



**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006



Mary Taylor, CPA
Auditor of State

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Coshocton County General Health District
Coshocton County
724 South Seventh Street
Coshocton, Ohio 43812

To the Health Commissioner and District Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County General Health District, Coshocton County, Ohio, (the District) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County General Health District, Coshocton County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Women, Infants and Children Fund, Child and Family Health Fund and the Solid Waste Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Mary Taylor, CPA
Auditor of State

May 19, 2008

Coshocton County General Health District
Coshocton County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

This discussion and analysis of the General Health District's financial performance provides an overview of the District's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Highlights

Key highlights for 2007 and 2006 are as follows:

- Net assets of governmental activities were \$229,994 and \$249,400, respectively.
- Program specific receipts in the form of charges for services and operating grants and contributions comprise the largest percentage of the Health District's receipts, making up almost 64 percent in 2007 and 75 percent in 2006, of all the dollars coming into the District. General receipts in the form of property taxes, unrestricted grants and miscellaneous receipts make up the other 36 percent in 2007 and 25 percent in 2006.
- The Health District had \$844,150 and \$845,125 in disbursements during 2007 and 2006.

Using the Basic Financial Statements

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

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District Board of Health as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole Health District, presenting both an aggregate view of the Health District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Health District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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

Basis of Accounting

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

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

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2007 and 2006, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Health District's general receipts.

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

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, the District's major programs are reported. Charges for services and state and federal grants finance most of these activities. To a significant extent, benefits provided through the governmental activities are being paid for by the people receiving them.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds - All of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's health programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund, the Women, Infants and Children Fund, Child & Family Health Fund and the Solid Waste Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Coshocton County General Health District
Coshocton County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

The District as a Whole

Table 1 provides a summary of the District's net assets for 2007 and 2006 compared to 2005 on a cash basis:

	Governmental Activities		
	2007	2006	2005
Assets			
Cash and Cash Equivalents	\$229,994	\$249,400	\$247,776
Net Assets			
Restricted for:			
Other Purposes	\$100,176	\$165,946	\$184,639
Unrestricted	129,818	83,454	63,137
Total Net Assets	\$229,994	\$249,400	\$247,776

As mentioned previously, net assets of governmental activities decreased \$19,406 or 7.8 percent during 2007 from 2006. The primary reason contributing to the decrease in cash balance is due to expenditures increasing, no new revenues being received and grant monies have decreased over the years.

Coshocton County General Health District
Coshocton County
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Table 2 reflects the changes in net assets in 2007, 2006 and 2005 for governmental activities.

	Governmental Activities 2007	Governmental Activities 2006	Governmental Activities 2005
Receipts:			
Program Receipts:			
Operating Grants and Contributions	\$350,321	\$372,876	\$539,310
Charges for Services	176,241	262,940	191,363
Total Program Receipts	<u>526,562</u>	<u>635,816</u>	<u>730,673</u>
General Receipts:			
Property and Other Local Taxes	88,465	80,102	79,784
Grants and Entitlements Not Restricted to Specific Programs	205,182	127,836	41,070
Miscellaneous	4,535	2,995	26,581
Total General Receipts	<u>298,182</u>	<u>210,933</u>	<u>147,435</u>
Total Receipts	<u>824,744</u>	<u>846,749</u>	<u>878,108</u>
Disbursements:			
General Health	372,383	383,391	425,446
General Environmental Health	124,495	120,929	119,120
Community Health Services:			
WIC	173,315	164,112	146,347
Child and Family Health Services	173,957	176,693	234,510
Total Disbursements	<u>\$844,150</u>	<u>\$845,125</u>	<u>\$925,423</u>
Change in Net Assets	<u>(\$19,406)</u>	<u>\$1,624</u>	<u>(\$47,315)</u>

In 2007, 2006 and 2005 36 percent, 25 percent and 17 percent respectively, of the Health District's total receipts were from general receipts, consisting mainly of property taxes levied for general health district purposes. Program receipts accounted for 64 percent, 75 percent and 83 percent respectively for 2007, 2006 and 2005 of the Health District's total receipts. These receipts consist primarily of charges for services for birth and death certificates, food service licenses, trailer park, swimming pools and spas, and water system permits and state and federal operating grants and donations.

Disbursements for General Health represent the overhead costs of running the District and the support services provided for the other District activities. These include the costs of payroll, purchasing and other general activities.

