



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 District), as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.

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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

July 26, 2010

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(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, 2008, 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 2008 are as follows:

- For 2008, the total net cash assets of the Health District decreased \$88,982, which represents a 25.20% decrease from 2007.
- For 2008, general cash receipts accounted for \$574,640 or 32.19% of total governmental activities cash receipts. Program specific cash receipts accounted for \$1,210,651 or 67.81% of total governmental activities cash receipts.
- For 2008, the Health District had \$1,874,273 in cash disbursements related to governmental activities; \$1,210,651 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily property taxes) of \$574,640 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 \$590,227 in 2008. The cash disbursements of the general fund, totaled \$648,510 in 2008. The general fund's cash balance decreased \$58,283 from 2007 to 2008.
- The public health infrastructure fund, a Health District major fund, had cash receipts of \$189,702 in 2008. The public health infrastructure fund had cash disbursements of \$164,265 in 2008. The public health infrastructure fund cash balance increased \$25,437 from 2007 to 2008.
- The early start fund, a Health District major fund, had cash receipts of \$373,049 in 2008. The early start fund had cash disbursements of \$377,092 in 2008. The early start fund cash balance decreased \$4,043 from 2007 to 2008.
- The cancer levy fund, a Health District major fund, had cash receipts of \$239,295 in 2008. The cancer levy fund had cash disbursements of \$253,150 in 2008. The cancer levy fund cash balance decreased \$13,855 from 2007 to 2008.

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 most significant major fund.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(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 2008? 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, 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(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, 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 18-21 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 22-28 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 at December 31, 2008 and December 31, 2007.

	<u>Net Cash Assets</u>	
	Governmental Activities 2008	Governmental Activities 2007
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 264,089	\$ 353,071
Total assets	264,089	353,071
<u>Net Assets</u>		
Restricted	162,377	184,024
Unrestricted	<u>101,712</u>	<u>169,047</u>
Total net assets	<u>\$ 264,089</u>	<u>\$ 353,071</u>

For 2008, the total net cash assets of the Health District decreased \$88,982, which represents a 25.20% decrease.

The balance of government-wide unrestricted net cash assets of \$101,712 at December 31, 2008, 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 YEAR ENDED DECEMBER 31, 2008
(Unaudited)

The table below shows the changes in net cash assets for 2008 and 2007.

	Change in Net Cash Assets	
	Governmental Activities	Governmental Activities
	<u>2008</u>	<u>2007</u>
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 553,198	\$ 561,168
Operating grants and contributions	657,453	639,767
Total program cash receipts	<u>1,210,651</u>	<u>1,200,935</u>
General cash receipts:		
Property and other taxes	407,603	420,920
Unrestricted grants	115,179	140,948
Other	51,858	27,692
Total general cash receipts	<u>574,640</u>	<u>589,560</u>
Total cash receipts	1,785,291	1,790,495
Cash Disbursements:		
Salaries	960,667	878,966
Supplies	30,525	58,255
Remittance to State	83,431	88,490
Equipment	13,803	25,382
Contracts - Services	226,841	317,352
Membership/Subscriptions	237	377
Travel	72,023	73,439
Advertising and printing	1,097	2,658
Public Employee's Retirement	129,189	121,353
Hospitalization	261,131	254,418
Medicare	12,880	11,666
Worker's Compensation	5,914	10,552
Other	74,362	25,499
Utilities	<u>2,173</u>	<u>-</u>
Total cash disbursements	1,874,273	1,868,407
Change in net cash assets	(88,982)	(77,912)
Net cash assets at beginning of year	353,071	430,983
Net cash assets at end of year	<u>\$ 264,089</u>	<u>\$ 353,071</u>

The increase in salaries expense during 2008 is due to the retirement of the Health Commissioner, which resulted in a significant severance disbursement that is uncommon for the Health District.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)**

