



Dave Yost • Auditor of State



**COLUMBIANA GENERAL HEALTH DISTRICT  
COLUMBIANA COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Statement of Net Assets - Cash Basis – December 31, 2011 .....	12
Statement of Activities - Cash Basis – for the Year Ended December 31, 2011 .....	13
Statement of Assets and Cash Fund Balances – Governmental Funds – December 31, 2011 .....	14
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – Governmental Funds – for the Year Ended December 31, 2011 .....	15
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, 2011.....	16
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, 2011.....	17
Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance - Budget and Actual - Budgetary Basis – Cancer Levy – for the Year Ended December 31, 2011.....	18
Notes to the Basic Financial Statements .....	19
Independent Accountants' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	29

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, Ohio (the District), as of and for the year ended December 31, 2011, 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 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, Ohio, as of December 31, 2011, and the respective changes in cash financial position, thereof and the respective budgetary comparison for the General, Early Start and Cancer Levy funds thereof for the year then ended in conformity with the accounting basis Note 1 describes.

As described in Note 7A, during 2011 the Columbiana General Health District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2012, 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.

We conducted our audit to opine on the District's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

April 15, 2012

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(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, 2011, 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 2011 are as follows:

- For 2011 the total net cash assets of the Health District increased \$89,143, which represents a 19.67% increase from 2010.
- For 2011, general cash receipts accounted for \$502,380 or 29.91% of total governmental activities cash receipts. Program specific cash receipts accounted for \$1,177,344 or 70.09% of total governmental activities cash receipts.
- For 2011, the Health District had \$1,590,581 in cash disbursements related to governmental activities; \$1,177,344 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily property taxes) of \$502,380 were adequate to provide for these programs.
- The Health District's major funds are the general fund, the early start fund and the cancer levy fund. The general fund, the Health District's largest major fund, had cash receipts of \$477,279 in 2011. The cash disbursements of the general fund, totaled \$419,075 in 2011. The general fund's cash balance increased \$58,204 from 2010 to 2011.
- The early start fund, a Health District major fund, had cash receipts of \$300,953 in 2011. The early start fund had cash disbursements of \$294,525 in 2011. The early start fund cash balance increased \$6,428 from 2010 to 2011.
- The cancer levy fund, a Health District major fund, had cash receipts of \$276,382 in 2011. The cancer levy fund had cash disbursements of \$263,847 in 2011. The cancer levy fund cash balance increased \$12,535 from 2010 to 2011.

**Using this Cash Basis Basic Financial Statements (BFS)**

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

The statement of net assets – cash basis and statement of activities – cash basis provide information about the activities of the whole Health District, presenting an aggregate view of the Health District's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Health District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Health District, there are three 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, 2011  
(UNAUDITED)**

**Reporting the Health District as a Whole**

*Statement of Net Assets and the Statement of Activities*

The statement of net assets – cash basis and the statement of activities – cash basis answer the question, how did we do financially during 2011? These statements include *only net assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Health District's net assets and changes in those assets on a cash basis. This change in net cash assets is important because it tells the reader that, for the Health District as a whole, the cash basis financial position of the Health District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Health District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net assets – cash basis and the statement of activities – cash basis, governmental activities include the Health District's programs and services, including public health infrastructure, IAP grant, public health emergency response and cancer levy.

The statement of net assets – cash basis and the statement of activities – cash basis can be found on pages 12-13 of this report.

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

*Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Health District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Health District are classified as governmental funds.

Fund financial reports provide detailed information about the Health District's major funds. The Health District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Health District's most significant funds. The Health District's major governmental funds are the general fund, the early start fund and the cancer levy fund. The analysis of the Health District's major governmental funds begins on page 9.

*Governmental Funds*

All of the Health District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting 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.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)

Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Health District programs. Since the Health District is reporting on the cash basis of accounting, there are no differences in the net assets and fund cash balances or changes in net assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 14-15 of this report.

The Health District's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the general fund, the early start fund and the cancer levy fund are presented to demonstrate the Health District's compliance with annually adopted budgets. The budgetary statements can be found on pages 16-18 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 18-27 of this report.

**Government-Wide Financial Analysis**

Recall that the statement of net assets – cash basis provides the perspective of the Health District as a whole.

