



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, 2006, 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, 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General, Public Health Infrastructure, Early Start and Cancer Levy Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2006, 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, 2006
(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, 2006, 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 2006 are as follows:

- For fiscal year 2006, the total net cash assets of the Health District decreased \$16,905, which represents a 3.77% decrease over fiscal year 2005.
- For fiscal year 2006, general cash receipts accounted for \$510,920 or 28.53% of total governmental activities cash receipts. Program specific cash receipts accounted for \$1,280,127 or 71.47% of total governmental activities cash receipts.
- For fiscal year 2006, the Health District had \$1,807,952 in cash disbursements related to governmental activities; \$1,280,127 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$510,920 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 and the cancer levy fund. The general fund, the Health District's largest major fund, had cash receipts of \$796,271 in 2006. The cash disbursements of the general fund, totaled \$805,095 in 2006. The general fund's cash balance decreased \$8,824 from 2005 to 2006.
- The public health infrastructure fund, a Health District major fund, had cash receipts of \$159,065 in 2006. The public health infrastructure fund had cash disbursements of \$193,539 in 2006. The public health infrastructure fund cash balance decreased \$34,474 from 2005 to 2006.
- The early start fund, a Health District major fund, had cash receipts of \$289,739 in 2006. The early start fund had cash disbursements of \$299,591 in 2006. The early start fund cash balance decreased \$9,852 from 2005 to 2006.
- The cancer levy fund, a Health District major fund, had cash receipts of \$205,708 in 2006. The cancer levy fund had cash disbursements of \$216,014 in 2006. The cancer levy fund cash balance decreased \$10,306 from 2005 to 2006.

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.

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 four major governmental funds. The general fund is the largest major fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2006
(UNAUDITED)

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 2006? These statements include *only net assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principals 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 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, and the Cancer Levy Fund. The analysis of the Health District's major governmental funds begins on page 9.

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 principals 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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2006
(UNAUDITED)

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 14-15 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, and the Cancer Levy Fund are presented to demonstrate the Health District's compliance with annually adopted budgets. The budgetary statements can be found on pages 16-19 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 20-25 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 2006.

	Net Cash Assets	
	Governmental Activities <u>2006</u>	Governmental Activities <u>2005</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 430,983	\$ 447,888
Total assets	<u>430,983</u>	<u>447,888</u>
<u>Net Assets</u>		
Restricted	142,871	174,512
Unrestricted	<u>288,112</u>	<u>273,376</u>
Total net assets	<u>\$ 430,983</u>	<u>\$ 447,888</u>

For fiscal year 2006, the total net cash assets of the Health District decreased \$16,905, which represents a 3.77% decrease.

The balance of government-wide unrestricted net cash assets of \$288,112 at December 31, 2006, respectively may be used to meet the government's ongoing obligations to citizens and creditors.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2006
(UNAUDITED)**

The table below shows the changes in net cash assets for fiscal year 2006.

	Change in Net Cash Assets	
	Governmental Activities <u>2006</u>	Governmental Activities <u>2005</u>
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 730,390	\$ 606,922
Operating grants and contributions	<u>549,737</u>	<u>566,127</u>
Total program cash receipts	<u>1,280,127</u>	<u>1,173,049</u>
General cash receipts:		
Property and other taxes	415,880	418,903
Unrestricted grants	66,122	86,938
Other	<u>28,918</u>	<u>47,000</u>
Total general cash receipts	<u>510,920</u>	<u>552,841</u>
Total cash receipts	<u>1,791,047</u>	<u>1,725,890</u>
Cash Disbursements:		
Salaries	840,440	766,547
Supplies	53,254	101,878
Remittance to State	87,025	81,840
Equipment	22,114	81,725
Contracts - Services	284,266	201,122
Membership/Subscriptions	448	1,427
Travel	83,443	65,281
Advertising and printing	867	317
Public Employee's Retirement	114,191	101,326
Hospitalization	236,079	243,501
Medicare	11,134	10,102
Worker's Compenstaion	15,366	11,821
Other	<u>59,325</u>	<u>44,123</u>
Total cash disbursements	<u>1,807,952</u>	<u>1,711,010</u>
Change in net cash assets	(16,905)	14,880
Net cash assets at beginning of year	<u>447,888</u>	<u>433,008</u>
Net cash assets at end of year	<u>\$ 430,983</u>	<u>\$ 447,888</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2006
(UNAUDITED)**

