



Mary Taylor, CPA  
Auditor of State



**PIKE COUNTY GENERAL HEALTH DISTRICT  
PIKE COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Pike County General Health District  
Pike County  
14050 U.S. Route 23, North  
Waverly, Ohio 45690

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pike County General Health District, Pike County, Ohio (the District), as of and for the years ended December 31, 2008 and 2007, 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 opinions.

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 Pike County General Health District, Pike County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, Public Health Nursing, and Tobacco Use Preventive Grant Funds for the years 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 October 22, 2009, 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.

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

October 22, 2009

**Pike County General Health District**  
**Pike County, Ohio**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2008 and 2007*  
*Unaudited*

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This discussion and analysis of Pike County General Health District's (the District) financial performance provides an overall review of the District's financial activities for the years ended December 31, 2008 and 2007, within the limitations of the District's cash basis of accounting. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

### **Highlights**

Key highlights for 2008 are as follows:

Net assets of governmental activities decreased \$149,797 from 2007 to 2008.

The District's receipts are primarily from licenses, fees and permits, intergovernmental receipts, and property taxes. These receipts represent 98.4 percent of the total cash received for governmental activities during 2008. The remaining receipts are attributed to miscellaneous receipts.

The District's disbursements are primarily for salaries and wages, fringe benefits, and contract service disbursements. These disbursements represent 84.1 percent of the total cash disbursed for governmental activities during 2008. The remaining disbursements are attributed to materials and supplies, debt service, capital outlay, and other.

Key highlights for 2007 are as follows:

Net Assets of governmental activities increased \$412,730 from 2006 to 2007.

The District's receipts are primarily from licenses, fees and permits, intergovernmental receipts, and property taxes. These receipts represent 98.7 percent of the total cash received for governmental activities during 2007. The remaining receipts are attributed to miscellaneous receipts.

The District's disbursements are primarily for salaries and wages, fringe benefits, and contract service disbursements. These disbursements represent 81.7 percent of the total cash disbursed for governmental activities during 2007. The remaining disbursements are attributed to materials and supplies, debt service, capital outlay, and other.

### **Using the Basic Financial Statements**

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

### **Report Components**

The statement of net assets – cash basis and the statement of activities – cash basis provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Pike County General Health District**  
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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2008 and 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the District at year end. The statement of activities compares cash disbursements with program receipts for its governmental program. Program receipts include charges paid by the recipient of the program services and for grant monies received. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how its governmental activity draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other non-financial factors as well such as the District's property tax base, the condition of the District's capital assets and infrastructure, and the reliance on non-local financial resources for operations.

In the statement of net assets and the statement of activities, we present the District in one type of activity:

Governmental Activities – All of the District's basic services are reported here. Charges for services, operating grants and contributions, and property taxes make up the vast majority of District receipts.

**Reporting the District's Most Significant Funds**

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

Governmental Funds – All of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less cash basis financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the fund financial statements. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. For 2008 and 2007, the District's major governmental funds are the General Fund, the Public Health Nursing Fund, and the Tobacco Use Prevention Fund. The programs reported in its governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.



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**The District as a Whole**

Table 1 provides a summary of the District's net assets for 2008 compared to 2007 and 2006 on a cash basis:

Table 1  
Net Assets

	Governmental Activities		
	2008	2007	2006
<i>Assets</i>			
Equity in County Treasury	\$969,088	\$1,118,885	\$706,155
Total Assets	<u>\$969,088</u>	<u>\$1,118,885</u>	<u>\$706,155</u>
<i>Net Assets</i>			
Restricted	\$710,542	\$955,639	\$593,524
Unrestricted	258,546	163,246	112,631
Total Net Assets	<u>\$969,088</u>	<u>\$1,118,885</u>	<u>\$706,155</u>

Net assets of governmental activities decreased \$149,797 from 2007 to 2008. The primary reason contributing to this change in cash balance was due to cash disbursements in excess of cash receipt, which is mainly due to receiving significantly less licenses, permits, and fees receipts in 2008.

Net assets of governmental activities increased \$412,730 from 2006 to 2007. The primary reason contributing to this change in cash balance was due to an increase in license, permits, and fees receipts, as well as a decrease in salaries and wages and fringe benefits and a substantial decrease in capital outlay disbursements.