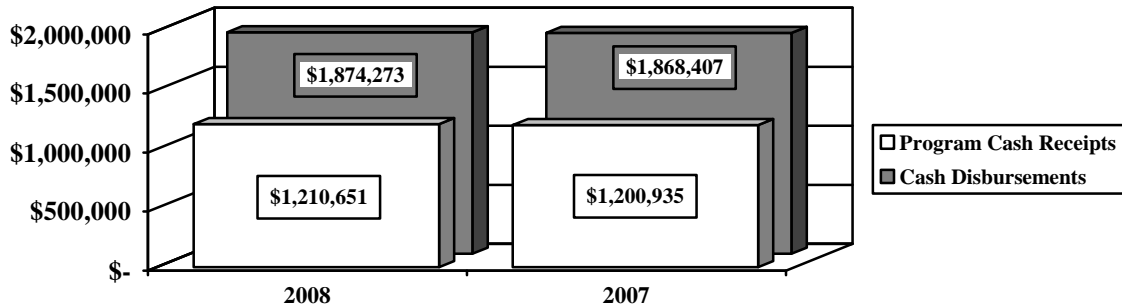
Governmental Activities

Governmental cash assets decreased by \$88,982 in 2008 from 2007.

Salaries represent the largest expenditure of the Health District. In 2008, salary cash disbursements totaled \$960,667, or 51.26% of total governmental cash disbursements. Salary expenditures were supported by \$604,512 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 2008 and 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



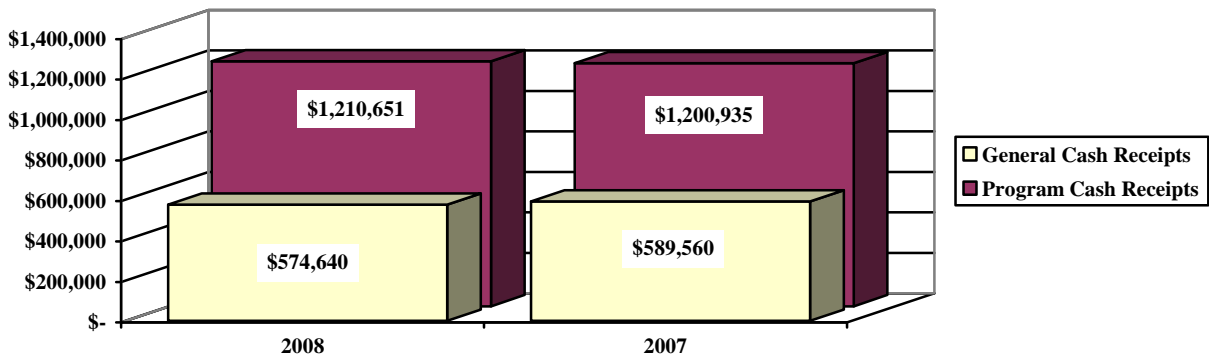
**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)**

	<u>Total Cost of Services 2008</u>	<u>Net Cost of Services 2008</u>	<u>Total Cost of Services 2007</u>	<u>Net Cost of Services 2007</u>
Cash disbursements:				
Current:				
Salaries	\$ 960,667	\$ 356,155	\$ 878,966	\$ 339,147
Supplies	30,525	9,552	58,255	8,958
Remittance to State	83,431	27,415	88,490	(5,524)
Equipment	13,803	(2,137)	25,382	(168)
Contracts - Services	226,841	93,788	317,352	135,699
Membership/Subscriptions	237	144	377	230
Travel	72,023	16,949	73,439	23,824
Advertising and printing	1,097	731	2,658	44
Public Employee's Retirement	129,189	48,988	121,353	47,765
Hospitalization	261,131	92,897	254,418	100,310
Medicare	12,880	4,341	11,666	4,024
Worker's Compensation	5,914	1,553	10,552	4,641
Other	74,362	13,070	25,499	8,522
Utilities	2,173	176	-	-
Total	\$ 1,874,273	\$ 663,622	\$ 1,868,407	\$ 667,472

The dependence upon general cash receipts for governmental activities is apparent; with 35.41% of cash disbursements supported through taxes and other general cash receipts during 2008.

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 YEAR ENDED DECEMBER 31, 2008
(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 \$264,089, which is \$88,982 below last year's total of \$353,071. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2008 and December 31, 2007, for all major and nonmajor governmental funds.

