</u>
Total cash receipts	<u>1,790,495</u>	<u>1,791,047</u>
Cash Disbursements:		
Salaries	878,966	840,440
Supplies	58,255	53,254
Remittance to State	88,490	87,025
Equipment	25,382	22,114
Contracts - Services	317,352	284,266
Membership/Subscriptions	377	448
Travel	73,439	83,443
Advertising and printing	2,658	867
Public Employee's Retirement	121,353	114,191
Hospitalization	254,418	236,079
Medicare	11,666	11,134
Worker's Compensation	10,552	15,366
Other	<u>25,499</u>	<u>59,325</u>
Total cash disbursements	<u>1,868,407</u>	<u>1,807,952</u>
Change in net cash assets	(77,912)	(16,905)
Net cash assets at beginning of year	<u>430,983</u>	<u>447,888</u>
Net cash assets at end of year	<u>\$ 353,071</u>	<u>\$ 430,983</u>

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007
(UNAUDITED)**

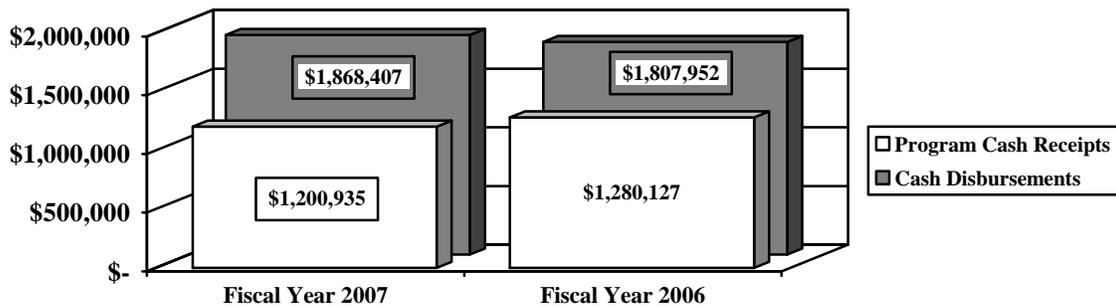
Governmental Activities

Governmental cash assets decreased by \$77,912 in 2007 from 2006.

Salaries represent the largest expenditure of the Health District. In 2007, salary cash disbursements totaled \$878,966, or 47.04% of total governmental cash disbursements. Salary expenditures were supported by \$539,819 in direct charges to users for services and operating grants.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2007. That is, it identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

Governmental Activities – Program Cash Receipts vs. Total Cash Disbursements



**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

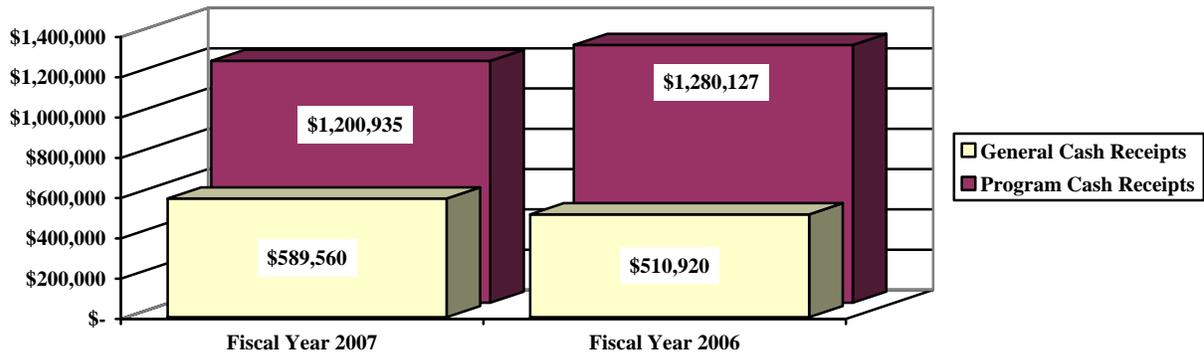
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007
(UNAUDITED)**

Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
Cash disbursements:				
Current:				
Salaries	\$ 878,966	\$ 339,147	\$ 840,440	\$ 258,757
Supplies	58,255	8,958	53,254	23,469
Remittance to State	88,490	(5,524)	87,025	(2,159)
Equipment	25,382	(168)	22,114	2,953
Contracts - Services	317,352	135,699	284,266	98,107
Membership/Subscriptions	377	230	448	178
Travel	73,439	23,824	83,443	18,896
Advertising and printing	2,658	44	867	121
Public Employee's Retirement	121,353	47,765	114,191	33,942
Hospitalization	254,418	100,310	236,079	69,211
Medicare	11,666	4,024	11,134	2,995
Worker's Compensation	10,552	4,641	15,366	4,672
Other	25,499	8,522	59,325	16,683
Total	\$ 1,868,407	\$ 667,472	\$ 1,807,952	\$ 527,825

The dependence upon general cash receipts for governmental activities is apparent; with 35.72% of cash disbursements supported through taxes and other general cash receipts during 2007.