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Table 2 reflects the changes in net assets in 2008, 2007, and 2006.

	Governmental Activities		
	2008	2007	2006
<i>Receipts:</i>			
<i>Program Receipts:</i>			
Charges for Services	\$1,026,650	\$1,656,509	\$1,062,759
Operating Grants and Contributions	237,552	181,847	241,771
Capital Grants and Contributions	0	0	450,000
Total Program Receipts	<u>1,264,202</u>	<u>1,838,356</u>	<u>1,754,530</u>
<i>General Receipts:</i>			
Property Taxes	194,402	216,914	199,582
Grants and Entitlements not Restricted To Specific Programs	181,533	135,856	200,897
Miscellaneous	<u>27,183</u>	<u>29,035</u>	<u>19,870</u>
Total General Receipts	<u>403,118</u>	<u>381,805</u>	<u>420,349</u>
Total Receipts	<u>1,667,320</u>	<u>2,220,161</u>	<u>2,174,879</u>
<i>Disbursements:</i>			
<i>Current:</i>			
Health	1,746,017	1,672,240	1,941,383
Capital Outlay	15,697	19,670	622,965
<i>Debt Service:</i>			
Principal	38,190	85,330	
Interest	<u>17,213</u>	<u>30,191</u>	
Total Disbursements	<u>1,817,117</u>	<u>1,807,431</u>	<u>2,564,348</u>
<i>Net Increase (Decrease) in Net Assets</i>	(149,797)	412,730	(389,469)
<i>Net Assets, January 1</i>	<u>1,118,885</u>	<u>706,155</u>	<u>1,095,624</u>
<i>Net Assets, December 31</i>	<u><u>\$969,088</u></u>	<u><u>\$1,118,885</u></u>	<u><u>\$706,155</u></u>

Program receipts represent 75.8 percent for 2008, 82.8 percent for 2007, and 80.7 percent for 2006 of total receipts, and are primarily comprised of charges for services, and operating and capital grants and contributions.

General receipts represent 24.2 percent for 2008, 17.2 percent for 2007, and 19.3 percent for 2006 of the District's total receipts. These receipts consist of property taxes, general grant receipts, and miscellaneous receipts.

Disbursements consist primarily of health, debt service, and capital outlay disbursements.

**Pike County General Health District**  
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Unaudited

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**Governmental Activities**

If you look at the Statement of Activities, as referenced in the table of contents, you will see that the first column lists the major services provided by the District. The next column identifies the costs of providing these services. The next column of the Statement, entitled Program Cash Receipts, identifies amounts paid by people who are directly charged for services provided. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided from sources other than charges for services, operating grants, and capital grants. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3 for 2008, 2007, and 2006.

Table 3  
Governmental Activities

	Total Cost Of Services 2008	Net Cost Of Services 2008	Total Cost Of Services 2007	Net Cost Of Services 2007	Total Cost Of Services 2006	Net Cost Of Services 2006
Health	\$1,746,017	\$481,815	\$1,672,240	(\$166,116)	\$1,941,383	\$636,853
Capital Outlay	15,697	15,697	19,670	19,670	622,965	172,965
Debt Service						
Principal	38,190	38,190	85,330	85,330		
Interest	17,213	17,213	30,191	30,191		
Total Disbursements	<u>\$1,817,117</u>	<u>\$552,915</u>	<u>\$1,807,431</u>	<u>(\$30,925)</u>	<u>\$2,564,348</u>	<u>\$809,818</u>

**The District's Funds**

Total receipts were \$1,667,320 and total disbursements were \$1,817,117 for 2008. Total receipts were \$2,220,161 and total disbursements were \$1,807,431 for 2007.

For 2008, the General Fund, the Public Health Nursing Fund, and the Tobacco Use Prevention Fund had net change in fund balances of \$95,300, (\$194,809), and (\$175), respectively. The most significant change in cash balance was in the Public Health Nursing fund. This was due primarily to a decrease in licenses, permits, and fees receipts.

For 2007, the General Fund, the Public Health Nursing Fund, and the Tobacco Use Prevention Fund had a net change in fund balances of \$50,615, \$180,794, and \$47,391, respectively. The most significant change in cash balance was in the Public Health Nursing fund. This was due primarily to an increase in licenses, permits, and fees receipts.