	<u>Fund Cash Balance</u> <u>December 31, 2008</u>	<u>Fund Cash Balance</u> <u>December 31, 2007</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 21,004	\$ 79,287	\$ (58,283)
Public Health Infrastructure	45,896	20,459	25,437
Early Start	56,995	61,038	(4,043)
Cancer Levy	21,561	35,416	(13,855)
Other Nonmajor Governmental Funds	<u>118,633</u>	<u>156,871</u>	<u>(38,238)</u>
Total	<u>\$ 264,089</u>	<u>\$ 353,071</u>	<u>\$ (88,982)</u>

The \$88,982 shortfall experienced by the Health District in 2008 can be directly attributed to the economic hard times in Columbiana County. Construction of businesses, new homes, and upgrading of existing homes has come to a near standstill, therefore the Health District's number of septic, water well, and plumbing permits issued in 2008 decreased dramatically. Most of the permits issued in 2008 were for necessary repairs to properties.

General Fund

The general fund, the Health District's largest major fund, had cash receipts of \$590,227 in 2008. The cash disbursements of the general fund totaled \$648,510 in 2008. The general fund's cash balance decreased \$58,283 from 2007 to 2008.

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

	2008 Amount	2007 Amount	Percentage Change
<u>Cash Receipts:</u>			
Taxes	\$ 234,000	\$ 234,000	- %
Intergovernmental	80,336	118,102	(31.98) %
Fees	256,072	299,485	(14.50) %
Other	19,819	9,026	119.58 %
Total	<u>\$ 590,227</u>	<u>\$ 660,613</u>	(10.65) %

Intergovernmental cash receipts decreased due to cutbacks at the State level for grant funds in 2008. Fee revenues decreased due to a reduction of permits issued and overall lack of fee related services being used by the public. All other revenue remained comparable to 2007.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)

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

	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Disbursements</u>			
Salaries	\$ 342,874	\$ 335,429	2.22 %
Supplies	6,713	24,178	(72.24) %
Remittances to State	53,302	59,364	(10.21) %
Contracts - Services	37,015	113,920	(67.51) %
Memberships/Subscriptions	237	377	(37.14) %
Travel	26,394	41,949	(37.08) %
Advertising and Printing	415	305	36.07 %
Public Employee's Retirement	42,380	46,996	(9.82) %
Hospitalization	105,331	122,696	(14.15) %
Medicare	4,587	4,487	2.23 %
Worker's Compensation	2,244	5,337	(57.95) %
Other	26,703	15,864	68.32 %
Utilities	315	-	100.00 %
Total	<u>\$ 648,510</u>	<u>\$ 770,902</u>	(15.88) %

Salaries, public employee's retirement, Medicare, and worker's compensation expenditure changes are a direct result of increases in PERS and earnings within the Health District. Hospitalization costs decreased due to restructuring of coverage levels for county employees. Overall, cash disbursements decreased \$122,392 from 2007.

Public Health Infrastructure Fund

The public health infrastructure fund, a Health District major fund, had cash receipts of \$189,702 in 2008. The public health infrastructure fund had cash disbursements of \$164,265 in 2008. The public health infrastructure fund cash balance increased \$25,437 from 2007 to 2008.

Early Start Fund

The early start fund, a Health District major fund, had cash receipts of \$373,049 in 2008. The early start fund had cash disbursements of \$377,092 in 2008. The early start fund cash balance decreased \$4,043 from 2007 to 2008.

Cancer Levy Fund

The cancer levy fund, a Health District major fund, had cash receipts of \$239,295 in 2008. The cancer levy fund had cash disbursements of \$253,150 in 2008. The cancer levy fund cash balance decreased \$13,855 from 2007 to 2008.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(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 2008, the general fund final budget basis receipts of \$582,275 were lower than original budget estimates of \$600,000. Actual cash receipts of \$590,227 were more than final budget estimates by \$7,952. The final budgetary basis disbursements of \$661,561 were more than the original budget estimates of \$600,000. The actual budgetary basis disbursements of \$648,510 were \$13,051 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 \$13,803 during 2008.

Debt Administration

The Health District did not have any long-term obligations at December 31, 2008.