Coshocton County General Health District
Coshocton County
Management's Discussion and Analysis
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Governmental Activities

If you look at the Statement of Activities – Cash Basis, you will see the first column lists the major services provided by the Health District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general health and general environmental health, which account for 44% and 41% in 2007 and 45% and 40% in 2006, of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Health District that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local townships and municipalities, taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3
Governmental Activities

	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>
Program expenses				
General Health	\$ 372,383	\$ (250,305)	\$ 383,391	\$ (207,493)
General Environmental Health	124,495	(60,678)	120,929	3,628
Community Health Services - WIC	173,315	(6,078)	164,112	(12,035)
Community Health Services - Child & Family Services	<u>173,957</u>	<u>(527)</u>	<u>176,693</u>	<u>6,591</u>
Total expenses	<u>\$ 844,150</u>	<u>\$ (317,588)</u>	<u>\$ 845,125</u>	<u>\$ (209,309)</u>

The dependence upon operating grants and contribution receipts is apparent as over 42 percent in 2007 and 44 percent in 2006 of governmental activities are supported through these program revenue receipts.

The District's Funds

Total governmental funds had receipts of \$824,744 in 2007, \$846,749 in 2006 and \$878,108 in 2005 and disbursements of \$844,150 in 2007, \$845,125 in 2006 and \$925,423 in 2005. The greatest change for 2007 and 2006 within governmental funds was due to the decrease in charges for services received for contractual services to various entities.

General Fund Budgeting Highlights

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

Coshocton County General Health District
Coshocton County
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During 2007, the District did amend its General Fund budget. Final budgeted receipts did change from the original budgeted receipts by \$40,000. General Fund final disbursements did change from the original budgeted expenditures by \$48,302. This increase in receipts and expenditures was due to the County Commissioners appropriating additional \$40,000 for the District. During 2006, the District did not need to amend its General Fund budgeted receipts but did amend their budgeted expenditures. There were no significant change between the original and the final budgeted expenditures.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed Wendy Wilson, Fiscal Administrator, Coshocton County General Health District, 724 South 7th Street, Coshocton, Ohio 43812.

Coshocton County General Health District
Coshocton County
Statement of Net Assets - Cash Basis
December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$229,994
Net Assets	
Restricted for:	
Other Purposes	100,176
Unrestricted	<u>129,818</u>
<i>Total Net Assets</i>	<u><u>\$229,994</u></u>

See accompanying notes to the basic financial statements

Coshocton County General Health District
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	General	Women, Infants, and Children	Child & Family Health	Solid Waste	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$84,818	\$9,012	\$41,777	\$42,213	\$52,174	\$229,994
Fund Balances						
Reserved:						
Reserved for Encumbrances	3,914	31	2,456	167	1,933	8,501
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	80,904					80,904
Special Revenue Funds		8,981	39,321	42,046	50,241	140,589
<i>Total Fund Balances</i>	<u>\$84,818</u>	<u>\$9,012</u>	<u>\$41,777</u>	<u>\$42,213</u>	<u>\$52,174</u>	<u>\$229,994</u>

See accompanying notes to the basic financial statements

**Coshocton County General Health District
Coshocton County**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007*

	General	Women, Infants, and Children	Child & Family Health	Solid Waste	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$88,465					\$88,465
Intergovernmental	205,182	\$ 167,237	\$ 126,804	\$ 56,280		555,503
Fines, Licenses and Permits	8,602			6,950	\$ 103,238	118,790
Contributions			38,531			38,531
Charges for Services	10,825		8,095			18,920
Miscellaneous	760		2,888	596	291	4,535
<i>Total Receipts</i>	<u>313,834</u>	<u>167,237</u>	<u>176,318</u>	<u>63,826</u>	<u>103,529</u>	<u>824,744</u>
Disbursements						
Current:						
General Health Services	273,808				98,575	372,383
General Environmental Health				124,495		124,495
Community Health Services						
WIC		173,315				173,315
Child and Family Health Services			173,957			173,957
<i>Total Disbursements</i>	<u>273,808</u>	<u>173,315</u>	<u>173,957</u>	<u>124,495</u>	<u>98,575</u>	<u>844,150</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>40,026</u>	<u>(6,078)</u>	<u>2,361</u>	<u>(60,669)</u>	<u>4,954</u>	<u>(19,406)</u>
<i>Fund Balances Beginning of Year</i>	<u>44,792</u>	<u>15,090</u>	<u>39,416</u>	<u>102,882</u>	<u>47,220</u>	<u>249,400</u>
<i>Fund Balances End of Year</i>	<u><u>\$84,818</u></u>	<u><u>\$9,012</u></u>	<u><u>\$41,777</u></u>	<u><u>\$42,213</u></u>	<u><u>\$52,174</u></u>	<u><u>\$229,994</u></u>