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**Pike County, Ohio**  
*Management's Discussion and Analysis*  
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**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2008 and 2007, the Government did not amend its General Fund budget to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was significant, but this did not cause appropriations to exceed actual resources.

Final disbursements for 2008 and 2007 were budgeted at \$445,907 and \$503,857, respectively, while actual disbursements were \$397,241 and \$429,891, respectively. Although receipts failed to live up to expectations in 2007, appropriations were not reduced. The District did not spend close to the budgeted amount as demonstrated by the significant reported variance. This resulted in an increase in fund balances.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Linda Murphy, Fiscal Officer, 14050 U.S. Route 23 North, Waverly, Ohio 45690.

**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Net Assets - Cash Basis*  
*As of December 31, 2008*

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	<u>Governmental Activities</u>
Assets	
Equity in County Treasury	<u>\$969,088</u>
Total Assets	<u><u>\$969,088</u></u>
Net Assets	
Restricted for Capital Outlay	\$6,453
Restricted for Other	704,089
Unrestricted	<u>258,546</u>
Total Net Assets	<u><u>\$969,088</u></u>

See accompanying notes to the basic financial statements



**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*As of December 31, 2008*

	General	Public Health Nursing	Tobacco Use Prevention Fund	All Other Governmental Funds	Totals
Assets					
Equity in County Treasury	\$258,546	\$216,928	\$115,649	\$377,965	\$969,088
Total Assets	258,546	216,928	115,649	377,965	969,088
Fund Balances					
Reserved:					
Reserved for Encumbrances	2,695	13,375		9,075	25,145
Unreserved:					
Undesignated, Reported in:					
General Fund	255,851				255,851
Special Revenue Funds	0	203,553	115,649	365,437	684,639
Capital Projects Fund	0	0		3,453	3,453
Total Fund Balances	\$258,546	\$216,928	\$115,649	\$377,965	\$969,088

See accompanying notes to the basic financial statements

**Pike County Genral Health District**  
**Pike County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2008*

	General	Public Health Nursing	Tobacco Use Prevention Fund	All Other Governmental Funds	Totals
<b>Receipts</b>					
Property and Other Local Taxes	\$194,402			\$0	\$194,402
Intergovernmental	181,533			237,552	419,085
Licenses, Fees & Permits	96,126	815,671		114,853	1,026,650
Miscellaneous	17,785	9,182	67	149	27,183
<b>Total Receipts</b>	<b>489,846</b>	<b>824,853</b>	<b>67</b>	<b>352,554</b>	<b>1,667,320</b>
<b>Disbursements</b>					
<b>Current:</b>					
<b>Health:</b>					
Salaries and Wages	228,042	483,009		108,751	819,802
Fringe Benefits	80,397	252,128	242	114,977	447,744
Contract Services	11,850	108,276		141,007	261,133
Materials and Supplies	14,206	21,658		2,604	38,468
Other	51,785	100,011		27,074	178,870
Capital Outlay		7,443		8,254	15,697
<b>Debt Service:</b>					
Principal		38,190			38,190
Interest	8,266	8,947			17,213
<b>Total Disbursements</b>	<b>394,546</b>	<b>1,019,662</b>	<b>242</b>	<b>402,667</b>	<b>1,817,117</b>
<b>Net Change in Fund Balances</b>	<b>95,300</b>	<b>(194,809)</b>	<b>(175)</b>	<b>(50,113)</b>	<b>(149,797)</b>
<b>Fund Balances Beginning of Year</b>	<b>163,246</b>	<b>411,737</b>	<b>115,824</b>	<b>428,078</b>	<b>1,118,885</b>
<b>Fund Balances End of Year</b>	<b>\$258,546</b>	<b>\$216,928</b>	<b>\$115,649</b>	<b>\$377,965</b>	<b>\$969,088</b>

