

COLUMBIANA GENERAL HEALTH DISTRICT

COLUMBIANA COUNTY

Audit Report

For the Years Ended December 31, 2017 and 2016





Dave Yost • Auditor of State

Board of Health
Columbiana County General Health District
PO Box 309
Lisbon, OH 44432

We have reviewed the *Independent Auditor's Report* of the Columbiana County General Health District, Columbiana County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Columbiana County General Health District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 11, 2018

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Columbiana General Health District
Columbiana County
For the Years Ended December 31, 2017 and 2016

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Columbiana County
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INDEPENDENT AUDITOR'S REPORT

Columbiana General Health District
Columbiana County
7360 State Route 45
PO Box 309
Lisbon, Ohio 44432

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying cash basis 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 years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2. This responsibility includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, as of December 31, 2017 and 2016, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Early Start, Food Service, Cancer Levy, and Home Sewage funds thereof for the years then ended in accordance with the cash basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Other Matter

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The Management's Discussion & Analysis as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 29, 2018

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(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, 2017, 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 2017 are as follows:

- For 2017, the total net cash position of the Health District increased \$149,764, which represents a 20.11% increase from 2016.
- For 2017, general cash receipts accounted for \$646,088 or 34.07% of total governmental activities cash receipts. Program specific cash receipts accounted for \$1,250,440 or 65.93% of total governmental activities cash receipts.
- For 2017, the Health District had \$1,746,764 in cash disbursements related to governmental activities; \$1,250,440 of these cash disbursements were offset by program specific charges for services, operating grants and contributions. General cash receipts (primarily property taxes) of \$646,088 were adequate to provide for these programs.
- The Health District's major funds are the general fund, early start fund, food service fund, cancer levy fund and home sewage fund. The general fund, the Health District's largest major fund, had cash receipts of \$714,444 in 2017. The cash disbursements of the general fund totaled \$701,480 in 2017. The general fund's cash balance increased \$12,964 from 2016 to 2017.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited)

Reporting the Health District as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position – cash basis and the statement of activities – cash basis answer the question, how did we do financially during 2017? These statements include *only net position* 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 position and changes in those net position on a cash basis. This change in net cash position 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 deferred outflows of resources 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) and deferred inflows of resources 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 position – cash basis and the statement of activities – cash basis, governmental activities include the Health District's programs and services, including public health infrastructure, Immunization action plan grant and cancer levy.

The statement of net position – cash basis and the statement of activities – cash basis can be found on pages 13-14 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, early start fund, food service fund, cancer levy fund and home sewage fund. The analysis of the Health District's major governmental funds begins on page 11.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(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 position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 16-17 of this report.

The Health District's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the general fund, early start fund, food service fund, cancer levy fund and home sewage fund are presented to demonstrate the Health District's compliance with annually adopted budgets. The budgetary statements can be found on pages 18-22 of this report.

Notes to the Financial Statements

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

Government-Wide Financial Analysis

Recall that the statement of net position – 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 position at December 31, 2017 and December 31, 2016.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited)

	Net Cash Position	
	Governmental Activities 2017	Governmental Activities 2016
Assets		
Equity in pooled cash and cash equivalents	\$ 894,376	\$ 744,612
Total assets	<u>894,376</u>	<u>744,612</u>
Net Position		
Restricted	323,713	219,165
Unrestricted	<u>570,663</u>	<u>525,447</u>
Total net position	<u>\$ 894,376</u>	<u>\$ 744,612</u>

For 2017, the total net cash position of the Health District increased \$149,764, which represents a 20.11% increase.

The balance of government-wide unrestricted net cash position of \$570,663 at December 31, 2017 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, 2017
(Unaudited)

The table below shows the changes in net cash position for 2017 and 2016.

	Change in Net Cash Position	
	Governmental Activities	Governmental Activities
	<u>2017</u>	<u>2016</u>
Cash receipts		
Program cash receipts:		
Charges for services	\$ 698,847	\$ 669,447
Operating grants and contributions	<u>551,593</u>	<u>214,141</u>
Total program cash receipts	<u>1,250,440</u>	<u>883,588</u>
General cash receipts:		
Property and other taxes	588,165	534,904
Unrestricted grants	30,898	162,144
Other	<u>27,025</u>	<u>16,485</u>
Total general cash receipts	<u>646,088</u>	<u>713,533</u>
Total cash receipts	<u>1,896,528</u>	<u>1,597,121</u>
Cash disbursements		
Salaries	828,225	795,162
Supplies	29,726	29,398
Remittance to State	74,262	71,055
Equipment	7,123	16,344
Contracts - services	331,482	132,283
Membership/subscriptions	2,365	1,093
Travel	41,449	35,174
Advertising and printing	96	1,500
Public employee's retirement	111,589	103,568
Hospitalization	272,557	231,308
Medicare	11,973	10,797
Unemployment compensation	-	680
Worker's compensation	8,881	10,077
Other	21,007	9,856
Utilities	<u>6,029</u>	<u>1,868</u>
Total cash disbursements	<u>1,746,764</u>	<u>1,450,163</u>
Change in net cash position	149,764	146,958
Net cash position at beginning of year	<u>744,612</u>	<u>597,654</u>
Net cash position at end of year	<u>\$ 894,376</u>	<u>\$ 744,612</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited)

Governmental Activities

Governmental cash position increased by \$149,764 in 2017 from 2016.

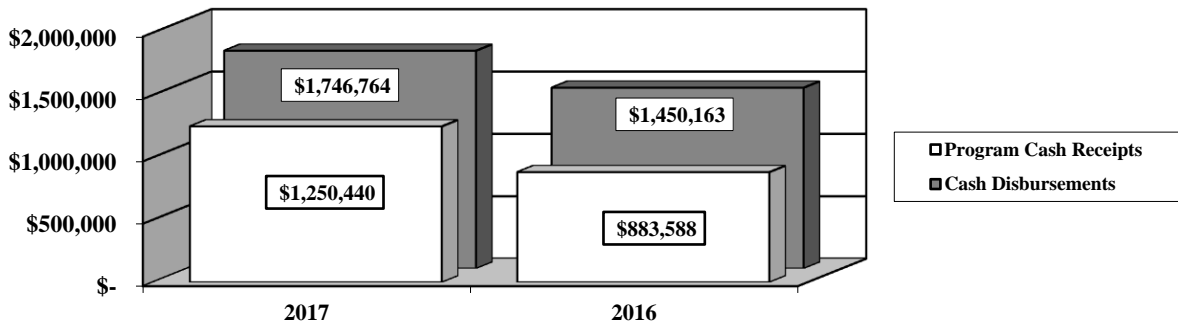
In 2017, charges for services increased \$29,400 due to an increase in collections for home sewage fees. Operating grants and contributions increased by \$337,452 due to an increase in state funding for home sewage related to the repair and replacement of sewage treatment systems.

Salaries represent the largest cash disbursement of the Health District. In 2017, salary cash disbursements of \$828,225, or 47.41% of total governmental cash disbursements was larger than the \$795,162 in 2016. This is due to increases in payroll related disbursements. Salary cash disbursements were supported by \$552,384 in direct charges to users for services and operating grants and contributions.

Contract services increased by \$199,199 in part due to increases in information technologies and communication services and home sewage installer services.