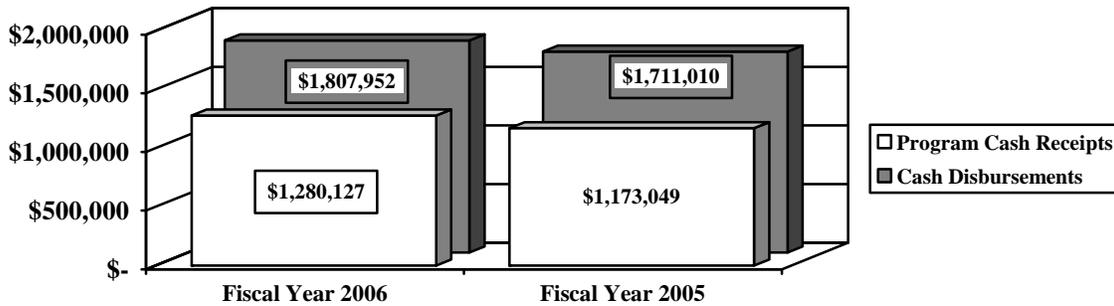
Governmental Activities

Governmental cash assets decreased by \$16,905 in 2006 from 2005.

Salaries represent the largest expenditure of the Health District. In 2006, salary cash disbursements totaled \$840,440 , or 46.49% of total governmental cash disbursements. Salary expenditures were supported by \$581,683 in direct charges to users for services.

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 2006. 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**

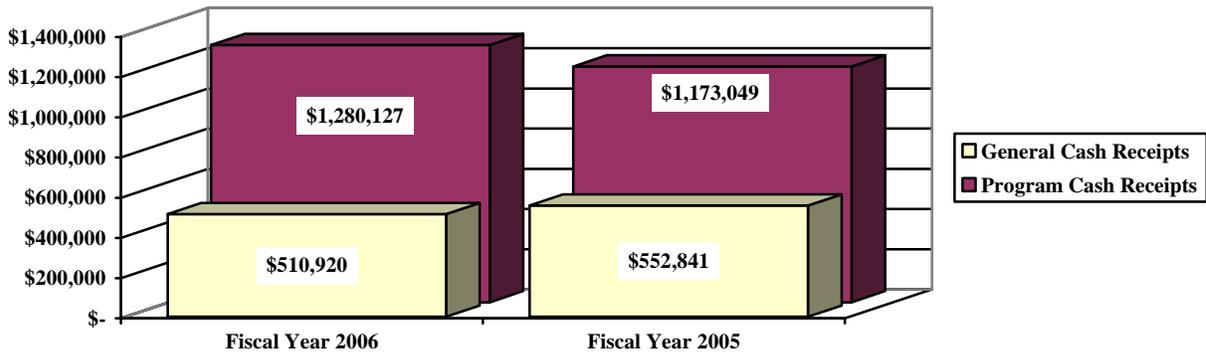
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2006
(UNAUDITED)**

Governmental Activities

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
Cash disbursements:				
Current:				
Salaries	\$ 840,440	\$ 258,757	\$ 766,547	\$ 236,641
Supplies	53,254	23,469	101,878	34,771
Remittance to State	87,025	(2,159)	81,840	27,122
Equipment	22,114	2,953	81,725	8,386
Contracts - Services	284,266	98,107	201,122	73,901
Membership/Subscriptions	448	178	1,427	644
Travel	83,443	18,896	65,281	13,979
Advertising and printing	867	121	317	190
Public Employee's Retirement	114,191	33,942	101,326	31,933
Hospitalization	236,079	69,211	243,501	97,976
Medicare	11,134	2,995	10,102	2,692
Worker's Compensation	15,366	4,672	11,821	3,918
Other	59,325	16,683	44,123	5,808
Total	\$ 1,807,952	\$ 527,825	\$ 1,711,010	\$ 537,961

The dependence upon general cash receipts for governmental activities is apparent; with 29.19% of cash disbursements supported through taxes and other general cash receipts during 2006.