Governmental Activities - General and Program Cash Receipts



Financial Analysis of the Government's Funds

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007
(UNAUDITED)

Governmental Funds

The Health District's governmental funds are accounted for using the cash basis of accounting.

The Health District's governmental funds reported a combined fund cash balance of \$353,071, which is \$77,912 below last year's total of \$430,983. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2007, for all major and nonmajor governmental funds.

	<u>Fund Cash Balance</u> <u>December 31, 2007</u>	<u>Fund Cash Balance</u> <u>December 31, 2006</u>	<u>Increase</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 79,287	\$ 189,576	\$ (110,289)
Public Health Infrastructure	20,459	19,049	1,410
Early Start	61,038	40,800	20,238
Cancer Levy	35,416	35,318	98
Solid Waste/Landfill	55,289	-	55,289
Other Nonmajor Governmental Funds	<u>101,582</u>	<u>146,240</u>	<u>(44,658)</u>
Total	<u>\$ 353,071</u>	<u>\$ 430,983</u>	<u>\$ (77,912)</u>

The \$77,912 short fall experienced by the Health District in 2007 can be directly attributed to the new septic rules adopted by the Ohio Department of Health that went into effect January 1, 2007. From January 1, 2007 to June 15, 2007 the Health District issued twelve septic permits bringing in \$4,800.00. After the rules were repealed, there were ninety-seven septic permits issued from June 16, 2007 to December 31, 2007 bringing in \$38,800. The number of well permits and plumbing permits were also down in number as new construction came to a halt during the first six months of last year. This also added to the short fall.

General Fund

The general fund, the Health District's largest major fund, had cash receipts of \$660,613 in 2007. The cash disbursements of the general fund totaled \$770,902 in 2007. The general fund's cash balance decreased \$110,289 from 2006 to 2007.

The table that follows assists in illustrating the cash receipts of the general fund.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 234,000	\$ 232,000	0.86 %
Intergovernmental	118,102	66,122	78.61 %
Fees	299,485	485,393	(38.30) %
Other	<u>9,026</u>	<u>12,756</u>	(29.24) %
Total	<u>\$ 660,613</u>	<u>\$ 796,271</u>	(17.04) %

Intergovernmental cash receipts increased due to an increase in grants received in 2007. Fees revenues decreased due to lower amounts charged for various services. All other revenue remained comparable to 2006.

The table that follows assists in illustrating the expenditures of the general fund.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007
(UNAUDITED)

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Disbursements</u>			
Salaries	\$ 335,429	\$ 359,098	(6.59) %
Supplies	24,178	24,529	(1.43) %
Remittances to State	59,364	57,957	2.43 %
Contracts - Services	113,920	121,469	(6.21) %
Memberships/Subscriptions	377	448	(15.85) %
Travel	41,949	44,527	(5.79) %
Advertising and Printing	305	-	100.00 %
Public Employee's Retirement	46,996	48,450	(3.00) %
Hospitalization	122,696	101,343	21.07 %
Medicare	4,487	4,837	(7.24) %
Worker's Compensation	5,337	6,954	(23.25) %
Other	<u>15,864</u>	<u>35,483</u>	(55.29) %
Total	<u>\$ 770,902</u>	<u>\$ 805,095</u>	(4.25) %

Salaries, Public Employee's Retirement, Medicare, and Worker's Compensation expenditure changes are a direct result of personnel changes within the Health District. Hospitalization cost increased due to increases in health care costs. Overall, cash disbursements decreased \$34,193 from 2006.

Public Health Infrastructure Fund

The public health infrastructure fund, a Health District major fund, had cash receipts of \$199,199 in 2007. The public health infrastructure fund had cash disbursements of \$197,789 in 2007. The public health infrastructure fund cash balance increased \$1,410 from 2006 to 2007.

Early Start Fund

The early start fund, a Health District major fund, had cash receipts of \$352,734 in 2007. The early start fund had cash disbursements of \$332,496 in 2007. The early start fund cash balance increased \$20,238 from 2006 to 2007.