The statement of activities – cash basis shows the cost of program services and the charges for services and operating grants and contributions offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2017 and 2016. 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**

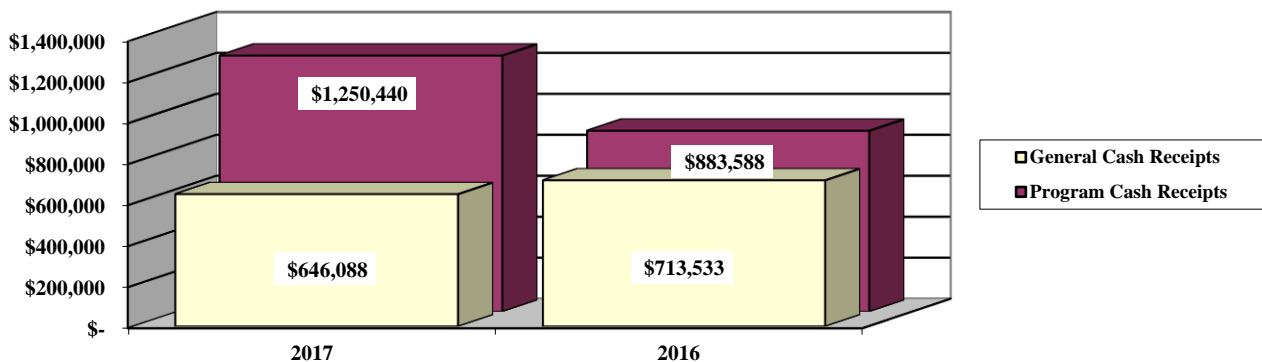
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited)

Governmental Activities

	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>
Cash disbursements				
Salaries	\$ 828,225	\$ 275,841	\$ 795,162	\$ 303,938
Supplies	29,726	3,739	29,398	15,696
Remittance to State	74,262	20,424	71,055	18,797
Equipment	7,123	3,927	16,344	10,190
Contracts - services	331,482	(12,000)	132,283	55,550
Membership/subscriptions	2,365	1,359	1,093	650
Travel	41,449	14,454	35,174	13,326
Advertising and printing	96	55	1,500	892
Public employee's retirement	111,589	37,433	103,568	37,529
Hospitalization	272,557	137,586	231,308	97,256
Medicare	11,973	3,983	10,797	3,882
Unemployment compensation	-	-	680	(77)
Worker's compensation	8,881	3,507	10,077	4,421
Other	21,007	2,551	9,856	9,081
Utilities	6,029	3,465	1,868	(4,556)
Total	<u>\$ 1,746,764</u>	<u>\$ 496,324</u>	<u>\$ 1,450,163</u>	<u>\$ 566,575</u>

The dependence upon general cash receipts for governmental activities is apparent; with 28.41% of cash disbursements supported through taxes and other general cash receipts during 2017.

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, 2017
(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 \$894,376 which is \$149,764 more than last year's total of \$744,612. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2017 and December 31, 2016, for all major and nonmajor governmental funds.

	<u>Fund Cash Balance</u>		Increase (Decrease)
	<u>December 31, 2017</u>	<u>December 31, 2016</u>	
Major funds			
General	\$ 366,919	\$ 353,955	\$ 12,964
Early Start	97,635	89,244	8,391
Food Service	40,156	35,114	5,042
Cancer Levy	95,528	86,837	8,691
Home Sewage	99,823	63,611	36,212
Other nonmajor governmental funds	<u>194,315</u>	<u>115,851</u>	<u>78,464</u>
 Total	 <u>\$ 894,376</u>	 <u>\$ 744,612</u>	 <u>\$ 149,764</u>

During 2017, the Health District's fund cash balance increased \$149,764. This increase can primarily be attributed to the activity of the general fund and home sewage fund. The general fund experienced significantly higher cash receipts during 2017 due to an increase in subdivision tax revenue. The home sewage fund increase in cash was mainly attributable to increases in home sewage fees, licenses and permits.

General Fund

The general fund, the Health District's largest major fund, had cash receipts of \$714,444 in 2017. The cash disbursements of the general fund totaled \$701,480 in 2017. The general fund's cash balance increased \$12,964 from 2016 to 2017.

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

	<u>2017 Amount</u>	<u>2016 Amount</u>	Increase (Decrease)
Cash Receipts			
Taxes	\$ 353,000	\$ 335,000	5.37 %
Intergovernmental	63,782	133,071	(52.07)
Fees	289,670	277,953	4.22
Other	<u>7,992</u>	<u>16,485</u>	(51.52)
 Total	 <u>\$ 714,444</u>	 <u>\$ 762,509</u>	 (6.30) %

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited)

During 2017, the cash receipts of the general fund decreased \$48,065 or 6.30%. This decrease can mainly be attributed to a decrease in intergovernmental revenues of \$69,289 respectively.

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

	<u>2017</u>	<u>2016</u>	<u>Increase</u>
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>
Cash Disbursements			
Salaries	\$ 348,752	\$ 347,316	0.41 %
Supplies	10,700	23,375	(54.22)
Remittance to state	42,763	43,414	(1.50)
Equipment	6,925	16,344	(57.63)
Contracts - services	59,100	76,816	(23.06)
Membership/subscriptions	2,365	1,093	116.38
Travel	28,046	25,725	9.02
Advertising and printing	96	1,500	(93.60)
Public employee's retirement	45,513	43,605	4.38
Hospitalization	134,085	103,755	29.23
Medicare	5,039	4,633	8.76
Worker's compensation	3,881	3,818	1.65
Other	8,186	5,760	42.12
Utilities	<u>6,029</u>	<u>1,868</u>	222.75
 Total	 <u>\$ 701,480</u>	 <u>\$ 699,022</u>	 0.35 %

During 2017, the cash disbursements of the general fund increased \$2,458 or 0.35%. This increase can mainly be attributed to increases in salaries paid, and costs related to insurance premiums.

Early Start Fund

The early start fund, a Health District major fund, had cash receipts of \$39,080 in 2017. The early start fund had cash disbursements of \$30,689 in 2017. The early start fund cash balance increased \$8,391 from 2016 to 2017.

Food Service Fund

The food service fund, a Health District major fund, had cash receipts of \$160,842 in 2017. The food service fund had cash disbursements of \$155,800 in 2017. The food service fund cash balance increased \$5,042 from 2016 to 2017.

Cancer Levy Fund

The cancer levy fund, a Health District major fund, had cash receipts of \$259,810 in 2017. The cancer levy fund had cash disbursements of \$251,119 in 2017. The cancer levy fund cash balance increased \$8,691 from 2016 to 2017.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited)**

Home Sewage Fund

The home sewage fund, a Health District major fund, had cash receipts of \$385,372 in 2017. The home sewage fund had cash disbursements of \$349,160 in 2017. The home sewage fund cash balance increased \$36,212 from 2016 to 2017.

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 2017, the general fund original and final budget basis receipts were \$668,000. Actual cash receipts of \$679,203 were more than final budget estimates by \$11,203. The final budgetary basis disbursements of \$796,500 were \$128,500 more than original budget disbursements of \$668,000. The actual budgetary basis disbursements of \$688,917 were \$107,583 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 \$7,123 during 2017.

Debt Administration

The Health District did not have any long-term obligations at December 31, 2017.

Current Issues

The challenge for the Health District is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely on operating grants and are diligent in searching for new funding sources in order to allow our programs to continue. Charges for services and contract rates are analyzed to ensure to administer and carry out programs are covered.

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. Karen Clark, Fiscal Officer, Columbiana General Health District, 7360 State Route 45 P.O. Box 309, Lisbon, OH 44432.

COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO
Statement of Net Position - Cash Basis
December 31, 2017

	Governmental Activities
Assets	
Equity in pooled cash and cash equivalents	\$ 894,376
Total assets	894,376
Net Position	
Restricted for:	
Public health infrastructure	15,778
IAP grant	23,706
Cancer levy	95,528
Home sewage	99,823
Home health	84,135
Rabies grant	4,743
Unrestricted	570,663
Total net position	\$ 894,376

See accompanying notes to the financial statements.

COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO
Statement of Activities - Cash Basis
For the Year Ended December 31, 2017

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Salaries	\$ 828,225	\$ 353,979	\$ 198,405	\$ (275,841)
Supplies	29,726	6,944	19,043	(3,739)
Remittance to State	74,262	48,672	5,166	(20,424)
Equipment	7,123	2,944	252	(3,927)
Contracts - services	331,482	116,445	227,037	12,000
Membership/subscriptions	2,365	1,006	-	(1,359)
Travel	41,449	20,282	6,713	(14,454)
Advertising and printing	96	41	-	(55)
Public employee's retirement	111,589	47,347	26,809	(37,433)
Hospitalization	272,557	84,623	50,348	(137,586)
Medicare	11,973	5,122	2,868	(3,983)
Worker's compensation	8,881	3,646	1,728	(3,507)
Other	21,007	5,232	13,224	(2,551)
Utilities	6,029	2,564	-	(3,465)
Total governmental activities	<u>\$ 1,746,764</u>	<u>\$ 698,847</u>	<u>\$ 551,593</u>	<u>(496,324)</u>
		General Receipts		
		Property and other taxes levied for:		
		General purposes		588,165
		Grants and entitlements not restricted		
		to specific programs		30,898
		Miscellaneous		27,025
		Total general receipts		<u>646,088</u>
		Change in net position		149,764
		Net position beginning of year		744,612
		Net position end of year		<u>\$ 894,376</u>

See accompanying notes to the financial statements.

COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO
Statement of Assets and Cash Fund Balances
Governmental Funds
December 31, 2017

	General	Early Start	Food Service	Cancer Levy	Home Sewage	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in pooled cash and cash equivalents	\$ 366,919	\$ 97,635	\$ 40,156	\$ 95,528	\$ 99,823	\$ 194,315	\$ 894,376
Total assets	<u>\$ 366,919</u>	<u>\$ 97,635</u>	<u>\$ 40,156</u>	<u>\$ 95,528</u>	<u>\$ 99,823</u>	<u>\$ 194,315</u>	<u>\$ 894,376</u>
Fund Balances							
Restricted	-	-	-	95,528	99,823	128,362	323,713
Committed	-	97,635	40,156	-	-	65,953	203,744
Unassigned	<u>366,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>366,919</u>
Total fund balances	<u>\$ 366,919</u>	<u>\$ 97,635</u>	<u>\$ 40,156</u>	<u>\$ 95,528</u>	<u>\$ 99,823</u>	<u>\$ 194,315</u>	<u>\$ 894,376</u>

See accompanying notes to the financial statements.

COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Early Start	Food Service	Cancer Levy	Home Sewage	Other Governmental Funds	Total Governmental Funds
Receipts							
From local sources:							
Taxes	\$ 353,000	\$ -	\$ -	\$ 235,165	\$ -	\$ -	\$ 588,165
Intergovernmental	63,782	34,592	-	2,366	226,972	233,399	561,111
Fees	203,899	-	-	-	72,314	28,658	304,871
Vital statistic fees	85,771	-	-	-	-	-	85,771
Licenses and permits	-	-	160,818	-	76,239	67,891	304,948
Other	7,992	4,488	24	22,279	9,847	7,032	51,662
Total receipts	714,444	39,080	160,842	259,810	385,372	336,980	1,896,528
Disbursements							
Current:							
Salaries	348,752	-	99,634	135,057	88,273	156,509	828,225
Supplies	10,700	1,815	792	1,278	702	14,439	29,726
Remittance to State	42,763	-	12,380	-	7,614	11,505	74,262
Equipment	6,925	198	-	-	-	-	7,123
Contracts - services	59,100	19,883	-	14,929	226,972	10,598	331,482
Membership/subscriptions	2,365	-	-	-	-	-	2,365
Travel	28,046	-	6,039	177	1,560	5,627	41,449
Advertising and printing	96	-	-	-	-	-	96
Public employee's retirement	45,513	-	13,925	19,269	11,337	21,545	111,589
Hospitalization	134,085	-	19,296	75,469	10,899	32,808	272,557
Medicare	5,039	-	1,442	1,951	1,276	2,265	11,973
Worker's compensation	3,881	-	1,043	1,859	461	1,637	8,881
Other	8,186	8,793	1,249	1,130	66	1,583	21,007
Utilities	6,029	-	-	-	-	-	6,029
Total disbursements	701,480	30,689	155,800	251,119	349,160	258,516	1,746,764
Net change in fund balance	12,964	8,391	5,042	8,691	36,212	78,464	149,764
Fund balances beginning of year	353,955	89,244	35,114	86,837	63,611	115,851	744,612
Fund balances end of year	<u>\$ 366,919</u>	<u>\$ 97,635</u>	<u>\$ 40,156</u>	<u>\$ 95,528</u>	<u>\$ 99,823</u>	<u>\$ 194,315</u>	<u>\$ 894,376</u>

See accompanying notes to the financial statements.

COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Taxes	\$ 353,000	\$ 353,000	\$ 353,000	\$ -
Intergovernmental	35,000	35,000	28,541	(6,459)
Fees	185,000	185,000	203,899	18,899
Vital statistic fees	85,000	85,000	85,771	771
Other	10,000	10,000	7,992	(2,008)
Total receipts	<u>668,000</u>	<u>668,000</u>	<u>679,203</u>	<u>11,203</u>
Disbursements				
Current:				
Salaries	320,000	391,075	348,752	42,323
Supplies	10,000	12,685	10,700	1,985
Remittance to State	45,000	44,200	42,763	1,437
Equipment	3,000	6,925	6,925	-
Contracts - services	40,000	55,000	46,750	8,250
Membership/subscriptions	500	2,500	2,365	135
Travel	23,500	32,601	28,046	4,555
Advertising and printing	500	500	96	404
Public employee's retirement	45,000	54,800	45,513	9,287
Hospitalization	152,000	167,000	134,085	32,915
Medicare	4,640	5,655	5,039	616
Unemployment compensation	3,000	3,000	-	3,000
Worker's compensation	4,960	4,960	3,881	1,079
Other	13,500	8,801	7,973	828
Utilities	2,400	6,798	6,029	769
Total disbursements	<u>668,000</u>	<u>796,500</u>	<u>688,917</u>	<u>107,583</u>
Net change in fund balance	-	(128,500)	(9,714)	118,786
Fund balance at beginning of year	<u>277,727</u>	<u>277,727</u>	<u>277,727</u>	<u>-</u>
Fund balance at end of year	<u>\$ 277,727</u>	<u>\$ 149,227</u>	<u>\$ 268,013</u>	<u>\$ 118,786</u>

See accompanying notes to the financial statements.

COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Early Start
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 34,592	\$ 4,592
Other	-	-	4,488	4,488
Total receipts	30,000	30,000	39,080	9,080
Disbursements				
Current:				
Supplies	2,000	2,000	1,815	185
Equipment	5,000	2,700	198	2,502
Contracts - services	13,000	23,000	19,883	3,117
Other	10,000	12,300	8,793	3,507
Total disbursements	30,000	40,000	30,689	9,311
Net change in fund balance	-	(10,000)	8,391	18,391
Fund balance at beginning of year	89,244	89,244	89,244	-
Fund balance at end of year	<u>\$ 89,244</u>	<u>\$ 79,244</u>	<u>\$ 97,635</u>	<u>\$ 18,391</u>

See accompanying notes to the financial statements.

COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Food Service
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Licenses and permits	\$ 165,000	\$ 165,000	\$ 160,818	\$ (4,182)
Other	-	-	24	24
Total receipts	<u>165,000</u>	<u>165,000</u>	<u>160,842</u>	<u>(4,158)</u>
Disbursements				
Current:				
Salaries	100,000	100,000	99,634	366
Supplies	1,000	1,000	792	208
Remittance to State	15,000	14,500	12,380	2,120
Travel	5,200	6,557	6,039	518
Public employee's retirement	14,000	14,000	13,925	75
Hospitalization	25,420	25,120	19,296	5,824
Medicare	1,500	1,500	1,442	58
Worker's compensation	1,700	1,043	1,043	-
Other	1,180	1,280	1,249	31
Total disbursements	<u>165,000</u>	<u>165,000</u>	<u>155,800</u>	<u>9,200</u>
Net change in fund balance	-	-	5,042	5,042
Fund balance at beginning of year	<u>35,114</u>	<u>35,114</u>	<u>35,114</u>	<u>-</u>
Fund balance at end of year	<u>\$ 35,114</u>	<u>\$ 35,114</u>	<u>\$ 40,156</u>	<u>\$ 5,042</u>

See accompanying notes to the financial statements.

COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Cancer Levy
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Taxes	\$ 218,000	\$ 218,000	\$ 235,165	\$ 17,165
Intergovernmental	2,800	2,800	2,366	(434)
Other	40,200	30,300	22,279	(8,021)
Total receipts	261,000	251,100	259,810	8,710
Disbursements				
Current:				
Salaries	150,000	170,000	135,057	34,943
Supplies	1,000	2,250	1,278	972
Contracts - services	25,000	30,000	14,929	15,071
Travel	156	656	177	479
Public employee's retirement	21,000	23,800	19,269	4,531
Hospitalization	57,990	83,490	75,469	8,021
Medicare	2,174	2,474	1,951	523
Worker's compensation	2,200	2,200	1,859	341
Other	1,480	1,130	1,130	-
Total disbursements	261,000	316,000	251,119	64,881
Net change in fund balance	-	(64,900)	8,691	73,591
Fund balance at beginning of year	86,837	86,837	86,837	-
Fund balance at end of year	<u>\$ 86,837</u>	<u>\$ 21,937</u>	<u>\$ 95,528</u>	<u>\$ 73,591</u>

See accompanying notes to the financial statements.

COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Home Sewage
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ -	\$ 287,746	\$ 226,972	\$ (60,774)
Fees	15,000	15,000	72,314	57,314
Licenses and permits	50,000	50,000	76,239	26,239
Other	5,000	4,805	9,847	5,042
Total receipts	<u>70,000</u>	<u>357,551</u>	<u>385,372</u>	<u>27,821</u>
Disbursements				
Current:				
Salaries	48,000	89,000	88,273	727
Supplies	324	1,369	702	667
Remittance to State	3,000	11,000	7,614	3,386
Contracts - services	-	287,662	226,972	60,690
Travel	1,560	3,680	1,560	2,120
Public employee's retirement	6,720	12,460	11,337	1,123
Hospitalization	9,000	13,890	10,899	2,991
Medicare	696	1,291	1,276	15
Worker's compensation	700	700	461	239
Other	-	110	66	44
Total disbursements	<u>70,000</u>	<u>421,162</u>	<u>349,160</u>	<u>72,002</u>
Net change in fund balance	-	(63,611)	36,212	99,823
Fund balance at beginning of year	<u>63,611</u>	<u>63,611</u>	<u>63,611</u>	<u>-</u>
Fund balance at end of year	<u>\$ 63,611</u>	<u>\$ -</u>	<u>\$ 99,823</u>	<u>\$ 99,823</u>

See accompanying notes to the financial statements.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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. Generally accepted accounting principles (GAAP) 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. The 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, 2017

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.

Early start fund - This fund accounts for payments received from Medicaid Administrative Claims (MAC). These funds are utilized for programs related to children, families and general administration.

Food service fund - This fund accounts for activity that is committed for sanitarians for state mandated inspections, administration, supplies and mileage. Revenue is generated from mobile, vending and temporary licenses fee that are based on a cost methodology each year.

Cancer levy fund - This fund accounts mainly for tax monies that are restricted for reducing the incidence and mortality of cancer through programs for prevention, early detection, treatment and care.

Home sewage fund - This fund accounts for monies that are restricted to assist residents with waste water issues, repair valuations of failing septic systems and public nuisance complaint investigations.

Other governmental funds of the Health District are used to account for specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position - cash basis and the statement of activities - cash basis 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 position - cash basis presents the cash balance of the governmental activities of the Health District at year end. The statement of activities - cash basis 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, 2017

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, Linda Bolon, 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, 2017

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 2.A).

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 4 and 5 the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Net Position

Net position is 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 position is available.

K. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Health (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Board of Health, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes. The Health District may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Health District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While the Health District is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison schedule presented for the General Fund and the major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is certain funds included in the General Fund as part of the Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting" requirements are not included in the budgetary statement. The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statements.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Reconciliation of Fund Balance

	General	Early Start	Food Service	Cancer Levy	Home Sewage
Cash basis	\$ 366,919	\$ 97,635	\$ 40,156	\$ 95,528	\$ 99,823
Adjustment for GASB 54	(98,906)	-	-	-	-
Adjustment for encumbrances	-	-	-	-	-
Budgetary basis	<u>\$ 268,013</u>	<u>\$ 97,635</u>	<u>\$ 40,156</u>	<u>\$ 95,528</u>	<u>\$ 99,823</u>

NOTE 4 - RISK MANAGEMENT

The Health District is exposed to various risks of property and casualty losses, and injuries to employees. The Health District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Health District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017.

	<u>2017</u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Health District's share of these unpaid claims collectible in future years is approximately \$4,600.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>2017 Contributions to PEP</u> \$7,333

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

NOTE 5 - DEFINED BENEFIT PENSION PLAN

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Health District employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health District employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
Total Employer	14.0 %
Employee	10.0 %

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

The Health District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan for the years ended December 31, 2017, 2016 and 2015 were \$103,618, \$88,773 and \$82,860 respectively; 100% has been contributed for 2017, 2016 and 2015.

NOTE 6 - POSTRETIREMENT BENEFIT PLAN

Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit postemployment healthcare trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, or writing to OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS may be set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The Health District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016 and 2015 were \$7,971, \$14,795 and \$13,815 respectively.