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, 2006
(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 \$430,983, which is \$16,905 below last year's total of \$447,888. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2006, for all major and nonmajor governmental funds.

	<u>Fund Cash Balance</u> <u>December 31, 2006</u>	<u>Fund Cash Balance</u> <u>December 31, 2005</u>	<u>Increase</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 189,576	\$ 198,400	\$ (8,824)
Public Health Infrastructure	19,049	53,523	(34,474)
Early Start	40,800	50,652	(9,852)
Cancer Levy	35,318	45,624	(10,306)
Other Nonmajor Governmental Funds	<u>146,240</u>	<u>99,689</u>	<u>46,551</u>
Total	<u>\$ 430,983</u>	<u>\$ 447,888</u>	<u>\$ (16,905)</u>

General Fund

The general fund, the Health District's largest major fund, had cash receipts of \$796,271 in 2006. The cash disbursements of the general fund totaled \$805,095 in 2006. The general fund's cash balance decreased \$8,824 from 2005 to 2006.

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

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 232,000	\$ 232,000	- %
Intergovernmental	66,122	86,938	(23.94) %
Fees	485,393	390,080	24.43 %
Other	<u>12,756</u>	<u>20,605</u>	(38.09) %
Total	<u>\$ 796,271</u>	<u>\$ 729,623</u>	9.13 %

Intergovernmental cash receipts increased due to fewer amounts of grants received in 2006. Fees revenues increased due to higher amounts charged for various services. All other revenue remained comparable to 2005.

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, 2006
(UNAUDITED)

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Disbursements</u>			
Salaries	\$ 359,098	\$ 306,108	17.31 %
Supplies	24,529	49,235	(50.18) %
Remittances to State	57,957	51,510	12.52 %
Contracts - Services	121,469	74,305	63.47 %
Memberships/Subscriptions	448	1,427	(68.61) %
Travel	44,527	32,986	34.99 %
Public Employee's Retirement	48,450	39,188	23.63 %
Hospitalization	101,343	135,210	(25.05) %
Medicare	4,837	4,076	18.67 %
Worker's Compensation	6,954	5,402	28.73 %
Other	<u>35,483</u>	<u>11,734</u>	202.39 %
Total	<u>\$ 805,095</u>	<u>\$ 711,181</u>	13.21 %

Salaries, Public Employee's Retirement, Hospitalization, Medicare, and Worker's Compensation expenditure changes are a direct result of personnel changes within the Health District. Overall, cash disbursements increased \$93,914 from 2005.

Public Health Infrastructure Fund

The public health infrastructure fund, a Health District major fund, had cash receipts of \$159,065 in 2006. The public health infrastructure fund had cash disbursements of \$193,539 in 2006. The public health infrastructure fund cash balance decreased \$34,474 from 2005 to 2006.

Early Start Fund

The early start fund, a Health District major fund, had cash receipts of \$289,739 in 2006. The early start fund had cash disbursements of \$299,591 in 2006. The early start fund cash balance decreased \$9,852 from 2005 to 2006.

Cancer Levy Fund

The cancer levy fund, a Health District major fund, had cash receipts of \$205,708 in 2006. The cancer levy fund had cash disbursements of \$216,014 in 2006. The cancer levy fund cash balance decreased \$10,306 from 2005 to 2006.

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 2006, the general fund, final budget basis receipts were equal to original budget estimates of \$700,000. Actual cash receipts of \$796,271 were more than final budget estimates by \$96,271. The final budgetary basis disbursements of \$700,000 were the same as original budget estimates. The actual budgetary basis disbursements of \$805,095 were \$105,095 more than the final budget estimates.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2006
(UNAUDITED)**

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 \$22,114 during fiscal year 2006.

Debt Administration

The Health District did not have any long-term obligations at December 31, 2006.

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.