Cancer Levy Fund

The cancer levy fund, a Health District major fund, had cash receipts of \$219,916 in 2007. The cancer levy fund had cash disbursements of \$219,818 in 2007. The cancer levy fund cash balance increased \$98 from 2006 to 2007.

Solid Waste/Landfill Fund

The solid waste/landfill fund, a Health District major fund, had cash receipts of \$58,615 in 2007. The cancer levy fund had cash disbursements of \$3,326 in 2007. The cancer levy fund cash balance increased \$55,289 from 2006 to 2007.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007
(UNAUDITED)**

Budgeting Highlights - General Fund

The Health 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.

For fiscal year 2007, the general fund, final budget basis receipts equal to \$650,000 were lower than original budget estimates of \$750,000. Actual cash receipts of \$660,613 were more than final budget estimates by \$10,613. The final budgetary basis disbursements of \$839,576 were less than the original budget estimates of \$939,576. The actual budgetary basis disbursements of \$770,902 were \$68,674 less than the final budget estimates.

Capital Assets and Debt Administration

Capital Assets

The Health District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Health District had equipment cash disbursements of \$25,382 during fiscal year 2007.

Debt Administration

The Health District did not have any long-term obligations at December 31, 2007.

Contacting the Health District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Health District's finances and to show the Health District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Cecile Donahey, Fiscal Officer, Columbiana General Health District, P.O. Box 309, Lisbon, OH 44432.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 353,071
Total assets	353,071
Net assets:	
Restricted for:	
Other purposes:	
Public health infrastructure	20,459
Early start.	61,038
Cancer levy	35,416
Solid Waste/Landfill.	55,289
Home health	4,271
Food service	7,551
Unrestricted	169,047
Total net assets	\$ 353,071

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Program Cash Receipts</u>			<u>Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Salaries	\$ 878,966	\$ 260,153	\$ 279,666	\$ (339,147)
Supplies	58,255	21,802	27,495	(8,958)
Remittance to State	88,490	94,014	-	5,524
Equipment	25,382	-	25,550	168
Contracts - Services	317,352	44,398	137,255	(135,699)
Membership/Subscriptions	377	147	-	(230)
Travel	73,439	19,717	29,898	(23,824)
Advertising and printing	2,658	118	2,496	(44)
Public Employee's Retirement	121,353	35,485	38,103	(47,765)
Hospitalization	254,418	72,312	81,796	(100,310)
Medicare	11,666	3,626	4,016	(4,024)
Worker's Compensation	10,552	2,997	2,914	(4,641)
Other	25,499	6,399	10,578	(8,522)
Totals	<u>\$ 1,868,407</u>	<u>\$ 561,168</u>	<u>\$ 639,767</u>	<u>(667,472)</u>

General Cash Receipts:

Property and other taxes levied for:	
General purposes	420,920
Grants and entitlements not restricted to specific programs . .	140,948
Miscellaneous	27,692
Total general cash receipts	<u>589,560</u>
Change in net cash assets.	(77,912)
Net cash assets at beginning of year	<u>430,983</u>
Net cash assets at end of year	<u>\$ 353,071</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF ASSETS AND CASH FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	<u>General</u>	<u>Public Health Infrastructure</u>	<u>Early Start</u>	<u>Cancer Levy</u>	<u>Solid Waste/ Landfill</u>
Cash assets:					
Equity in pooled cash and cash equivalents . .	\$ 79,287	\$ 20,459	\$ 61,038	\$ 35,416	\$ 55,289
Total assets.	<u>\$ 79,287</u>	<u>\$ 20,459</u>	<u>\$ 61,038</u>	<u>\$ 35,416</u>	<u>\$ 55,289</u>
Fund cash balances:					
Unreserved, undesignated, reported in:					
General fund	\$ 79,287	\$ -	\$ -	\$ -	\$ -
Special revenue funds.	<u>-</u>	<u>20,459</u>	<u>61,038</u>	<u>35,416</u>	<u>55,289</u>
Total fund cash balances.	<u>\$ 79,287</u>	<u>\$ 20,459</u>	<u>\$ 61,038</u>	<u>\$ 35,416</u>	<u>\$ 55,289</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 101,582	\$ 353,071
<u>\$ 101,582</u>	<u>\$ 353,071</u>
\$ -	\$ 79,287
101,582	273,784
<u>\$ 101,582</u>	<u>\$ 353,071</u>