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, 2008

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 264,089
Total assets	264,089
Net assets:	
Restricted for:	
Public health infrastructure	45,896
Early start.	56,995
Cancer levy	21,561
Solid Waste/Landfill.	23,590
Home health	4,866
Food service	9,469
Unrestricted	101,712
Total net assets	\$ 264,089

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, 2008

	<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 Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Salaries	\$ 960,667	\$ 315,077	\$ 289,435	\$ (356,155)
Supplies	30,525	3,222	17,751	(9,552)
Remittance to State	83,431	56,016	-	(27,415)
Equipment	13,803	-	15,940	2,137
Contracts - Services	226,841	14,616	118,437	(93,788)
Membership/Subscriptions	237	93	-	(144)
Travel	72,023	22,452	32,622	(16,949)
Advertising and printing	1,097	164	202	(731)
Public Employee's Retirement	129,189	40,079	40,122	(48,988)
Hospitalization	261,131	76,672	91,562	(92,897)
Medicare	12,880	4,413	4,126	(4,341)
Worker's Compensation	5,914	2,188	2,173	(1,553)
Other	74,362	18,082	43,210	(13,070)
Utilities	2,173	124	1,873	(176)
Totals	<u>\$ 1,874,273</u>	<u>\$ 553,198</u>	<u>\$ 657,453</u>	<u>(663,622)</u>
 General Cash Receipts:				
Property and other taxes levied for:				
General purposes				407,603
Grants and entitlements not restricted to specific programs				115,179
Miscellaneous				<u>51,858</u>
Total general cash receipts				<u>574,640</u>
Change in net cash assets				(88,982)
Net cash assets at beginning of year				<u>353,071</u>
Net cash assets at end of year				<u>\$ 264,089</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, 2008

	General	Public Health Infrastructure	Early Start	Cancer Levy
Cash assets:				
Equity in pooled cash and cash equivalents . .	\$ 21,004	\$ 45,896	\$ 56,995	\$ 21,561
Total assets.	\$ 21,004	\$ 45,896	\$ 56,995	\$ 21,561
Fund cash balances:				
Unreserved, undesignated, reported in:				
General fund	\$ 21,004	\$ -	\$ -	\$ -
Special revenue funds.	-	45,896	56,995	21,561
Total fund cash balances.	\$ 21,004	\$ 45,896	\$ 56,995	\$ 21,561

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 118,633	\$ 264,089
<u>\$ 118,633</u>	<u>\$ 264,089</u>
\$ -	\$ 21,004
118,633	243,085
<u>\$ 118,633</u>	<u>\$ 264,089</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, 2008

	<u>General</u>	<u>Public Health Infrastructure</u>	<u>Early Start</u>	<u>Cancer Levy</u>
Cash receipts:				
Taxes	\$ 234,000	\$ -	\$ -	\$ 173,603
Intergovernmental	80,336	189,702	373,049	34,843
Fees	256,072	-	-	60
Licenses and permits	-	-	-	-
Other	19,819	-	-	30,789
Total cash receipts	<u>590,227</u>	<u>189,702</u>	<u>373,049</u>	<u>239,295</u>
Cash disbursements:				
Salaries	342,874	30,157	210,051	115,949
Supplies	6,713	5,501	4,335	3,521
Remittances to State	53,302	-	-	-
Equipment	-	13,803	-	-
Contracts - Services	37,015	83,435	9,268	82,784
Memberships/Subscriptions	237	-	-	-
Travel	26,394	2,676	25,487	490
Advertising and printing	415	175	-	507
Public Employee's Retirement	42,380	3,951	29,039	20,176
Hospitalization	105,331	-	88,009	26,448
Medicare	4,587	437	2,998	1,089
Worker's Compensation	2,244	674	1,082	602
Other	26,703	23,240	5,181	1,584
Utilities	315	216	1,642	-
Total cash disbursements	<u>648,510</u>	<u>164,265</u>	<u>377,092</u>	<u>253,150</u>
Net change in fund cash balances	(58,283)	25,437	(4,043)	(13,855)
Fund cash balances at beginning of year	<u>79,287</u>	<u>20,459</u>	<u>61,038</u>	<u>35,416</u>
Fund cash balances at end of year	<u>\$ 21,004</u>	<u>\$ 45,896</u>	<u>\$ 56,995</u>	<u>\$ 21,561</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 407,603
94,702	772,632
12,537	268,669
284,529	284,529
1,250	51,858
393,018	1,785,291
261,636	960,667
10,455	30,525
30,129	83,431
-	13,803
14,339	226,841
-	237
16,976	72,023
-	1,097
33,643	129,189
41,343	261,131
3,769	12,880
1,312	5,914
17,654	74,362
-	2,173
431,256	1,874,273
(38,238)	(88,982)
156,871	353,071
\$ 118,633	\$ 264,089