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**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 430,983
 Total assets.	 430,983
 Net assets:	
Restricted for:	
Other purposes:	
Public health infrastructure.	19,049
Early start	40,800
Cancer levy	35,318
Home health	10,364
Food service.	37,340
Unrestricted	288,112
 Total net assets	 \$ 430,983

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, 2006

	<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	\$ 840,440	\$ 327,969	\$ 253,714	\$ (258,757)
Supplies	53,254	11,865	17,920	(23,469)
Remittance to State	87,025	89,184	-	2,159
Equipment	22,114	-	19,161	(2,953)
Contracts - Services	284,266	85,893	100,266	(98,107)
Membership/Subscriptions	448	270	-	(178)
Travel	83,443	32,492	32,055	(18,896)
Advertising and printing	867	-	746	(121)
Public Employee's Retirement	114,191	45,677	34,572	(33,942)
Hospitalization	236,079	99,623	67,245	(69,211)
Medicare	11,134	4,529	3,610	(2,995)
Worker's Compensation	15,366	6,548	4,146	(4,672)
Other	59,325	26,340	16,302	(16,683)
Totals	<u>\$ 1,807,952</u>	<u>\$ 730,390</u>	<u>\$ 549,737</u>	<u>(527,825)</u>

General Cash Receipts:

Property and other taxes levied for:	
General purposes	415,880
Grants and entitlements not restricted to specific programs . . .	66,122
Miscellaneous	28,918
Total general cash receipts	<u>510,920</u>
Change in net cash assets	(16,905)
Net cash assets at beginning of year	<u>447,888</u>
Net cash assets at end of year	<u>\$ 430,983</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, 2006

	<u>General</u>	<u>Public Health Infrastructure</u>	<u>Early Start</u>	<u>Cancer Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash assets:						
Equity in pooled cash and cash equivalents . . .	\$ 189,576	\$ 19,049	\$ 40,800	\$ 35,318	\$ 146,240	\$ 430,983
Total assets	<u>\$ 189,576</u>	<u>\$ 19,049</u>	<u>\$ 40,800</u>	<u>\$ 35,318</u>	<u>\$ 146,240</u>	<u>\$ 430,983</u>
Fund cash balances:						
Unreserved, undesignated, reported in:						
General fund.	\$ 189,576	\$ -	\$ -	\$ -	\$ -	\$ 189,576
Special revenue funds	<u>-</u>	<u>19,049</u>	<u>40,800</u>	<u>35,318</u>	<u>146,240</u>	<u>241,407</u>
Total fund cash balances	<u>\$ 189,576</u>	<u>\$ 19,049</u>	<u>\$ 40,800</u>	<u>\$ 35,318</u>	<u>\$ 146,240</u>	<u>\$ 430,983</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 BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General</u>	<u>Public Health Infrastructure</u>	<u>Early Start</u>	<u>Cancer Levy</u>	<u>Other Governmenta Funds</u>	<u>Total Governmental Funds</u>
Cash receipts:						
Taxes	\$ 232,000	\$ -	\$ -	\$ 180,534	\$ 3,346	\$ 415,880
Intergovernmental	66,122	159,065	288,027	13,291	89,354	615,859
Fees	485,393	-	-	390	3,780	489,563
Licenses and permits.	-	-	-	-	227,854	227,854
Other.	12,756	-	1,712	11,493	15,930	41,891
Total cash receipts	<u>796,271</u>	<u>159,065</u>	<u>289,739</u>	<u>205,708</u>	<u>340,264</u>	<u>1,791,047</u>
Cash disbursements:						
Salaries	359,098	38,519	170,834	122,190	149,799	840,440
Supplies	24,529	6,286	4,298	2,554	15,587	53,254
Remittances to State	57,957	-	-	-	29,068	87,025
Equipment	-	16,021	4,120	-	1,973	22,114
Contracts - Services	121,469	103,572	6,686	36,895	15,644	284,266
Memberships/Subscriptions.	448	-	-	-	-	448
Travel	44,527	2,058	28,682	52	8,124	83,443
Advertising and printing	-	-	770	97	-	867
Public Employee's Retirement	48,450	4,981	23,112	15,657	21,991	114,191
Hospitalization	101,343	12,076	47,749	31,985	42,926	236,079
Medicare	4,837	559	2,446	1,121	2,171	11,134
Worker's Compensation.	6,954	781	2,515	2,056	3,060	15,366
Other	35,483	8,686	8,379	3,407	3,370	59,325
Total cash disbursements	<u>805,095</u>	<u>193,539</u>	<u>299,591</u>	<u>216,014</u>	<u>293,713</u>	<u>1,807,952</u>
Net change in fund cash balances	(8,824)	(34,474)	(9,852)	(10,306)	46,551	(16,905)
Fund cash balances						
at beginning of year	<u>198,400</u>	<u>53,523</u>	<u>50,652</u>	<u>45,624</u>	<u>99,689</u>	<u>447,888</u>
Fund cash balances at end of year	<u>\$ 189,576</u>	<u>\$ 19,049</u>	<u>\$ 40,800</u>	<u>\$ 35,318</u>	<u>\$ 146,240</u>	<u>\$ 430,983</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)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Taxes	\$ 203,951	\$ 203,951	\$ 232,000	\$ 28,049
Intergovernmental	58,128	58,128	66,122	7,994
Fees	426,707	426,707	485,393	58,686
Other	11,214	11,214	12,756	1,542
Total budgetary basis receipts	<u>700,000</u>	<u>700,000</u>	<u>796,271</u>	<u>96,271</u>
Budgetary basis disbursements:				
Salaries	312,222	312,222	359,098	46,876
Supplies	21,327	21,327	24,529	3,202
Remittances to State	50,391	50,391	57,957	7,566
Contracts - Services	105,613	105,613	121,469	15,856
Membership/Subscriptions	390	390	448	58
Travel	38,715	38,715	44,527	5,812
Public Employee's Retirement	42,125	42,125	48,450	6,325
Hospitalization	88,114	88,114	101,343	13,229
Medicare	4,206	4,206	4,837	631
Worker's Compensation	6,046	6,046	6,954	908
Other	30,851	30,851	35,483	4,632
Total budgetary basis disbursements.	<u>700,000</u>	<u>700,000</u>	<u>805,095</u>	<u>105,095</u>
Net change in fund cash balance	-	-	(8,824)	201,366
Fund cash balance at beginning of year	<u>198,400</u>	<u>198,400</u>	<u>198,400</u>	<u>-</u>
Fund cash balance at end of year.	<u>\$ 198,400</u>	<u>\$ 198,400</u>	<u>\$ 189,576</u>	<u>\$ 201,366</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, 2006