See accompanying notes to the basic financial statements



**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$165,804	\$165,804	\$194,402	\$28,598
Intergovernmental	\$154,829	154,829	181,533	26,704
Fines, Licenses and Permits	\$81,985	81,985	96,126	14,141
Miscellaneous	\$15,169	15,169	17,785	2,616
<i>Total Receipts</i>	417,787	417,787	489,846	72,059
Disbursements				
Current:				
Health:				
Salaries and Wages	221,587	221,587	228,042	(6,455)
Fringe Benefits	101,200	101,200	80,397	20,803
Contract Services	25,110	25,110	11,960	13,150
Materials and Supplies	20,000	20,000	14,206	5,794
Capital Outlay	10,000	10,000		10,000
Other	68,010	68,010	54,370	13,640
Debt Service:				
Interest	0	0	8,266	(8,266)
<i>Total Disbursements</i>	445,907	445,907	397,241	48,666
<i>Excess of Receipts Over (Under) Disbursements</i>	(28,120)	(28,120)	92,605	120,725
<i>Net Change in Fund Balances</i>	(28,120)	(28,120)	92,605	120,725
Prior Year Encumbrances Appropriated	3,120	3,120	3,120	0
<i>Fund Balances Beginning of Year</i>	160,126	160,126	160,126	0
<i>Fund Balances End of Year</i>	\$135,126	\$135,126	\$255,851	\$120,725

See accompanying notes to the basic financial statements

**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Public Health Nursing Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Fines, Licenses and Permits	\$939,158	\$815,671	\$815,671	\$0
Miscellaneous	\$10,572	\$9,182	9,182	0
<i>Total Receipts</i>	<u>949,730</u>	<u>824,853</u>	<u>824,853</u>	<u>0</u>
Disbursements				
Current:				
Health:				
Salaries and Wages	475,000	475,000	483,009	(8,009)
Fringe Benefits	198,000	198,000	252,128	(54,128)
Contract Services	162,249	162,249	117,176	45,073
Materials and Supplies	30,000	30,000	21,658	8,342
Other	194,491	194,491	104,486	90,005
Capital Outlay	20,000	20,000	7,443	12,557
Debt Service:				
Principal	0	0	38,190	(38,190)
Interest	0	0	8,947	(8,947)
<i>Total Disbursements</i>	<u>1,079,740</u>	<u>1,079,740</u>	<u>1,033,037</u>	<u>46,703</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(130,010)</u>	<u>(254,887)</u>	<u>(208,184)</u>	<u>46,703</u>
<i>Net Change in Fund Balances</i>	(130,010)	(254,887)	(208,184)	46,703
Prior Year Encumbrances Appropriated	18,740	18,740	18,740	0
<i>Fund Balances Beginning of Year</i>	<u>392,997</u>	<u>392,997</u>	<u>392,997</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$281,727</u></u>	<u><u>\$156,850</u></u>	<u><u>\$203,553</u></u>	<u><u>\$46,703</u></u>

See accompanying notes to the basic financial statements

**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Tobacco Use Prevention Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Miscellaneous	\$0	\$0	\$67	\$67
<i>Total Receipts</i>	<u>0</u>	<u>0</u>	<u>67</u>	<u>67</u>
Disbursements				
Current:				
Health:				
Fringe Benefits			242	(242)
<i>Total Disbursements</i>	<u>0</u>	<u>0</u>	<u>242</u>	<u>(242)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>0</u>	<u>(175)</u>	<u>(175)</u>
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balances Beginning of Year</i>	<u>115,824</u>	<u>115,824</u>	<u>115,824</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$115,824</u></u>	<u><u>\$115,824</u></u>	<u><u>\$115,649</u></u>	<u><u>(\$175)</u></u>

See accompanying notes to the basic financial statements

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**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Net Assets - Cash Basis*  
*As of December 31, 2007*

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	<u>Governmental Activities</u>
Assets	
Equity in County Treasury	<u>\$1,118,885</u>
Total Assets	<u><u>\$1,118,885</u></u>
Net Assets	
Restricted for Capital Outlay	\$6,454
Restricted for Other	949,185
Unrestricted	<u>163,246</u>
Total Net Assets	<u><u>\$1,118,885</u></u>

See accompanying notes to the basic financial statements

**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2007*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Health	\$1,672,240	\$1,656,509	\$181,847	\$166,116
Capital Outlay	19,670			(19,670)
Debt Service:				
Principal	85,330			(85,330)
Interest	30,191			(30,191)
<b>Total Governmental Activities</b>	<b><u><u>\$1,807,431</u></u></b>	<b><u><u>\$1,656,509</u></u></b>	<b><u><u>\$181,847</u></u></b>	<b><u><u>30,925</u></u></b>
		General Receipts:		
		Property Taxes Levied for General Health District Purposes		216,914
		Grants and Entitlements not Restricted to Specific Programs		135,856
		Miscellaneous		29,035
		<b>Total General Receipts</b>		<b><u>381,805</u></b>
		Change in Net Assets		412,730
		Net Assets Beginning of Year		<u>706,155</u>
		Net Assets End of Year		<b><u><u>\$1,118,885</u></u></b>