See accompanying notes to the basic financial statements

**Coshocton County General Health District
Coshocton County**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund*

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$89,280	\$89,280	\$88,465	(\$815)
Intergovernmental	138,486	178,486	205,182	26,696
Fines, Licenses and Permits	7,000	7,000	8,602	1,602
Charges for Services	4,000	4,000	10,825	6,825
Miscellaneous	6,000	6,000	760	(5,240)
<i>Total Receipts</i>	<u>244,766</u>	<u>284,766</u>	<u>313,834</u>	<u>29,068</u>
Disbursements				
Current:				
General Health Services	<u>251,540</u>	<u>299,842</u>	<u>277,722</u>	<u>22,120</u>
<i>Total Disbursements</i>	<u>251,540</u>	<u>299,842</u>	<u>277,722</u>	<u>22,120</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>(6,774)</u>	<u>(15,076)</u>	<u>36,112</u>	<u>51,188</u>
<i>Fund Balances Beginning of Year</i>	<u>44,792</u>	<u>44,792</u>	<u>44,792</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$38,018</u>	<u>\$29,716</u>	<u>\$80,904</u>	<u>\$51,188</u>

See accompanying notes to the basic financial statements

Coshocton County General Health District
Coshocton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Women, Infants, and Children Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 163,800	\$ 163,800	\$ 167,237	\$ 3,437
<i>Total Receipts</i>	163,800	163,800	167,237	3,437
Disbursements				
Current:				
Community Health Services				
WIC	162,381	177,930	173,346	4,584
<i>Total Disbursements</i>	162,381	177,930	173,346	4,584
<i>Excess of Receipts Over (Under) Disbursements</i>	1,419	(14,130)	(6,109)	8,021
<i>Fund Balances Beginning of Year</i>	15,090	15,090	15,090	0
<i>Fund Balances End of Year</i>	\$16,509	\$960	\$8,981	\$8,021

See accompanying notes to the basic financial statements

Coshocton County General Health District
Coshocton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Child & Family Health Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Contributions	\$38,000	\$38,000	\$38,531	\$531
Intergovernmental	152,100	152,100	126,804	(25,296)
Charges for Services	5,000	5,000	8,095	3,095
Miscellaneous	4,400	\$4,400	2,888	(1,512)
<i>Total Receipts</i>	199,500	199,500	176,318	(23,182)
Disbursements				
Current:				
Community Health Services				
Child and Family Health Services	199,209	202,403	176,413	25,990
<i>Total Disbursements</i>	199,209	202,403	176,413	25,990
<i>Excess of Receipts (Under) Disbursements</i>	291	(2,903)	(95)	2,808
<i>Fund Balances Beginning of Year</i>	39,416	39,416	39,416	0
<i>Fund Balances End of Year</i>	\$39,707	\$36,513	\$39,321	\$2,808

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$61,500	\$61,500	\$56,280	(\$5,220)
Fines, Licenses and Permits	66,025	66,025	6,950	(59,075)
Miscellaneous	0	-	596	596
<i>Total Receipts</i>	127,525	127,525	63,826	(63,699)
Disbursements				
Current:				
General Environmental Health	127,174	134,636	124,662	9,974
<i>Total Disbursements</i>	127,174	134,636	124,662	9,974
<i>Excess of Receipts Over (Under) Disbursements</i>	351	(7,111)	(60,836)	(53,725)
<i>Fund Balances Beginning of Year</i>	104,620	104,620	102,882	(1,738)
<i>Fund Balances End of Year</i>	\$104,971	\$97,509	\$42,046	(\$55,463)

See accompanying notes to the basic financial statements

Coshocton County General Health District
Coshocton County
Statement of Net Assets - Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$249,400
Net Assets	
Restricted for:	
Other Purposes	165,946
Unrestricted	<u>83,454</u>
<i>Total Net Assets</i>	<u><u>\$249,400</u></u>