	<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	\$ 120,000	\$ 120,000	\$ 159,065	\$ 39,065
Total budgetary basis receipts	<u>120,000</u>	<u>120,000</u>	<u>159,065</u>	<u>39,065</u>
Budgetary basis disbursements:				
Salaries	23,883	23,883	38,519	14,636
Supplies	3,898	3,898	6,286	2,388
Equipment	9,934	9,934	16,021	6,087
Contracts - Services	64,218	64,218	103,572	39,354
Travel	1,276	1,276	2,058	782
Public Employee's Retirement	3,088	3,088	4,981	1,893
Hospitalization	7,487	7,487	12,076	4,589
Medicare	347	347	559	212
Worker's Compensation	484	484	781	297
Other	5,385	5,385	8,686	3,301
Total budgetary basis disbursements.	<u>120,000</u>	<u>120,000</u>	<u>193,539</u>	<u>73,539</u>
Net change in fund cash balance	-	-	(34,474)	112,604
Fund cash balance at beginning of year	<u>53,523</u>	<u>53,523</u>	<u>53,523</u>	<u>-</u>
Fund cash balance at end of year.	<u>\$ 53,523</u>	<u>\$ 53,523</u>	<u>\$ 19,049</u>	<u>\$ 112,604</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ 298,227	\$ 286,298	\$ 288,027	\$ 1,729
Other	1,773	1,702	1,712	10
Total budgetary basis receipts	<u>300,000</u>	<u>288,000</u>	<u>289,739</u>	<u>1,739</u>
Budgetary basis disbursements:				
Salaries	171,067	171,067	170,834	(233)
Supplies	4,304	4,304	4,298	(6)
Equipment	4,126	4,126	4,120	(6)
Contracts - Services	6,695	6,695	6,686	(9)
Advertising and printing	771	771	770	(1)
Travel	28,721	28,721	28,682	(39)
Public Employee's Retirement	23,144	23,144	23,112	(32)
Hospitalization	47,814	47,814	47,749	(65)
Medicare	2,449	2,449	2,446	(3)
Worker's Compensation	2,519	2,519	2,515	(4)
Other	8,390	8,390	8,379	(11)
Total budgetary basis disbursements.	<u>300,000</u>	<u>300,000</u>	<u>299,591</u>	<u>(409)</u>
Net change in fund cash balance	-	(12,000)	(9,852)	1,330
Fund cash balance at beginning of year	<u>50,652</u>	<u>50,652</u>	<u>50,652</u>	-
Fund cash balance at end of year.	<u>\$ 50,652</u>	<u>\$ 38,652</u>	<u>\$ 40,800</u>	<u>\$ 1,330</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Taxes	\$ 166,749	\$ 166,749	\$ 180,534	\$ 13,785
Intergovernmental	12,276	12,276	13,291	1,015
Fees	360	360	390	30
Other	10,615	10,615	11,493	878
Total budgetary basis receipts	<u>190,000</u>	<u>190,000</u>	<u>205,708</u>	<u>15,708</u>
Budgetary basis disbursements:				
Salaries	107,476	107,476	122,190	14,714
Supplies	2,246	2,246	2,554	308
Contracts - Services	32,452	32,452	36,895	4,443
Advertising and printing	85	85	97	12
Travel	46	46	52	6
Public Employee's Retirement	13,771	13,771	15,657	1,886
Hospitalization	28,133	28,133	31,985	3,852
Medicare	986	986	1,121	135
Worker's Compensation	1,808	1,808	2,056	248
Other	2,997	2,997	3,407	410
Total budgetary basis disbursements.	<u>190,000</u>	<u>190,000</u>	<u>216,014</u>	<u>26,014</u>
Net change in fund cash balance	-	-	(10,306)	41,722
Fund cash balance at beginning of year	<u>45,624</u>	<u>45,624</u>	<u>45,624</u>	<u>-</u>
Fund cash balance at end of year.	<u>\$ 45,624</u>	<u>\$ 45,624</u>	<u>\$ 35,318</u>	<u>\$ 41,722</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, 2006