See accompanying notes to the basic financial statements

**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*As of December 31, 2007*

	General	Public Health Nursing	Tobacco Use Prevention Fund	All Other Governmental Funds	Totals
Assets					
Equity in County Treasury	\$163,246	\$411,737	\$115,824	\$428,078	\$1,118,885
Total Assets	163,246	411,737	115,824	428,078	1,118,885
Fund Balances					
Reserved:					
Reserved for Encumbrances	3,120	18,740		6,450	28,310
Unreserved:					
Undesignated, Reported in:					
General Fund	160,126				160,126
Special Revenue Funds	0	392,997	115,824	418,174	926,995
Capital Projects Fund	0	0		3,454	3,454
Total Fund Balances	\$163,246	\$411,737	\$115,824	\$428,078	\$1,118,885

See accompanying notes to the basic financial statements

**Pike County Genral Health District**  
**Pike County, Ohio**  
*Statement of Cash Receipts, Disbursements and Changes*  
*in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Public Health Nursing	Tobacco Use Prevention Fund	All Other Governmental Funds	Totals
<b>Receipts</b>					
Property and Other Local Taxes	\$216,914			\$0	\$216,914
Intergovernmental	135,856		60,109	121,738	317,703
Licenses, Fees & Permits	105,008	1,249,120		302,381	1,656,509
Miscellaneous	19,608	1,677	103	7,647	29,035
<b>Total Receipts</b>	<b>477,386</b>	<b>1,250,797</b>	<b>60,212</b>	<b>431,766</b>	<b>2,220,161</b>
<b>Disbursements</b>					
<b>Current:</b>					
<b>Health:</b>					
Salaries and Wages	234,410	474,427	5,731	117,210	831,778
Fringe Benefits	92,391	216,892	5,158	39,180	353,621
Contract Services	20,661	168,310		101,820	290,791
Materials and Supplies	11,969	24,990		1,766	38,725
Other	59,736	74,455	1,932	21,202	157,325
Capital Outlay	3,012			16,658	19,670
<b>Debt Service:</b>					
Principal		85,330			85,330
Interest	4,592	25,599			30,191
<b>Total Disbursements</b>	<b>426,771</b>	<b>1,070,003</b>	<b>12,821</b>	<b>297,836</b>	<b>1,807,431</b>
<b>Net Change in Fund Balances</b>	<b>50,615</b>	<b>180,794</b>	<b>47,391</b>	<b>133,930</b>	<b>412,730</b>
<b>Fund Balances Beginning of Year</b>	<b>112,631</b>	<b>230,943</b>	<b>68,433</b>	<b>294,148</b>	<b>706,155</b>
<b>Fund Balances End of Year</b>	<b>\$163,246</b>	<b>\$411,737</b>	<b>\$115,824</b>	<b>\$428,078</b>	<b>\$1,118,885</b>

See accompanying notes to the basic financial statements



**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$228,766	\$228,766	\$216,914	(\$11,852)
Intergovernmental	\$143,279	143,279	135,856	(7,423)
Fines, Licenses and Permits	\$110,746	110,746	105,008	(5,738)
Miscellaneous	\$20,679	20,679	19,608	(1,071)
<i>Total Receipts</i>	503,470	503,470	477,386	(26,084)
Disbursements				
Current:				
Health:				
Salaries and Wages	181,436	181,436	234,410	(52,974)
Fringe Benefits	145,175	145,175	92,391	52,784
Contract Services	40,000	40,000	20,771	19,229
Materials and Supplies	20,000	20,000	11,969	8,031
Other	107,246	107,246	62,746	44,500
Capital Outlay	10,000	10,000	3,012	6,988
Debt Service:				
Interest	0	0	4,592	(4,592)
<i>Total Disbursements</i>	503,857	503,857	429,891	73,966
<i>Excess of Receipts Over (Under) Disbursements</i>	(387)	(387)	47,495	47,882
<i>Net Change in Fund Balances</i>	(387)	(387)	47,495	47,882
Prior Year Encumbrances Appropriated	2,246	2,246	2,246	0
<i>Fund Balances Beginning of Year</i>	110,385	110,385	110,385	0
<i>Fund Balances End of Year</i>	\$112,244	\$112,244	\$160,126	\$47,882