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.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 - FUND BALANCE

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

Fund balance	General	Early Start	Food Service	Cancer Levy	Home Sewage	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:							
Public health infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,778	\$ 15,778
IAP grant	-	-	-	-	-	23,706	23,706
Rabies grant	-	-	-	-	-	4,743	4,743
Home health	-	-	-	-	-	84,135	84,135
Cancer levy	-	-	-	95,528	-	-	95,528
Home sewage	-	-	-	-	99,823	-	99,823
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,528</u>	<u>99,823</u>	<u>128,362</u>	<u>323,713</u>
Committed:							
Camp/trailer	-	-	-	-	-	16,835	16,835
Water	-	-	-	-	-	40,822	40,822
Swimming pool	-	-	-	-	-	6,796	6,796
Disease & disaster	-	-	-	-	-	1,500	1,500
Early start	-	97,635	-	-	-	-	97,635
Food service	-	-	40,156	-	-	-	40,156
Total committed	<u>-</u>	<u>97,635</u>	<u>40,156</u>	<u>-</u>	<u>-</u>	<u>65,953</u>	<u>203,744</u>
Unassigned	<u>366,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>366,919</u>
Total fund balances	<u>\$ 366,919</u>	<u>\$ 97,635</u>	<u>\$ 40,156</u>	<u>\$ 95,528</u>	<u>\$ 99,823</u>	<u>\$ 194,315</u>	<u>\$ 894,376</u>

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 9 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under Community Urban Redevelopment Agreements (“CURAs”), the Ohio Community Reinvestment Area (“CRA”) program and Tax Incremental Financing (“TIF”) agreements within various taxing districts of the Health District. The CURA, CRA and TIF programs are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the Health District, the multiple villages, cities and townships have entered into such agreements. Under these agreements, the Health District’s property taxes were reduced by approximately \$1,714. The Health District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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, 2016, 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 2016 are as follows:

- For 2016, the total net cash position of the Health District increased \$146,958, which represents a 24.59% increase from 2015.
- For 2016, general cash receipts accounted for \$713,533 or 44.68% of total governmental activities cash receipts. Program specific cash receipts accounted for \$883,588 or 55.32% of total governmental activities cash receipts.
- For 2016, the Health District had \$1,450,163 in cash disbursements related to governmental activities; \$883,588 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily property taxes) of \$713,533 were adequate to provide for these programs.
- The Health District's major funds are the general fund, the early start fund, the food service fund and the cancer levy fund. The general fund, the Health District's largest major fund, had cash receipts of \$762,509 in 2016. The cash disbursements of the general fund totaled \$699,022 in 2016. The general fund's cash balance increased \$63,487 from 2015 to 2016.
- The early start fund, a Health District major fund, had cash receipts of \$24,446 in 2016. The early start fund had cash disbursements of \$19,749 in 2016. The early start fund cash balance increased \$4,697 from 2015 to 2016.
- The food service fund, a Health District major fund, had cash receipts of \$174,239 in 2016. The food service fund had cash disbursements of \$152,828 in 2016. The food service fund cash balance increased \$21,411 from 2015 to 2016.
- The cancer levy fund, a Health District major fund, had cash receipts of \$253,836 in 2016. The cancer levy fund had cash disbursements of \$267,102 in 2016. The cancer levy fund cash balance decreased \$13,266 from 2015 to 2016.

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 position – 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, 2016
(UNAUDITED)

Reporting the Health District as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position – cash basis and the statement of activities – cash basis answer the question, how did we do financially during 2016? These statements include *only net position* 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 position and changes in those net position on a cash basis. This change in net cash position 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 deferred outflows of resources 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) and deferred inflows of resources 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 position – cash basis and the statement of activities – cash basis, governmental activities include the Health District's programs and services, including public health infrastructure, Immunization action plan grant and cancer levy.

The statement of net position – cash basis and the statement of activities – cash basis can be found on pages 13-14 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 early start fund, the food service 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, 2016
(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 position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 16-19 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 early start fund, the food service 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 20-23 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 25-35 of this report.

Government-Wide Financial Analysis

Recall that the statement of net position – 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 position at December 31, 2016 and December 31, 2015.

	<u>Net Cash Position</u>	
	Governmental Activities <u>2016</u>	Governmental Activities <u>2015</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 744,612	\$ 597,654
Total assets	<u>744,612</u>	<u>597,654</u>
<u>Net Position</u>		
Restricted	219,165	264,896
Unrestricted	<u>525,447</u>	<u>332,758</u>
Total net position	<u>\$ 744,612</u>	<u>\$ 597,654</u>

For 2016, the total net cash position of the Health District increased \$146,958, which represents a 24.59% increase. The balance of government-wide unrestricted net cash position of \$525,447 at December 31, 2016 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, 2016
(UNAUDITED)

The table below shows the changes in net cash position for 2016 and 2015.

	Change in Net Cash Position	
	Governmental Activities	Governmental Activities
	<u>2016</u>	<u>2015</u>
Cash Receipts:		
Program cash receipts:		
Charges for services	\$ 669,447	\$ 593,327
Operating grants and contributions	<u>214,141</u>	<u>288,150</u>
Total program cash receipts	<u>883,588</u>	<u>881,477</u>
General cash receipts:		
Property and other taxes	534,904	527,200
Unrestricted grants	162,144	100,051
Other	<u>16,485</u>	<u>10,290</u>
Total general cash receipts	<u>713,533</u>	<u>637,541</u>
Total cash receipts	<u>1,597,121</u>	<u>1,519,018</u>
Cash Disbursements:		
Salaries	795,162	716,323
Supplies	29,398	13,744
Remittance to State	71,055	69,470
Equipment	16,344	6,755
Contracts - Services	132,283	86,944
Membership/Subscriptions	1,093	69
Travel	35,174	34,279
Advertising and printing	1,500	475
Public Employee's Retirement	103,568	96,417
Hospitalization	231,308	253,360
Medicare	10,797	9,513
Unemployment Compensation	680	-
Worker's Compensation	10,077	7,443
Other	9,856	42,049
Utilities	<u>1,868</u>	<u>1,435</u>
Total cash disbursements	<u>1,450,163</u>	<u>1,338,276</u>
Change in net cash position	146,958	180,742
Net cash position at beginning of year	<u>597,654</u>	<u>416,912</u>
Net cash position at end of year	<u>\$ 744,612</u>	<u>\$ 597,654</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Governmental Activities

Governmental cash position increased by \$146,958 in 2016 from 2015.

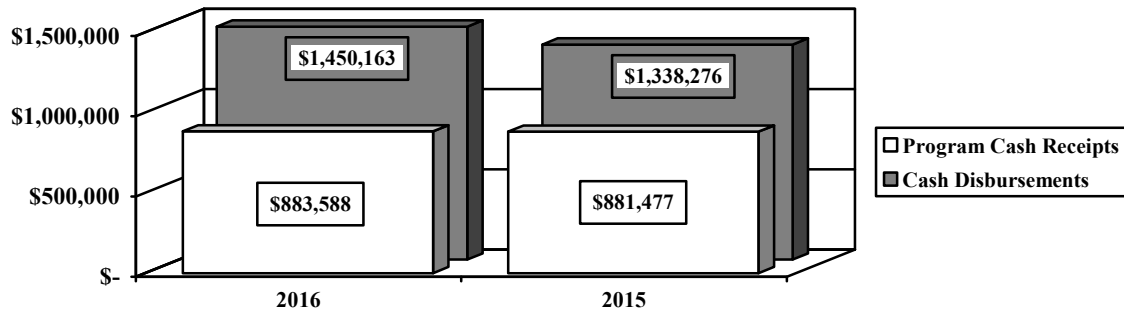
In 2016, Charges for services increased \$76,120 due to an increase in collections for Home Sewage fees. Operating grants and contributions decreased by \$74,009 due to a decrease in state funding for Public Health Infrastructure.

Salaries represent the largest cash disbursement of the Health District. In 2016, salary cash disbursements \$795,162, or 54.83% of total governmental cash disbursements was larger than the \$716,323 in 2015. This is due to increases in payroll related disbursements. Salary cash disbursements were supported by \$491,224 in direct charges to users for services and operating grants and contributions.