See accompanying notes to the basic financial statements

Coshocton County General Health District
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	General	Women, Infants, and Children	Child & Family Health	Solid Waste	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$44,792	\$15,090	\$39,416	\$102,882	\$47,220	\$249,400
Fund Balances						
Reserved:						
Reserved for Encumbrances	1,200	96	1,294	33	4,950	7,573
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	43,592					43,592
Special Revenue Funds		14,994	38,122	102,849	42,270	198,235
<i>Total Fund Balances</i>	<u>\$44,792</u>	<u>\$15,090</u>	<u>\$39,416</u>	<u>\$102,882</u>	<u>\$47,220</u>	<u>\$249,400</u>

See accompanying notes to the basic financial statements

**Coshocton County General Health District
Coshocton County**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006*

	General	Women, Infants, and Children	Child & Family Health	Solid Waste	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$80,102					\$80,102
Intergovernmental	127,836	\$ 152,077	\$ 124,834	\$ 56,119		460,866
Fines, Licenses and Permits	66,854			66,700	\$ 106,932	240,486
Contributions			39,846			39,846
Charges for Services	3,850		18,604			22,454
Miscellaneous	1,104		101	86	1,704	2,995
<i>Total Receipts</i>	<u>279,746</u>	<u>152,077</u>	<u>183,385</u>	<u>122,905</u>	<u>108,636</u>	<u>846,749</u>
Disbursements						
Current:						
General Health Services	275,091				108,300	383,391
General Environmental Health				120,929		120,929
Community Health Services						
WIC		164,112				164,112
Child and Family Health Services			176,693			176,693
<i>Total Disbursements</i>	<u>275,091</u>	<u>164,112</u>	<u>176,693</u>	<u>120,929</u>	<u>108,300</u>	<u>845,125</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,655</u>	<u>(12,035)</u>	<u>6,692</u>	<u>1,976</u>	<u>336</u>	<u>1,624</u>
<i>Fund Balances Beginning of Year</i>	<u>40,137</u>	<u>27,125</u>	<u>32,724</u>	<u>100,906</u>	<u>46,884</u>	<u>247,776</u>
<i>Fund Balances End of Year</i>	<u><u>\$44,792</u></u>	<u><u>\$15,090</u></u>	<u><u>\$39,416</u></u>	<u><u>\$102,882</u></u>	<u><u>\$47,220</u></u>	<u><u>\$249,400</u></u>

See accompanying notes to the basic financial statements

Coshocton County General Health District
Coshocton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$80,000	\$80,000	\$80,102	\$102
Intergovernmental	128,095	128,095	127,836	(259)
Fines, Licenses and Permits	56,525	56,525	66,854	10,329
Charges for Services	3,500	3,500	3,850	350
Miscellaneous	6,550	6,550	1,104	(5,446)
<i>Total Receipts</i>	<u>274,670</u>	<u>274,670</u>	<u>279,746</u>	<u>5,076</u>
Disbursements				
Current:				
General Health Services	286,875	298,289	276,291	21,998
<i>Total Disbursements</i>	<u>286,875</u>	<u>298,289</u>	<u>276,291</u>	<u>21,998</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>(12,205)</u>	<u>(23,619)</u>	<u>3,455</u>	<u>27,074</u>
<i>Fund Balances Beginning of Year</i>	<u>40,137</u>	<u>40,137</u>	<u>40,137</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$27,932</u>	<u>\$16,518</u>	<u>\$43,592</u>	<u>\$27,074</u>

See accompanying notes to the basic financial statements

Coshocton County General Health District
Coshocton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Women, Infants, and Children Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 145,400	\$ 145,400	\$ 152,077	\$ 6,677
<i>Total Receipts</i>	<u>145,400</u>	<u>145,400</u>	<u>152,077</u>	<u>6,677</u>
Disbursements				
Current:				
Community Health Services				
WIC	150,805	164,367	164,208	159
<i>Total Disbursements</i>	<u>150,805</u>	<u>164,367</u>	<u>164,208</u>	<u>159</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,405)</u>	<u>(18,967)</u>	<u>(12,131)</u>	<u>6,836</u>
<i>Fund Balances Beginning of Year</i>	<u>27,125</u>	<u>27,125</u>	<u>27,125</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$21,720</u></u>	<u><u>\$8,158</u></u>	<u><u>\$14,994</u></u>	<u><u>\$6,836</u></u>