See accompanying notes to the basic financial statements

**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Public Health Nursing Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Fines, Licenses and Permits	\$898,793	\$1,098,525	\$1,249,120	\$150,595
Miscellaneous	\$1,207	\$1,475	1,677	202
<i>Total Receipts</i>	900,000	1,100,000	1,250,797	150,797
Disbursements				
Current:				
Health:				
Salaries and Wages	446,000	446,000	474,427	(28,427)
Fringe Benefits	201,000	201,000	216,892	(15,892)
Contract Services	270,000	270,000	180,559	89,441
Materials and Supplies	30,000	30,000	24,990	5,010
Other	185,448	185,448	80,946	104,502
Capital Outlay	20,000	20,000		20,000
Debt Service:				
Principal			85,330	(85,330)
Interest	0	0	25,599	(25,599)
<i>Total Disbursements</i>	1,152,448	1,152,448	1,088,743	63,705
<i>Excess of Receipts Over (Under) Disbursements</i>	(252,448)	(52,448)	162,054	214,502
<i>Net Change in Fund Balances</i>	(252,448)	(52,448)	162,054	214,502
Prior Year Encumbrances Appropriated	27,448	27,448	27,448	0
<i>Fund Balances Beginning of Year</i>	203,495	203,495	203,495	0
<i>Fund Balances End of Year</i>	(\$21,505)	\$178,495	\$392,997	\$214,502

See accompanying notes to the basic financial statements

**Pike County General Health District**  
**Pike County, Ohio**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Tobacco Use Prevention Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$109,812	\$109,812	\$60,109	(\$49,703)
Miscellaneous	\$188	\$188	\$103	(\$85)
<i>Total Receipts</i>	<u>110,000</u>	<u>110,000</u>	<u>60,212</u>	<u>(49,788)</u>
Disbursements				
Current:				
Health:				
Salaries and Wages	55,000	55,000	5,731	49,269
Fringe Benefits	20,500	20,500	5,158	15,342
Contract Services	20,000	20,000		20,000
Materials and Supplies	3,400	3,400	1,932	1,468
Other	11,500	11,500		11,500
<i>Total Disbursements</i>	<u>110,400</u>	<u>110,400</u>	<u>12,821</u>	<u>97,579</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(400)</u>	<u>(400)</u>	<u>47,391</u>	<u>47,791</u>
Prior Year Encumbrances Appropriated	400	400	400	0
<i>Fund Balances Beginning of Year</i>	<u>68,033</u>	<u>68,033</u>	<u>68,033</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$68,033</u></u>	<u><u>\$68,033</u></u>	<u><u>\$115,824</u></u>	<u><u>\$47,791</u></u>

See accompanying notes to the basic financial statements

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**Pike County General Health District**  
**Pike County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2008 and 2007*

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**1. REPORTING ENTITY**

The Pike County General Health District, Pike County, Ohio (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A seven member Board and a Health Commissioner govern the District. The District is responsible for the administration of all health programs established by the Ohio Revised Code, the Ohio Department of Health, and the Public Health Council. Services provided by the District include, but are not limited to, the inspection and licensing of public health programs, community nursing activities, the control of communicable diseases, immunization clinics, environmental health programs and home health activities.

By law, the Pike County Auditor is the fiscal agent of the District.

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

The reporting entity is composed of only the primary government. No component units or other organizations are required to be included in the financial statements of the Health District.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Health District's accounting policies:

**A. Cash**

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. As of December 31, 2008 and 2007, the District's share of the County's Cash and Investment Pool was \$969,088 and \$1,118,885, respectively. All risks associated with deposits and investments held at the Treasurer's Office are the responsibility of Pike County.

**B. Fund Accounting**

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing set of accounts.

**Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The following are the District's major governmental funds:

**Pike County General Health District**  
**Pike County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008 and 2007*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Fund Accounting (Continued)

*General Fund*

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

*Public Health Nursing Fund*

The Public Health Nursing Fund accounts for monies received from various licenses, fees and permits used to fund the public health nursing program.