Contract services increased by \$45,339 in part due to increases in Information Technologies and Communication services.

The statement of activities – cash basis shows the cost of program services and the charges for services and grants and contributions offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2016 and 2015. 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**

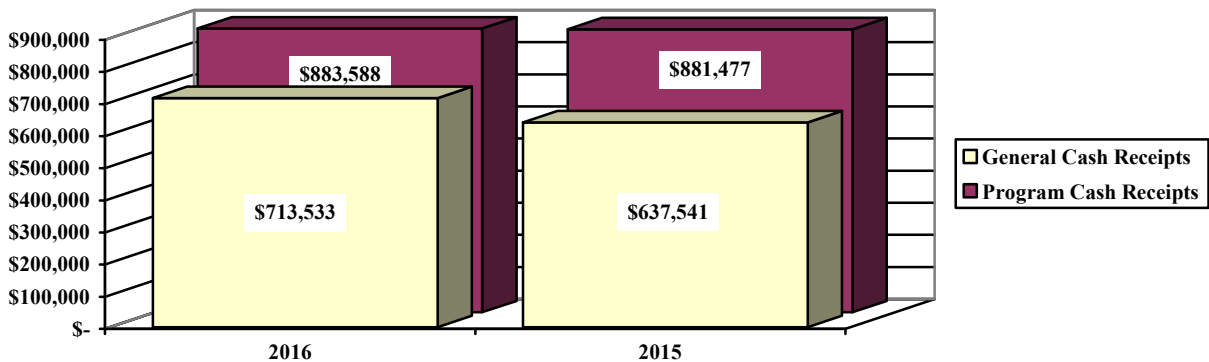
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Governmental Activities

	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>
Cash disbursements:				
Salaries	\$ 795,162	\$ 303,938	\$ 716,323	\$ 253,348
Supplies	29,398	15,696	13,744	4,014
Remittance to State	71,055	18,797	69,470	20,336
Equipment	16,344	10,190	6,755	3,294
Contracts - Services	132,283	55,550	86,944	15,300
Membership/Subscriptions	1,093	650	69	33
Travel	35,174	13,326	34,279	10,328
Advertising and printing	1,500	892	475	232
Public Employee's Retirement	103,568	37,529	96,417	34,032
Hospitalization	231,308	97,256	253,360	91,063
Medicare	10,797	3,882	9,513	2,998
Unemployment Compensation	680	(77)	-	-
Worker's Compensation	10,077	4,421	7,443	2,611
Other	9,856	9,081	42,049	18,510
Utilities	1,868	(4,556)	1,435	700
Total	\$ 1,450,163	\$ 566,575	\$ 1,338,276	\$ 456,799

The dependence upon general cash receipts for governmental activities is apparent; with 39.07% of cash disbursements supported through taxes and other general cash receipts during 2016.

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, 2016
(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 \$744,612 which is \$146,958 more than last year's total of \$597,654. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2016 and December 31, 2015, for all major and nonmajor governmental funds.

	<u>Fund Cash Balance</u> <u>December 31, 2016</u>	<u>Fund Cash Balance</u> <u>December 31, 2015</u>	<u>Change</u>
Major Funds:			
General	\$ 353,955	\$ 290,468	\$ 63,487
Early Start	89,244	84,547	4,697
Food Service	35,114	13,703	21,411
Cancer Levy	86,837	100,103	(13,266)
Other Nonmajor Governmental Funds	<u>179,462</u>	<u>108,833</u>	<u>70,629</u>
 Total	 <u>\$ 744,612</u>	 <u>\$ 597,654</u>	 <u>\$ 146,958</u>

During 2016, the Health District's fund cash balance increased \$146,958. This increase can primarily be attributed to the activity of the general fund. The general fund experienced significantly higher cash receipts during 2016 due to an increase in subdivision tax revenue.

General Fund

The general fund, the Health District's largest major fund, had cash receipts of \$762,509 in 2016. The cash disbursements of the general fund totaled \$699,022 in 2016. The general fund's cash balance increased \$63,487 from 2015 to 2016.

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

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 335,000	\$ 335,000	- %
Intergovernmental	133,071	71,041	87.32 %
Fees	277,953	282,496	(1.61) %
Other	<u>16,485</u>	<u>10,290</u>	60.20 %
 Total	 <u>\$ 762,509</u>	 <u>\$ 698,827</u>	 9.11 %

During 2016, the cash receipts of the general fund increased \$63,682 or 9.11%. This increase can mainly be attributed to an increase in intergovernmental revenues of \$62,030 respectively.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

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

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Disbursements</u>			
Salaries	\$ 347,316	\$ 271,337	28.00 %
Supplies	23,375	6,621	253.04 %
Remittance to State	43,414	44,437	(2.30) %
Equipment	16,344	6,755	141.95 %
Contracts - Services	76,816	33,210	131.30 %
Membership/Subscriptions	1,093	69	1,484.06 %
Travel	25,725	18,172	41.56 %
Advertising and Printing	1,500	475	215.79 %
Public Employee's Retirement	43,605	36,168	20.56 %
Hospitalization	103,755	104,976	(1.16) %
Medicare	4,633	3,905	18.64 %
Worker's Compensation	3,818	3,156	20.98 %
Other	5,760	20,655	(72.11) %
Utilities	1,868	1,435	30.17 %
Total	<u>\$ 699,022</u>	<u>\$ 551,371</u>	26.78 %

During 2016, the cash disbursements of the general fund increased \$147,651 or 26.78%. This increase can mainly be attributed to increases in salaries paid, contracts for services, and costs related to insurance premiums.

Early Start Fund

The early start fund, a Health District major fund, had cash receipts of \$24,446 in 2016. The early start fund had cash disbursements of \$19,749 in 2016. The early start fund cash balance increased \$4,697 from 2015 to 2016.

Food Service Fund

The food service fund, a Health District major fund, had cash receipts of \$174,239 in 2016. The food service fund had cash disbursements of \$152,828 in 2016. The food service fund cash balance increased \$21,411 from 2015 to 2016.

Cancer Levy Fund

The cancer levy fund, a Health District major fund, had cash receipts of \$253,836 in 2016. The cancer levy fund had cash disbursements of \$267,102 in 2016. The cancer levy fund cash balance decreased \$13,266 from 2016 to 2015.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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 2016, the general fund original and final budget basis receipts were \$644,000. Actual cash receipts of \$708,771 were more than final budget estimates by \$64,771. The final budgetary basis disbursements of \$764,000 were \$120,000 more than original budget disbursements of \$644,000. The actual budgetary basis disbursements of \$686,067 were \$77,933 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 \$16,344 during 2016.

Debt Administration

The Health District did not have any long-term obligations at December 31, 2016.

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. Karen Clark, Fiscal Officer, Columbiana General Health District, 7360 State Route 45 P.O. Box 309, Lisbon, OH 44432.