**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, 2008

	<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	\$ 237,875	\$ 230,847	\$ 234,000	\$ 3,153
Intergovernmental	81,666	79,254	80,336	1,082
Fees	260,312	252,622	256,072	3,450
Other	20,147	19,552	19,819	267
Total budgetary basis receipts.	<u>600,000</u>	<u>582,275</u>	<u>590,227</u>	<u>7,952</u>
Budgetary basis disbursements:				
Salaries.	317,226	349,774	342,874	6,900
Supplies	6,211	6,848	6,713	135
Remittances to State	49,315	54,375	53,302	1,073
Contracts - Services	34,246	37,760	37,015	745
Membership/Subscriptions.	219	242	237	5
Advertising and printing	384	423	415	8
Travel.	24,420	26,925	26,394	531
Public Employee's Retirement	39,210	43,233	42,380	853
Hospitalization	97,452	107,451	105,331	2,120
Medicare	4,245	4,680	4,587	93
Worker's Compensation	2,076	2,289	2,244	45
Other	24,705	27,240	26,703	537
Utilities.	291	321	315	6
Total budgetary basis disbursements.	<u>600,000</u>	<u>661,561</u>	<u>648,510</u>	<u>13,051</u>
Net change in fund cash balance	-	(79,286)	(58,283)	21,003
Fund cash balance at beginning of year	<u>79,287</u>	<u>79,287</u>	<u>79,287</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 79,287</u>	<u>\$ 1</u>	<u>\$ 21,004</u>	<u>\$ 21,003</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 189,702	\$ 39,702
Total budgetary basis receipts.	<u>150,000</u>	<u>150,000</u>	<u>189,702</u>	<u>39,702</u>
Budgetary basis disbursements:				
Salaries.	27,538	31,294	30,157	1,137
Supplies	5,023	5,708	5,501	207
Equipment	12,605	14,324	13,803	521
Contracts - Services	76,189	86,582	83,435	3,147
Travel	2,444	2,777	2,676	101
Advertising and printing	160	182	175	7
Public Employee's Retirement	3,608	4,100	3,951	149
Medicare	399	453	437	16
Worker's Compensation	615	699	674	25
Other	21,221	24,115	23,240	875
Utilities.	198	225	216	9
Total budgetary basis disbursements.	<u>150,000</u>	<u>170,459</u>	<u>164,265</u>	<u>6,194</u>
Net change in fund cash balance	-	(20,459)	25,437	45,896
Fund cash balance at beginning of year.	<u>20,459</u>	<u>20,459</u>	<u>20,459</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 20,459</u>	<u>\$ -</u>	<u>\$ 45,896</u>	<u>\$ 45,896</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 FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ 300,000	\$ 330,000	\$ 373,049	\$ 43,049
Total budgetary basis receipts.	<u>300,000</u>	<u>330,000</u>	<u>373,049</u>	<u>43,049</u>
Budgetary basis disbursements:				
Salaries.	167,108	217,819	210,051	7,768
Supplies	3,449	4,495	4,335	160
Contracts - Services	7,373	9,611	9,268	343
Travel.	20,277	26,430	25,487	943
Public Employee's Retirement	23,102	30,113	29,039	1,074
Hospitalization	70,017	91,264	88,009	3,255
Medicare	2,385	3,109	2,998	111
Worker's Compensation	861	1,122	1,082	40
Other	4,122	5,373	5,181	192
Utilities.	1,306	1,702	1,642	60
Total budgetary basis disbursements	<u>300,000</u>	<u>391,038</u>	<u>377,092</u>	<u>13,946</u>
Net change in fund cash balance	-	(61,038)	(4,043)	56,995
Fund cash balance at beginning of year.	<u>61,038</u>	<u>61,038</u>	<u>61,038</u>	-
Fund cash balance at end of year	<u>\$ 61,038</u>	<u>\$ -</u>	<u>\$ 56,995</u>	<u>\$ 56,995</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 FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<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	\$ 152,350	\$ 166,135	\$ 173,603	\$ 7,468
Intergovernmental	30,577	33,344	34,843	1,499
Fees	53	57	60	3
Other	27,020	29,464	30,789	1,325
Total budgetary basis receipts.	<u>210,000</u>	<u>229,000</u>	<u>239,295</u>	<u>10,295</u>
Budgetary basis disbursements:				
Salaries	96,185	121,109	115,949	5,160
Supplies	2,921	3,678	3,521	157
Contracts - Services	68,672	86,468	82,784	3,684
Travel	407	512	490	22
Advertising and printing	421	530	507	23
Public Employee's Retirement	16,737	21,074	20,176	898
Hospitalization	21,940	27,625	26,448	1,177
Medicare	903	1,137	1,089	48
Worker's Compensation	500	629	602	27
Other	1,314	1,654	1,584	70
Total budgetary basis disbursements.	<u>210,000</u>	<u>264,416</u>	<u>253,150</u>	<u>11,266</u>
Net change in fund cash balance	-	(35,416)	(13,855)	21,561
Fund cash balance at beginning of year.	<u>35,416</u>	<u>35,416</u>	<u>35,416</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 35,416</u>	<u>\$ -</u>	<u>\$ 21,561</u>	<u>\$ 21,561</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 1 - DESCRIPTION OF THE HEALTH DISTRICT