See accompanying notes to the basic financial statements

Coshocton County General Health District
Coshocton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Child & Family Health Fund
For the Year Ended December 31, 2006

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Contributions	\$38,000	\$38,000	\$39,846	\$1,846
Intergovernmental	150,650	150,650	124,834	(25,816)
Charges for Services	8,500	8,500	18,604	10,104
Miscellaneous	9,500	\$9,500	101	(9,399)
<i>Total Receipts</i>	<u>206,650</u>	<u>206,650</u>	<u>183,385</u>	<u>(23,265)</u>
Disbursements				
Current:				
Community Health Services				
Child and Family Health Services	181,169	193,004	177,987	15,017
<i>Total Disbursements</i>	<u>181,169</u>	<u>193,004</u>	<u>177,987</u>	<u>15,017</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>25,481</u>	<u>13,646</u>	<u>5,398</u>	<u>(8,248)</u>
<i>Fund Balances Beginning of Year</i>	<u>32,724</u>	<u>32,724</u>	<u>32,724</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$58,205</u>	<u>\$46,370</u>	<u>\$38,122</u>	<u>(\$8,248)</u>

See accompanying notes to the basic financial statements

Coshocton County General Health District
Coshocton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Solid Waste Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$55,000	\$55,000	\$56,119	\$1,119
Fines, Licenses and Permits	66,025	66,025	66,700	675
Miscellaneous	0	-	86	86
<i>Total Receipts</i>	121,025	121,025	122,905	1,880
Disbursements				
Current:				
General Environmental Health	126,394	130,855	120,962	9,893
<i>Total Disbursements</i>	126,394	130,855	120,962	9,893
<i>Excess of Receipts Over (Under) Disbursements</i>	(5,369)	(9,830)	1,943	11,773
<i>Fund Balances Beginning of Year</i>	100,906	100,906	100,906	0
<i>Fund Balances End of Year</i>	\$95,537	\$91,076	\$102,849	\$11,773

See accompanying notes to the basic financial statements

Coshocton County General Health District
Coshocton County

Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 1 – Reporting Entity

A five-member Board of Health appointed by the District Advisory Council governs the Health District. The Board appoints a health commissioner and all employees of the Health District. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and the issuance of 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.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Health District are not misleading.

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Health District's accounting policies.

A. Basis of Presentation

The Health District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

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

The statement of net assets presents the cash balance of the governmental activities of the Health District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Health District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Health District is responsible.

Coshocton County General Health District
Coshocton County

Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Fund Financial Statements

During the year, the Health District segregates transactions related to certain Health District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Health District at this more detailed level. 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.

B. Fund Accounting

The Health District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All of the Health District Funds are categorized as governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the Health District are financed. The following are the Health District's major governmental funds:

General Fund - The General Fund accounts for all financial resources, 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.

Women, Infants and Children (WIC) Fund – This is a federal grant fund that is used to account for the special Supplemental Nutrition Program.

Child & Family Health Fund – This a combination of federal and state grant funds used to fund services for well children and pregnant women.

Solid Waste Fund – This fund is used to account for permits issued and grants from the Four County Solid Waste District.

The other governmental funds of the Health District account for grants and other resources whose use is restricted for a particular purpose.

C. Basis of Accounting

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.

Coshocton County General Health District
Coshocton County

Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 County Board of Health may appropriate. The appropriations resolution is the County Board of Health's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Board of Health. The legal level of control has been established by the County Board of Health at the fund, function, 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 certificated 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 appropriation amounts passed by the County Board of Health during the year.

E. Cash and Investments

The 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.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Health District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Coshocton County General Health District
Coshocton County

Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 - Summary of Significant Accounting Policies (continued)

H. Capital Assets

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

I. Interfund Receivables/Payables

The Health District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 5 and 6, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include resources restricted for grant purposes. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available

M. Fund Balance Reserves

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

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Coshocton County General Health District
Coshocton County

Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 3 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and each major special revenue fund is prepared 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 are outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance. The encumbrances outstanding at year end (budgetary basis) amounted to:

	<u>2007</u>	<u>2006</u>
General Fund	\$3,914	\$1,200
Major Special Revenue Funds:		
Women, Infants, and Children	31	96
Child & Family Health	2,456	1,294
Solid Waste	167	33

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. PEP is a member of the American Public Entity Excess Pool (APEEP). 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 Coverage

For an occurrence prior to January 1, 2006, PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year.

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006) as noted above.