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>General</u>	<u>Public Health Infrastructure</u>	<u>Early Start</u>	<u>Cancer Levy</u>	<u>Solid Waste/ Landfill</u>
Cash receipts:					
Taxes	\$ 234,000	\$ -	\$ -	\$ 186,920	\$ -
Intergovernmental	118,102	199,099	352,734	22,846	-
Fees	299,485	-	-	140	7,600
Licenses and permits	-	-	-	-	43,950
Other	9,026	100	-	10,010	7,065
Total cash receipts	<u>660,613</u>	<u>199,199</u>	<u>352,734</u>	<u>219,916</u>	<u>58,615</u>
Cash disbursements:					
Salaries	335,429	31,897	184,804	102,773	-
Supplies	24,178	14,459	6,056	5,817	726
Remittances to State	59,364	-	-	-	2,600
Equipment	-	25,382	-	-	-
Contracts - Services	113,920	109,117	19,805	69,840	-
Memberships/Subscriptions	377	-	-	-	-
Travel	41,949	2,261	20,601	82	-
Advertising and printing	305	-	2,353	-	-
Public Employee's Retirement	46,996	4,570	25,280	15,231	-
Hospitalization	122,696	8,649	67,536	22,789	-
Medicare	4,487	463	2,642	825	-
Worker's Compensation	5,337	417	1,851	1,324	-
Other	15,864	574	1,568	1,137	-
Total cash disbursements	<u>770,902</u>	<u>197,789</u>	<u>332,496</u>	<u>219,818</u>	<u>3,326</u>
Net change in fund cash balances	(110,289)	1,410	20,238	98	55,289
Fund cash balances					
at beginning of year	<u>189,576</u>	<u>19,049</u>	<u>40,800</u>	<u>35,318</u>	<u>-</u>
Fund cash balances at end of year	<u>\$ 79,287</u>	<u>\$ 20,459</u>	<u>\$ 61,038</u>	<u>\$ 35,416</u>	<u>\$ 55,289</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 420,920
87,934	780,715
2,585	309,810
207,308	251,258
1,591	27,792
<u>299,418</u>	<u>1,790,495</u>
224,063	878,966
7,019	58,255
26,526	88,490
-	25,382
4,670	317,352
-	377
8,546	73,439
-	2,658
29,276	121,353
32,748	254,418
3,249	11,666
1,623	10,552
6,356	25,499
<u>344,076</u>	<u>1,868,407</u>
(44,658)	(77,912)
<u>146,240</u>	<u>430,983</u>
<u>\$ 101,582</u>	<u>\$ 353,071</u>