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

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2016

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 744,612
 Total assets	 744,612
 Net position:	
Restricted for:	
Public health infrastructure.	6,619
IAP grant	25,782
Cancer levy.	86,837
Home sewage	63,611
Home health	31,651
Rabies grant	4,665
Unrestricted.	525,447
 Total net position.	 \$ 744,612

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Salaries	\$ 795,162	\$ 374,945	\$ 116,279	\$ (303,938)
Supplies	29,398	9,929	3,773	(15,696)
Remittance to State	71,055	52,258	-	(18,797)
Equipment	16,344	6,154	-	(10,190)
Contracts - Services	132,283	37,625	39,108	(55,550)
Membership/Subscriptions	1,093	443	-	(650)
Travel	35,174	20,652	1,196	(13,326)
Advertising and printing	1,500	608	-	(892)
Public Employee's Retirement	103,568	50,155	15,884	(37,529)
Hospitalization	231,308	100,536	33,516	(97,256)
Medicare	10,797	5,262	1,653	(3,882)
Unemployment Compensation	680	757	-	77
Worker's Compensation	10,077	4,298	1,358	(4,421)
Other	9,856	775	-	(9,081)
Utilities	1,868	5,050	1,374	4,556
Totals	\$ 1,450,163	\$ 669,447	\$ 214,141	(566,575)
General Cash Receipts:				
Property and other taxes levied for:				
General purposes				534,904
Grants and entitlements not restricted to specific programs				162,144
Miscellaneous				16,485
Total general cash receipts				713,533
Change in net cash position				146,958
Net cash position at beginning of year				597,654
Net cash position at end of year				\$ 744,612

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ASSETS AND CASH FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	<u>General</u>	<u>Early Start</u>	<u>Food Service</u>	<u>Cancer Levy</u>
Cash assets:				
Equity in pooled cash and cash equivalents. . . .	\$ 353,955	\$ 89,244	\$ 35,114	\$ 86,837
Total assets	<u>\$ 353,955</u>	<u>\$ 89,244</u>	<u>\$ 35,114</u>	<u>\$ 86,837</u>
Fund cash balances:				
Restricted	\$ -	\$ -	\$ -	\$ 86,837
Committed.	-	89,244	35,114	-
Assigned	128,500	-	-	-
Unassigned	<u>225,455</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund cash balances	<u>\$ 353,955</u>	<u>\$ 89,244</u>	<u>\$ 35,114</u>	<u>\$ 86,837</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 179,462	\$ 744,612
<u>\$ 179,462</u>	<u>\$ 744,612</u>
\$ 132,328	\$ 219,165
47,134	171,492
-	128,500
-	225,455
<u>\$ 179,462</u>	<u>\$ 744,612</u>

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>General</u>	<u>Early Start</u>	<u>Food Service</u>	<u>Cancer Levy</u>
Cash receipts:				
From local sources:				
Taxes	\$ 335,000	\$ -	\$ -	\$ 199,904
Intergovernmental.	133,071	24,446	-	29,073
Fees.	190,595	-	-	-
Vital statistics fees	87,358	-	-	-
Licenses and permits	-	-	174,189	-
Other	16,485	-	50	24,859
Total cash receipts	<u>762,509</u>	<u>24,446</u>	<u>174,239</u>	<u>253,836</u>
Cash disbursements:				
Current:				
Salaries	347,316	-	93,311	166,367
Supplies.	23,375	1,460	535	1,191
Remittance to State	43,414	-	12,612	-
Equipment.	16,344	-	-	-
Contracts - Services.	76,816	17,789	-	19,661
Membership/Subscriptions	1,093	-	-	-
Travel.	25,725	-	3,281	-
Advertising and printing	1,500	-	-	-
Public Employee's Retirement	43,605	-	12,915	21,126
Hospitalization	103,755	-	25,047	53,410
Medicare	4,633	-	1,351	2,098
Unemployment Compensation.	-	-	680	-
Worker's Compensation	3,818	-	1,386	2,173
Other	5,760	500	1,710	1,076
Utilities	1,868	-	-	-
Total cash disbursements	<u>699,022</u>	<u>19,749</u>	<u>152,828</u>	<u>267,102</u>
Net change in fund cash balances	63,487	4,697	21,411	(13,266)
Fund cash balances at beginning of year	290,468	84,547	13,703	100,103
Fund cash balances at end of year	<u>\$ 353,955</u>	<u>\$ 89,244</u>	<u>\$ 35,114</u>	<u>\$ 86,837</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 534,904
153,561	340,151
77,393	267,988
-	87,358
129,455	303,644
21,682	63,076
<u>382,091</u>	<u>1,597,121</u>
188,168	795,162
2,837	29,398
15,029	71,055
-	16,344
18,017	132,283
-	1,093
6,168	35,174
-	1,500
25,922	103,568
49,096	231,308
2,715	10,797
-	680
2,700	10,077
810	9,856
-	1,868
<u>311,462</u>	<u>1,450,163</u>
70,629	146,958
108,833	597,654
<u>\$ 179,462</u>	<u>\$ 744,612</u>

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

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Budgetary basis receipts:				
Taxes	\$ 335,000	\$ 335,000	\$ 335,000	\$ -
Intergovernmental	65,585	65,585	79,333	13,748
Fees	229,787	229,787	277,953	48,166
Other	13,628	13,628	16,485	2,857
Total budgetary basis receipts	<u>644,000</u>	<u>644,000</u>	<u>708,771</u>	<u>64,771</u>
Budgetary basis disbursements:				
Salaries	310,000	357,800	347,316	10,484
Supplies	13,000	25,172	21,408	3,764
Remittance to State	44,000	44,000	43,414	586
Equipment	1,900	19,900	15,191	4,709
Contracts - Services	40,000	72,000	68,635	3,365
Membership/Subscriptions	800	1,300	1,093	207
Advertising and printing	500	1,500	1,500	-
Travel	30,700	34,700	25,725	8,975
Public Employee's Retirement	43,400	50,000	43,605	6,395
Hospitalization	141,000	140,500	103,755	36,745
Medicare	4,495	5,510	4,633	877
Unemployment Compensation	2,000	-	-	-
Worker's Compensation	4,805	3,818	3,818	-
Other	5,400	5,800	4,106	1,694
Utilities	2,000	2,000	1,868	132
Total budgetary basis disbursements	<u>644,000</u>	<u>764,000</u>	<u>686,067</u>	<u>77,933</u>
Net change in fund cash balance	-	(120,000)	22,704	142,704
Fund cash balance at beginning of year	<u>255,023</u>	<u>255,023</u>	<u>255,023</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 255,023</u>	<u>\$ 135,023</u>	<u>\$ 277,727</u>	<u>\$ 142,704</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
Budgetary basis receipts:				
Intergovernmental	\$ 40,000	\$ 9,596	\$ 24,446	\$ 14,850
Total budgetary basis receipts.	<u>40,000</u>	<u>9,596</u>	<u>24,446</u>	<u>14,850</u>
Budgetary basis disbursements:				
Supplies.	3,000	3,000	1,460	1,540
Equipment	1,500	1,500	-	1,500
Contracts - Services.	20,000	20,000	17,789	2,211
Other.	14,000	14,000	500	13,500
Utilities.	1,500	1,500	-	1,500
Total budgetary basis disbursements	<u>40,000</u>	<u>40,000</u>	<u>19,749</u>	<u>20,251</u>
Net change in fund cash balance.	-	(30,404)	4,697	35,101
Fund cash balance at beginning of year	<u>84,547</u>	<u>84,547</u>	<u>84,547</u>	<u>-</u>
Fund cash balance at end of year.	<u>\$ 84,547</u>	<u>\$ 54,143</u>	<u>\$ 89,244</u>	<u>\$ 35,101</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
Budgetary basis receipts:				
Licenses and permits	\$ 154,956	\$ 154,956	\$ 174,189	\$ 19,233
Other	44	44	50	6
Total budgetary basis receipts.	<u>155,000</u>	<u>155,000</u>	<u>174,239</u>	<u>19,239</u>
Budgetary basis disbursements:				
Salaries.	90,000	93,394	93,311	83
Supplies	500	550	535	15
Remittance to State	14,000	12,612	12,612	-
Travel.	2,496	5,003	3,281	1,722
Public Employee's Retirement	12,600	12,916	12,915	1
Hospitalization	31,724	27,094	25,047	2,047
Medicare	1,305	1,365	1,351	14
Unemployment Compensation	-	680	680	-
Worker's Compensation	1,395	1,386	1,710	(324)
Other	980	-	1,386	(1,386)
Total budgetary basis disbursements.	<u>155,000</u>	<u>155,000</u>	<u>152,828</u>	<u>2,172</u>
Net change in fund cash balance	-	-	21,411	21,411
Fund cash balance at beginning of year.	<u>13,703</u>	<u>13,703</u>	<u>13,703</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 13,703</u>	<u>\$ 13,703</u>	<u>\$ 35,114</u>	<u>\$ 21,411</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Budgetary basis receipts:				
Taxes	\$ 158,294	\$ 158,294	\$ 199,904	\$ 41,610
Intergovernmental	23,021	23,021	29,073	6,052
Other	19,685	19,685	24,859	5,174
Total budgetary basis receipts.	<u>201,000</u>	<u>201,000</u>	<u>253,836</u>	<u>52,836</u>
Budgetary basis disbursements:				
Salaries.	130,000	174,241	166,367	7,874
Supplies	1,000	4,000	1,191	2,809
Contracts - Services	32,000	28,500	19,661	8,839
Travel.	104	104	-	104
Equipment.	-	600	-	600
Public Employee's Retirement	18,200	29,400	21,126	8,274
Hospitalization	14,816	57,559	53,410	4,149
Medicare	1,885	3,045	2,098	947
Worker's Compensation	2,015	2,174	1,076	1,098
Other	980	1,480	2,173	(693)
Total budgetary basis disbursements.	<u>201,000</u>	<u>301,103</u>	<u>267,102</u>	<u>34,001</u>
Net change in fund cash balance	-	(100,103)	(13,266)	86,837
Fund cash balance at beginning of year.	<u>100,103</u>	<u>100,103</u>	<u>100,103</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 100,103</u>	<u>\$ -</u>	<u>\$ 86,837</u>	<u>\$ 86,837</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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. Generally accepted accounting principles (GAAP) 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. The 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.