The table below provides a summary of the Health District's net cash assets at December 31, 2011 and December 31, 2010. The restricted and unrestricted net assets at December 31, 2010 have been reclassified to conform to 2011's presentation.

	<u>Net Cash Assets</u>	
	Governmental	Restated
	Activities	Governmental
	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 542,379	\$ 453,236
Total assets	<u>542,379</u>	<u>453,236</u>
<u>Net Assets</u>		
Restricted	198,581	184,732
Unrestricted	<u>343,798</u>	<u>268,504</u>
Total net assets	<u>\$ 542,379</u>	<u>\$ 453,236</u>

For 2011, the total net cash assets of the Health District increased \$89,143, which represents a 19.67% increase.

The balance of government-wide unrestricted net cash assets of \$343,798 at December 31, 2011, 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, 2011  
(UNAUDITED)

The table below shows the changes in net cash assets for 2011 and 2010.

	<b>Change in Net Cash Assets</b>	
	Governmental Activities <u>2011</u>	Governmental Activities <u>2010</u>
<b>Cash Receipts:</b>		
Program cash receipts:		
Charges for services	\$ 495,683	\$ 428,777
Operating grants and contributions	<u>681,661</u>	<u>1,059,689</u>
Total program cash receipts	<u>1,177,344</u>	<u>1,488,466</u>
General cash receipts:		
Property and other taxes	412,920	389,660
Unrestricted grants	49,720	102,206
Other	<u>39,740</u>	<u>19,951</u>
Total general cash receipts	<u>502,380</u>	<u>511,817</u>
Total cash receipts	<u>1,679,724</u>	<u>2,000,283</u>
<b>Cash Disbursements:</b>		
Salaries	782,095	805,993
Supplies	32,592	50,562
Remittance to State	60,748	50,646
Equipment	18,168	39,781
Contracts - Services	151,797	414,030
Membership/Subscriptions	444	375
Travel	51,873	62,413
Advertising and printing	787	1,266
Public Employee's Retirement	109,976	113,057
Hospitalization	283,354	265,533
Medicare	9,971	10,372
Worker's Compensation	13,683	10,032
Other	71,972	131,045
Utilities	<u>3,121</u>	<u>2,440</u>
Total cash disbursements	<u>1,590,581</u>	<u>1,957,545</u>
Change in net cash assets	89,143	42,738
Net cash assets at beginning of year	<u>453,236</u>	<u>410,498</u>
Net cash assets at end of year	<u>\$ 542,379</u>	<u>\$ 453,236</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)**

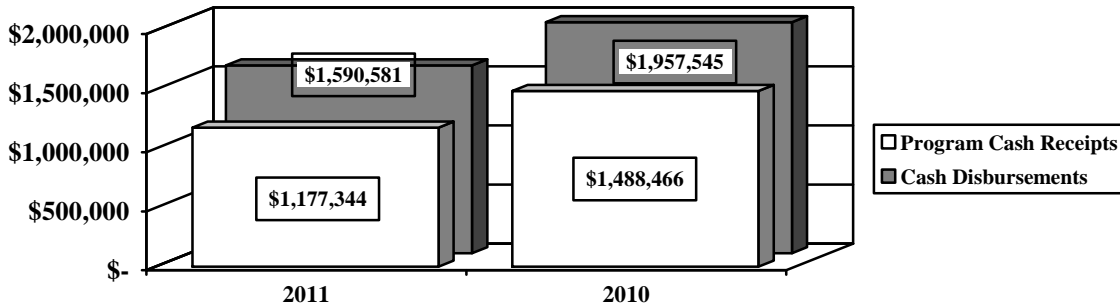
**Governmental Activities**

Governmental cash assets increased by \$89,143 in 2011 from 2010.

Salaries represent the largest cash disbursement of the Health District. In 2011, salary cash disbursements totaled \$782,095, or 49.17% of total governmental cash disbursements. Salary cash disbursements were supported by \$606,394 in direct charges to users for services and operating grants.