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 issues 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, 2006

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 receives nursing costs reimbursed by the County for home care visits.

Cancer Levy Fund – This fund accounts mainly for tax monies received for reducing the incidence and mortality of cancer by preventing it, finding it early, treating it, and caring for those who have it.

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.

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.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006**

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

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.

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.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006**

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

F. Capital Assets

Acquisition 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, 2006**

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 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 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 and 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, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement under the traditional plan, were required to contribute 9.0% of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.1% of their annual covered salary. The Health District's contribution rate for pension benefits for 2006 was 9.20%, except for those plan members in law enforcement and public safety. For those classifications, the Health District's pension contributions were 12.43% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

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 plan benefit.

The Health District's contributions to OPERS for the years ended December 31, 2006 were \$114,191, 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, 2006**

NOTE 5 - POSTRETIREMENT BENEFIT PLANS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional 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 postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.70% of covered payroll (16.93% for public safety and law enforcement); 4.50% of covered payroll was the portion that was used to fund health care.

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, 2005, 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 6.00% for the next nine years. In subsequent years, (10 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 and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$33,696. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional fund 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, 2006, 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.

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 date 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 11, 2009

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Purchases made at Waldenbooks and Barnes and Noble	Yes	The finding in the amount totaling \$233.17 was included within the court order to pay \$2,022.50. The entire court order amount has been repaid.
2005-002	Miscellaneous purchases made the Health Commissioner for items such as clothing, cell phone faceplate, gas and car washes	Yes	The finding in the amount totaling \$448.13 was included within the court order to pay \$2,022.50. The entire court order amount has been repaid.



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**