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.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Early start fund - This fund accounts for payments received from Medicaid Administrative Claims (MAC). These funds are utilized for programs related to children, families and general administration .

Food service fund – This fund accounts for activity that is committed for sanitarians for state mandated inspections, administration, supplies and mileage. Revenue is generated from mobile, vending and temporary licenses fee that are based on a cost methodology each year.

Cancer levy fund - This fund accounts mainly for tax monies that are restricted 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 specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position - cash basis and the statement of activities - cash basis 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 position - cash basis presents the cash balance of the governmental activities of the Health District at year end. The statement of activities - cash basis compares disbursements and program receipts for each program or function of the Health District's governmental activities.

Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health District is responsible.

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

Receipts which are not classified as program receipts are presented as general receipts of the Health District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Health District.

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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, Linda Bolon, 105 S. Market Street, Lisbon, Ohio 44432.

F. Capital Assets

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

G. Unpaid Vacation and Sick Leave

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

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 4 and 5 the employer contributions include portions for pension benefits and for postretirement health care benefits.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

J. Net Position

Net position is 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 position is available.

K. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Health District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Health (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Health removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Health District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Board of Health, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes. The Health District may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget in the General Fund.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Health District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While the Health District is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison schedule presented for the General Fund and the major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is certain funds included in the General Fund as part of the Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting” requirements are not included in the budgetary statement. The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statements.

Reconciliation of Fund Balance				
	General	Early Start	Food Service	Cancer Levy
Cash basis	\$ 353,955	\$ 89,244	\$ 35,114	\$ 86,837
Adjustments for GASB 54	(76,228)	-	-	-
Adjustment for encumbrances	-	-	-	-
Budgetary basis	\$ 277,727	\$ 89,244	\$ 35,114	\$ 86,837

NOTE 4 - RISK MANAGEMENT

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

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

The Health District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP’s financial statements (audited by other auditor’s) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>
Assets	\$42,182,281
Liabilities	<u>(13,396,700)</u>
Net Position	<u>\$28,785,581</u>

At December 31, 2016 the liabilities above include approximately \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed. The Pool's membership increased to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Health District's share of these unpaid claims collectible in future years is approximately \$4,600.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>2016 Contributions to PEP</u> <u>\$7,333</u>
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After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

NOTE 5 - DEFINED BENEFIT PENSION PLAN

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Health District employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health District employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
 Employee	 10.0 %

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

The Health District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$88,773 for 2016.

NOTE 6 - POSTRETIREMENT BENEFIT PLAN

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 Plan and the Combined Plan. 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.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered 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 2016, local government employers contributed 14.00% of covered payroll. 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 portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2016 was 2.00%. Starting January 1, 2017, the portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 will be 1.00%.

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, 2016, 2015, and 2014 were \$14,795, \$13,815, and \$14,285, respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

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.

NOTE 8 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2016, the Health District has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the Health District.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the Health District.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the Health District.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the Health District.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the Health District.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. GASB Statement 79 did not have an effect on the financial statements of the Health District.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 9 - FUND BALANCE

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

Fund balance	General	Early Start	Food Service	Cancer Levy	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:						
Public health infrastructure	\$ -	\$ -	\$ -	\$ -	\$ 6,619	\$ 6,619
IAP grant	-	-	-	-	25,782	25,782
Rabies grant	-	-	-	-	4,665	4,665
Home health	-	-	-	-	31,651	31,651
Cancer levy	-	-	-	86,837	-	86,837
Home Sewage	-	-	-	-	63,611	63,611
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,837</u>	<u>132,328</u>	<u>219,165</u>
Committed:						
Camp/trailer	-	-	-	-	14,055	14,055
Water	-	-	-	-	27,733	27,733
Swimming pool	-	-	-	-	5,346	5,346
Early start	-	89,244	-	-	-	89,244
Food service	-	-	35,114	-	-	35,114
Total committed	<u>-</u>	<u>89,244</u>	<u>35,114</u>	<u>-</u>	<u>47,134</u>	<u>171,492</u>
Unassigned	<u>353,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,955</u>
Total fund balances	<u>\$ 353,955</u>	<u>\$ 89,244</u>	<u>\$ 35,114</u>	<u>\$ 86,837</u>	<u>\$ 179,462</u>	<u>\$ 744,612</u>

NOTE 10 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under Community Urban Redevelopment Agreements (“CURAs”), the Ohio Community Reinvestment Area (“CRA”) program and Tax Incremental Financing (“TIF”) agreements within various taxing districts of the Health District. The CURA, CRA and TIF programs are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the Health District, the multiple villages, cities and townships have entered into such agreements. Under these agreements, the Health District’s property taxes were reduced by approximately \$10,000. The Health District is not receiving any amounts any amounts from these other governments in association with the forgone property tax revenue.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Columbiana General Health District
Columbiana County
7360 State Route 45
PO Box 309
Lisbon, Ohio 44432

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated June 29, 2018, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 29, 2018.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.
June 29, 2018



Dave Yost • Auditor of State

COLUMBIANA COUNTY 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 25, 2018**