*Tobacco Use Prevention Fund*

The Tobacco Use Prevention Fund accounts for monies received to fund the tobacco use prevention program.

C. Basis of Presentation

The District uses the provisions of GASB 34 for financial reporting on a cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The District's basic financial statements consist of government-wide statements, including a statement of net assets – cash basis and statement of activities – cash basis, and fund financial statements that provide a more detailed level of financial information.

D. Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include all financial activities of the District.

The statement of net assets - cash basis presents the cash basis financial condition of governmental activities of the District at year-end. The statement of activities - cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the District's governmental activities. Direct cash disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services identifiable to a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the District. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self-financing or draws from the general cash receipts of the District.

E. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**Pike County General Health District**  
**Pike County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2008 and 2007*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Basis of Accounting

The District prepares its financial statements and notes in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare annual financial reports in accordance with generally accepted accounting principles. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

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 yet 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.

G. Cash Receipts—Exchange and Non-exchange Transactions

Cash receipts resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the cash basis when the exchange takes place. On a cash basis, receipts are recorded in the year in which the resources are received.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On a cash basis, receipts from property taxes are recognized in the year in which the monies have been received. On a cash basis, receipts from grants, entitlements and donations are recognized in the year in which the monies have been received.

H. Cash Disbursements

On the cash basis of accounting, disbursements are recognized at the time payments are made.

I. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**Pike County General Health District**  
**Pike County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008 and 2007*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

J. Capital Assets (Property, Plant and Equipment) and Depreciation

Acquisitions of capital assets are recorded as disbursements when paid. However, under the cash basis of accounting, capital assets and the related depreciation are not reported on the basic financial statements.

K. Compensated Absences (Accumulated Leave)

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under District's basis of accounting.

L. Fund Balance Reserves

The Health District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

M. Net Cash Assets

Net cash assets represent the difference between assets and liabilities. Net cash assets consist of cash receipts reduced by cash disbursements for the current year. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Restricted for Other Purposes is comprised of net assets restricted for grants. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Of the Health District's \$710,542 and \$955,639 in restricted net assets as of December 31, 2008 and 2007, respectively, \$0 was restricted by enabling legislation.



**Pike County General Health District**  
**Pike County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2008 and 2007*

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**3. INTERGOVERNMENTAL RECEIPTS**

The County apportions the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are included in intergovernmental receipts on the accompanying financial statements.

**4. LEVIED TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility personal property taxes received in 2008 represent the collection of 2007 taxes. Public utility tangible personal property taxes received in 2008 became a lien on December 31, 2007, were levied after October 1, 2007, and are collected in 2008 with real property taxes. Public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value. Tangible personal property is currently assessed at 12.5 percent of true value. Amount paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to itself its share of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding itself, is accounted for through agency funds. The amount of the County's tax collections is accounting for within the applicable funds. The County records receipt of these taxes in various funds.

The full tax rate for all Health District operations for the year ended December 31, 2008, was \$1.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$305,114,120
Public Utility Personal Property	31,319,300
Tangible Personal Property	<u>441,100</u>
Total Property Taxes	<u>\$336,874,520</u>

**Pike County General Health District**  
**Pike County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008 and 2007*

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**5. RETIREMENT SYSTEM**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.

The Member-Directed Plan (MD) – 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 member and (vested) employer contributions plus any investment earnings thereon.

The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

The 2008 and 2007 member contribution rates were 10.0% and 9.5%, respectively, for members in state and local classifications. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008 and 2007, member and employer contribution rates were consistent across all three plans.

For 2008 and 2007, the local government employer units, the rate was 14% and 13.85%, respectively, of covered payroll.

The District's contributions to OPERS for the years ended December 31, 2008, 2007, and 2006 were \$113,514, \$113,985, and \$130,310, respectively which were the required contributions for those years.

**6. POSTEMPLOYMENT BENEFITS**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, and survivor benefits as well as post-retirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 12.

**Pike County General Health District**  
**Pike County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2008 and 2007*

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**6. POSTEMPLOYMENT BENEFITS (Continued)**

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2008 and 2007, local government employer units contributed at 14.00% and 13.85%, respectively, of covered payroll. In 2008 and 2007, the portion of employer contributions for all employers allocated to health care was 7.00% for 2008, and 5% for January 1 through June 30, 2007 and 6% from July 1 through December 31, 2007.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS.