Coshocton County General Health District
Coshocton County

Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 4 - Risk Management (Continued)

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Assets	\$37,560,071	\$36,123,194
Liabilities	(17,340,825)	(16,738,904)
Net Assets	<u>\$20,219,246</u>	<u>\$19,384,290</u>

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Health District's share of these unpaid claims collectible in future years is approximately \$5,087. This payable includes the subsequent year's contribution due if the Health District terminates participation, as described in the last paragraph below.

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.

Coshocton County General Health District
Coshocton County

Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 4 - Risk Management (Continued)

<u>Contributions to PEP</u>	
2005	\$6,333
2006	\$6,079
2007	\$5,825

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. 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 Plans

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

For the year ended December 31, 2007, members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.5 percent of their annual covered salary to fund pension obligations. The Health District's contribution rate for pension benefits for 2007 was 13.85 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Health District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$70,261, \$67,313 and \$70,233, respectively. The full amount has been contributed for 2007, 2006, and 2005.

Coshocton County General Health District
Coshocton County

Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 6- Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 employer contribution rate was 13.85 percent of covered payroll; 5.00 percent was the portion used to fund health care for the period January 1, 2007 through June 30, 2007 and 6.00 percent for the period July 1, 2007 through December 31, 2007.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 374,979. OPERS's net assets available for the payment of benefits at December 31, 2006 (the latest information available), was \$12.0 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2005, with no prior service credit accumulated toward health care coverage. The Choices Plan will incorporate a cafeteria approach offering a broader range of health care options. The Choices Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Choices Plan will also offer a spending account feature enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a medical spending account.

Note 7 – Contingent Liabilities

Amounts grantor agencies pay to the Health District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



Mary Taylor, CPA

Auditor of State

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

Coshocton County General Health District
Coshocton County
724 South Seventh Street
Coshocton, Ohio 43812

To the Health Commissioner and District Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County General Health District, Coshocton County, Ohio, (the District) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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

We consider Finding Number 2007-001 described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe Finding Number 2007-001 is also a material weakness.

We also noted certain matters related to internal control over financial reporting that we have reported to the District's management in a separate letter dated May 19, 2008.

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated May 19, 2008.

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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



Mary Taylor, CPA
Auditor of State

May 19, 2008

**COSHOCTON COUNTY GENERAL HEALTH DISTRICT
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2007-001

Significant Deficiency/Material Weakness

Financial Reporting

As a result of the audit procedures performed, errors were noted in the District's financial statements that required audit adjustments and reclassifications.

In 2007 and 2006, certain receipt classification errors were noted:

Year	Fund	Original Receipt Account Posted	Correct Receipt Classification	Amount	Type of Receipt
2007	Household Sewage Treatment Fund	Charges for Services	Fines, Licenses and Permits	\$6,800	Lot reviews for septic tank approvals
2007	General Fund	Other Revenue	Charges for Services	\$4,596	Fees charged for training sessions
2007	General Fund	Other Revenue	Intergovernmental Revenue	\$9,737	Grant
2006	General Fund	Other Revenue	Intergovernmental Revenue	\$9,643	Grant
2006	Child and Family Health Fund	Other Revenue	Charges for Services	\$10,745	Fees charged for training session

During 2007 and 2006, Fines, Licenses and Permit receipts totaling \$587 and \$1,738 were initially recorded in the Solid Waste Fund rather than the Construction and Demo Fund. The respective fund's receipts have been adjusted accordingly. Lastly, the County Auditor adjusted the District's balances accordingly on May 20, 2008 since the County Auditor is the District's fiscal agent.

Sound financial reporting is the responsibility of the District Fiscal Administrator and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

**FINDING NUMBER 2007-001
(Continued)**

Financial Reporting (Continued)

The District should thoroughly review all receipt pay-ins for proper account coding, and the County Auditor's office should review the coding prior to processing. Misclassified receipts can result in inaccurate financial reporting. By correctly coding receipts, the District will be better able to track the types of receipts received throughout the year.

Official's Response: The Coshocton County Auditor has created additional receipt codes in their financial computer system in order for the Coshocton County Health Department to properly classify receipts. Going forward, the Coshocton County Health Department will review all receipts for proper receipt code classification prior to submission to the Coshocton County Auditor for propriety.



Mary Taylor, CPA
Auditor of State

GENERAL HEALTH DISTRICT

COSHOCTON 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
AUGUST 12, 2008**