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Taxes	\$ 265,662	\$ 230,241	\$ 234,000	\$ 3,759
Intergovernmental	134,082	116,205	118,102	1,897
Fees	340,009	294,673	299,485	4,812
Other	10,247	8,881	9,026	145
Total budgetary basis receipts.	<u>750,000</u>	<u>650,000</u>	<u>660,613</u>	<u>10,613</u>
Budgetary basis disbursements:				
Salaries.	408,821	365,310	335,429	29,881
Supplies	29,468	26,332	24,178	2,154
Remittances to State	72,353	64,652	59,364	5,288
Contracts - Services	138,846	124,068	113,920	10,148
Membership/Subscriptions.	459	411	377	34
Advertising and printing	372	332	305	27
Travel.	51,127	45,686	41,949	3,737
Public Employee's Retirement	57,279	51,183	46,996	4,187
Hospitalization	149,542	133,626	122,696	10,930
Medicare	5,469	4,887	4,487	400
Worker's Compensation	6,505	5,812	5,337	475
Other	19,335	17,277	15,864	1,413
Total budgetary basis disbursements.	<u>939,576</u>	<u>839,576</u>	<u>770,902</u>	<u>68,674</u>
Net change in fund cash balance	(189,576)	(189,576)	(110,289)	79,287
Fund cash balance at beginning of year	<u>189,576</u>	<u>189,576</u>	<u>189,576</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,287</u>	<u>\$ 79,287</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ 149,925	\$ 179,910	\$ 199,099	\$ 19,189
Other	75	90	100	10
Total budgetary basis receipts.	<u>150,000</u>	<u>180,000</u>	<u>199,199</u>	<u>19,199</u>
Budgetary basis disbursements:				
Salaries.	27,262	32,100	31,897	203
Supplies	12,358	14,551	14,459	92
Equipment	21,694	25,544	25,382	162
Contracts - Services	93,262	109,812	109,117	695
Travel	1,932	2,275	2,261	14
Public Employee's Retirement	3,906	4,599	4,570	29
Hospitalization	7,392	8,704	8,649	55
Medicare	396	466	463	3
Worker's Compensation	356	420	417	3
Other	491	578	574	4
Total budgetary basis disbursements.	<u>169,049</u>	<u>199,049</u>	<u>197,789</u>	<u>1,260</u>
Net change in fund cash balance	(19,049)	(19,049)	1,410	20,459
Fund cash balance at beginning of year.	<u>19,049</u>	<u>19,049</u>	<u>19,049</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,459</u>	<u>\$ 20,459</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
EARLY START
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ 325,000	\$ 320,566	\$ 352,734	\$ 32,168
Total budgetary basis receipts.	<u>325,000</u>	<u>320,566</u>	<u>352,734</u>	<u>32,168</u>
Budgetary basis disbursements:				
Salaries.	203,315	200,850	184,804	16,046
Supplies	6,663	6,582	6,056	526
Contracts - Services	21,789	21,525	19,805	1,720
Advertising and printing	2,589	2,557	2,353	204
Travel.	22,664	22,390	20,601	1,789
Public Employee's Retirement	27,812	27,475	25,280	2,195
Hospitalization	74,300	73,400	67,536	5,864
Medicare	2,907	2,871	2,642	229
Worker's Compensation	2,036	2,012	1,851	161
Other	1,725	1,704	1,568	136
Total budgetary basis disbursements	<u>365,800</u>	<u>361,366</u>	<u>332,496</u>	<u>28,870</u>
Net change in fund cash balance	(40,800)	(40,800)	20,238	61,038
Fund cash balance at beginning of year.	<u>40,800</u>	<u>40,800</u>	<u>40,800</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,038</u>	<u>\$ 61,038</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
CANCER LEVY
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Taxes	\$ 178,984	\$ 178,984	\$ 196,806	\$ 17,822
Intergovernmental	11,786	11,786	12,960	1,174
Fees	127	127	140	13
Other	9,103	9,103	10,010	907
Total budgetary basis receipts.	<u>200,000</u>	<u>200,000</u>	<u>219,916</u>	<u>19,916</u>
Budgetary basis disbursements:				
Salaries.	110,020	110,020	102,773	7,247
Supplies	6,227	6,227	5,817	410
Contracts - Services	74,765	74,765	69,840	4,925
Travel.	88	88	82	6
Public Employee's Retirement	16,305	16,305	15,231	1,074
Hospitalization	24,396	24,396	22,789	1,607
Medicare	883	883	825	58
Worker's Compensation	1,417	1,417	1,324	93
Other	1,217	1,217	1,137	80
Total budgetary basis disbursements.	<u>235,318</u>	<u>235,318</u>	<u>219,818</u>	<u>15,500</u>
Net change in fund cash balance	(35,318)	(35,318)	98	35,416
Fund cash balance at beginning of year.	<u>35,318</u>	<u>35,318</u>	<u>35,318</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,416</u>	<u>\$ 35,416</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
SOLID WASTE / LANDFILL
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Fees	\$ 389	\$ 441	\$ 7,600	\$ 7,159
Fines, licenses and permits.	2,249	2,549	43,950	41,401
Other.	362	410	7,065	6,655
Total budgetary basis receipts.	<u>3,000</u>	<u>3,400</u>	<u>58,615</u>	<u>55,215</u>
Budgetary basis disbursements:				
Supplies	655	742	726	16
Remittances to State	<u>2,345</u>	<u>2,658</u>	<u>2,600</u>	<u>58</u>
Total budgetary basis disbursements.	<u>3,000</u>	<u>3,400</u>	<u>3,326</u>	<u>74</u>
Net change in fund cash balance.	-	-	55,289	55,289
Fund cash balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,289</u>	<u>\$ 55,289</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007

NOTE 1 - DESCRIPTION OF THE ENTITY

The Columbiana General Health District, Columbiana County (the "Health District") is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Health District is directed by a five-member Board and a Health Commissioner. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issuing health-related licenses and permits.

The Health District's management believes these basic financial statements present all activities for which the Health District is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Health District's accounting policies.

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

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

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

B. Fund Accounting

The Health District uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Health District classifies each fund as either governmental, proprietary or fiduciary. The Health District has no proprietary or fiduciary funds.