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.

Governmental Funds - The Health District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

The following are the Health District's major governmental funds:

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.

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 YEAR ENDED DECEMBER 31, 2008

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 object 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 YEAR ENDED DECEMBER 31, 2008**

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

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 is an other financing source nor is a capital outlay expenditure 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 5 and 6 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 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2008, the Health District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the Health District; however, certain disclosures related to postemployment benefits (See Note 6) have been modified to conform to the new reporting requirements.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the Health District.

NOTE 4 - RISK MANAGEMENT

The Health District has obtained commercial insurance for the following risks:

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

NOTE 5 - PENSION PLANS

Ohio Public Employees Retirement System

Plan Description - 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension 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 establish 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.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2008 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%.

The Health District's contribution rate for 2008 was 14.00%, except for those plan members in law enforcement or public safety, for whom the Health District's contribution was 17.40% of covered payroll. For 2008, a portion equal to 7.00% of covered payroll was allocated to fund the post-employment health care plan.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 5 - PENSION PLANS - (Continued)

The Health District's contribution rate for pension benefits for 2008 was 7.00%, except for those plan members in law enforcement and public safety. For those classifications, the Health District's pension contributions were 10.40% of covered payroll. The Health District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$64,831, \$73,152, and \$80,495, respectively; these contributions were sufficient to fulfill the requirements.

NOTE 6 - POSTRETIREMENT BENEFIT PLANS

Ohio Public Employees Retirement System

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

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which 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.

Funding Policy – The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00% of covered payroll (17.40% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare for 2008 was 7.00% of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Health District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$64,831, \$48,201, and \$33,696, respectively; these contributions were sufficient to fulfill the requirements.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 6 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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 7 - CONTINGENT LIABILITY

Litigation

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

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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 District) as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 26, 2010. 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 District'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 District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District'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 District'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 District'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 District'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 a certain matter that we reported to the District's management in a separate letter dated July 26, 2010.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 noted noncompliance matters that we reported to the District's management in a separate letter dated July 26, 2010.

We intend this report solely for the information and use of the audit committee, management, the Board of Health, and others within the District. 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

July 26, 2010



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
SEPTEMBER 21, 2010**