Summary of Assumptions:

Actuarial Review - The assumptions and calculations below were based on OPERS' latest Actuarial Reviews performed as of December 31, 2007.

Funding Method - An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

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

Investment Return - The investment assumption rate for 2007 was 6.50%.

Active Employee Total Payroll - An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care - Health care cost were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 4% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 4.00 percent annually for the next seven years and 4.00 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 363,503. The number of active contributing participants for both plans used in the December 31, 2008, actuarial valuation was 364,076. Actual employer contributions for 2008, 2007, 2006 which were used to fund postemployment benefits were \$56,757, \$49,378, and \$38,047 respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007 (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17.0 billion, respectively.

**Pike County General Health District**  
**Pike County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008 and 2007*

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**6. POSTEMPLOYMENT BENEFITS (Continued)**

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, January 1, 2008, which will allow additional funds to be allocated to the health care plan.

**7. RISK MANAGEMENT**

Risk Pool Membership

The District belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except for the 5% portion retained by the Plan. Effective November 1, 2005, the Plan began retaining 15% of the premium and losses on the first \$250,000 casualty losses and 10% or \$1,000,000 of property losses. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, and reported the following assets, liabilities and retained earnings at December 31, 2007 (the latest information available).

	2007	2006
Assets	\$11,136,455	\$9,620,148
Liabilities	(4,273,553)	3,329,620
Members' Equity	\$6,862,902	\$6,290,528

You can read the complete audited financial status for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Pike County General Health District**  
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*For the Years Ended December 31, 2008 and 2007*

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**8. BUDGETARY BASIS FUND BALANCES**

Differences between the budgetary basis fund balances and fund cash balances are due to encumbrances. The table below presents those differences for the District's Major Funds:

Fiscal Year 2008	<u>General Fund</u>	<u>Public Health Nursing Fund</u>	<u>Tobacco Use Fund</u>
Budgetary Basis Fund Balances	\$255,851	\$203,553	\$115,649
Encumbrances	<u>2,695</u>	<u>13,375</u>	<u>0</u>
Fund Cash Balance	\$258,546	\$216,928	\$115,649
 Fiscal Year 2007	 <u>General Fund</u>	 <u>Public Health Nursing Fund</u>	 <u>Tobacco Use Fund</u>
Budgetary Basis Fund Balances	\$160,126	\$392,997	\$115,824
Encumbrances	<u>3,120</u>	<u>18,740</u>	<u>0</u>
Fund Cash Balance	\$163,246	\$411,737	\$115,824

**9. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF BEGINNING FUND BALANCES**

For the year 2008, the District implemented GASB Statement No. 50, Pension Disclosures-an amendment of GASB Statement No. 25 and 47." GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in the notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The application of this new standard has no effect on the basic financial statements, nor did its implementation require restatement of prior year balances.

**Pike County General Health District**  
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**10. LEASE PAYABLE**

The capital lease obligation relates to making improvements to the Health District Building. The Health District entered into this lease on May 1, 2006. As part of the agreement, Pike County, as lessor, contributed \$450,000 to the Health District's Board of Health Renovation Fund, to make improvements to the Health District Building. Contractors were paid by the District as work progressed.

The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

A summary of the District's future principal and interest requirements as of December 31, 2006 follows:

<b>Fiscal Year</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
<b><u>December 31</u></b>		
2009	\$ 40,100	\$ 15,510
2010	42,100	13,721
2011	44,210	11,852
2012	46,420	9,889
2013	48,740	7,828
2014-2015	104,910	9,054
	<hr/>	<hr/>
Totals	<u>\$ 326,480</u>	<u>\$ 67,854</u>



# 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*

Pike County General Health District  
Pike County  
14050 U.S. Route 23, North  
Waverly, Ohio 45690

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pike County General Health District, Pike County, Ohio (the District), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 22, 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 District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions 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 certain matters that we reported to the District's management in a separate letter dated October 22, 2009.

### **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 did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated October 22, 2009.

We intend this report solely for the information and use of 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

October 22, 2009





**Mary Taylor, CPA**  
Auditor of State

**GENERAL HEALTH DISTRICT**

**PIKE 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  
NOVEMBER 5, 2009**