Governmental Funds - The Health District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. The following are the Health District's major governmental funds:

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007

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

General Fund - This fund is used to account for all financial resources of the Health District except those required to be accounted for in another fund. The general fund balance is available to the Health District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Public Health Infrastructure Fund - This is a Federal grant fund used to account for the Centers for Disease Control and Prevention - Investigations and Technical Assistance Program.

Early Start Fund - This fund accounts for activity associated with the contract with the Columbiana County Family and Children First Council to provide services to children from birth to three years that are at risk or have special needs through the federally funded Help Me Grow program.

Cancer Levy Fund - This fund accounts mainly for tax monies received for reducing the incidence and mortality of cancer through programs for prevention, early detection, treatment, and care.

Solid Waste/Landfill Fund - This fund accounts for septic permits, septic installer registration, and septic hauler licenses for the septic system program needed to meet state requirements.

Other governmental funds of the Health District are used to account for grants and other resources, and capital projects whose use is restricted to a particular purpose.

Proprietary Funds - These funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The Health District does not have any proprietary funds.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Health District does not have any fiduciary funds.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Health District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Health District has no business-type activities.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007**

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

The statement of net assets presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health 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 Health District is responsible.

Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the Health 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 Health District.

Fund Financial Statements - Fund financial statements report detailed information about the Health District. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

D. 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 District may appropriate. The appropriations resolution is the Health District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Board of Health. The legal level of control has been established by the County Board of Health at the fund level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Health District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources 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 County Board of Health.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund 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 amounts passed by the Health District during the year.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007**

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

E. Cash and Cash Equivalents

The Columbiana County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County Treasurer, Nick Barborak, 105 S. Market Street, Lisbon, Ohio 44432.

F. Capital Assets

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Health District (see Note 2A.).

H. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of loans are reported as cash when received and principal and interest are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

I. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 4 and 5, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Net Assets

Net assets are reported as restricted when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on its use.

The Health District first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 3 - RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007**

NOTE 4 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The Health District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to established and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement under the Traditional Pension Plan, were required to contribute 9.5% of their annual covered salaries. Members participating in the Traditional Pension Plan that were in law enforcement contributed 10.1% of their annual covered salary. The Health District's contribution rate for pension benefits for 2007 was 8.85% for the period January 1, 2007 through June 30, 2007 and 7.85% for the period July 1, 2007 through December 31, 2007, except for those plan members in law enforcement and public safety. For those classifications, the Health District's pension contributions were 12.17% of covered payroll for the period January 1, 2007 through June 30, 2007 and 11.17% of covered payroll for the period July 1, 2007 through December 31, 2007. The Ohio Revised Code provides statutory authority for member and employer contributions. The Health District's contributions to OPERS for the years ended December 31, 2007 were \$73,152, these contributions were sufficient to fulfill the requirements.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007**

NOTE 5 - POSTRETIREMENT BENEFIT PLANS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-employment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Pension or Combined Plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. The health care coverage provided by OPERS is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the Traditional Pension or Combined Plans is set aside for the funding of post-employment health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85% of covered payroll (17.17% for public safety and law enforcement); 5.00% of covered payroll was the portion that was used to fund health care for the period January 1, 2007 through June 30, 2007 and 6.00% of covered payroll was the portion that was used to fund health care for the period July 1, 2007 through December 31, 2007.

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus and an additional factor ranging from .50% to 5.00% for the next eight years. In subsequent years, (nine and beyond) health care costs were assumed to increase at 4.00%.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the Traditional Pension and Combined Plans was 374,979 as of December 31, 2007. The Health District's actual employer contributions for 2007 which were used to fund post-employment benefits were \$48,201. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006 (the latest information available) were \$12.0 billion. At December 31, 2006 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 6 - CONTINGENT LIABILITY

Litigation

The Health District is not currently involved in litigation that the Health District's legal counsel anticipates a loss.



Mary Taylor, CPA

Auditor of State

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

Columbiana General Health District
Columbiana County
7360 State Route 45
Lisbon, Ohio 44432

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, (the Government) as of and for the year ended December 31, 2007, which collectively comprise the Government's basic financial statements and have issued our report thereon dated May 11, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Government's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Government's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Government's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the Government's management in a separate letter dated May 11, 2009.

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Compliance and Other Matters

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

We did note a noncompliance matter that we reported to the Government's management in a separate letter dated May 11, 2009.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 11, 2009



Mary Taylor, CPA
Auditor of State

COLUMBIANA GENERAL HEALTH DISTRICT

COLUMBIANA 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
JUNE 11, 2009**