The statement of activities – cash basis shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2011 and 2010. 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**

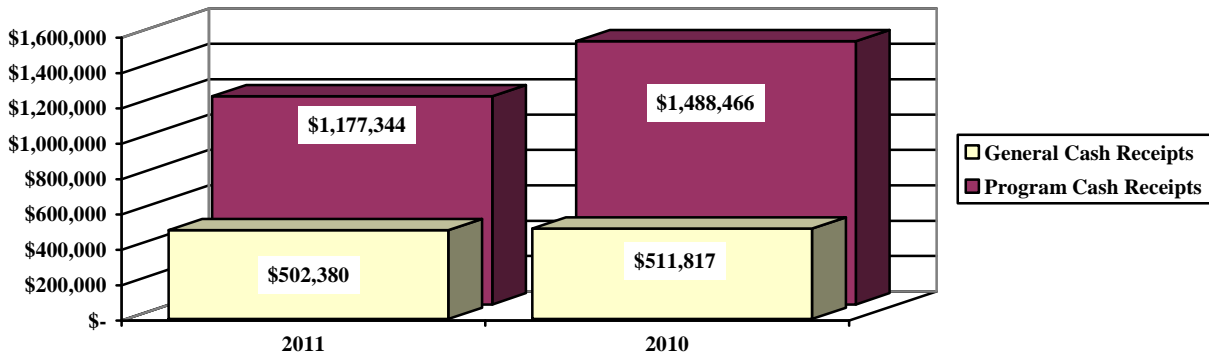
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)

**Governmental Activities**

	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>
Cash disbursements:				
Current:				
Salaries	\$ 782,095	\$ 175,701	\$ 805,993	\$ 207,418
Supplies	32,592	8,579	50,562	15,641
Remittance to State	60,748	14,223	50,646	16,692
Equipment	18,168	659	39,781	6,316
Contracts - Services	151,797	91,270	414,030	73,750
Membership/Subscriptions	444	222	375	228
Travel	51,873	9,701	62,413	12,861
Advertising and printing	787	133	1,266	131
Public Employee's Retirement	109,976	25,175	113,057	29,206
Hospitalization	283,354	66,028	265,533	69,464
Medicare	9,971	1,900	10,372	2,421
Worker's Compensation	13,683	(177)	10,032	2,552
Other	71,972	19,356	131,045	32,343
Utilities	3,121	467	2,440	56
<b>Total</b>	<b><u>\$ 1,590,581</u></b>	<b><u>\$ 413,237</u></b>	<b><u>\$ 1,957,545</u></b>	<b><u>\$ 469,079</u></b>

The dependence upon general cash receipts for governmental activities is apparent; with 25.98% of cash disbursements supported through taxes and other general cash receipts during 2011.

**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, 2011  
(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 \$542,379, which is \$89,143 more than last year's total of \$453,236. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2011 and December 31, 2010, for all major and nonmajor governmental funds. Fund cash balances at December 31, 2010 have been restated as described in Note 7.B.

	Fund Cash Balance <u>December 31, 2011</u>	Restated Fund Cash Balance <u>December 31, 2010</u>	<u>Increase</u>
Major Funds:			
General	\$ 176,395	\$ 118,191	\$ 58,204
Early Start	89,450	83,022	6,428
Cancer Levy	135,778	123,243	12,535
Other Nonmajor Governmental Funds	<u>140,756</u>	<u>128,780</u>	<u>11,976</u>
 Total	 <u>\$ 542,379</u>	 <u>\$ 453,236</u>	 <u>\$ 89,143</u>

During 2011, the Health District's fund cash balance increased \$89,143. This increase can primarily be attributed to the activity of both the general fund and the early start fund. The general fund experienced significantly higher cash receipts during 2011 due to increases in taxes, fees, and other revenues. The early start fund experienced lower cash disbursements due to reductions in salaries, travel and public employees retirement.

***General Fund***

The general fund, the Health District's largest major fund, had cash receipts of \$477,279 in 2011. The cash disbursements of the general fund totaled \$419,075 in 2011. The general fund's cash balance increased \$58,204 from 2010 to 2011.

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

	2011 <u>Amount</u>	Restated 2010 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Cash Receipts:</u></b>			
Taxes	\$ 234,216	\$ 218,146	7.37 %
Intergovernmental	21,226	71,714	(70.40) %
Fees	181,152	155,996	16.13 %
Other	<u>40,685</u>	<u>11,399</u>	256.92 %
 Total	 <u>\$ 477,279</u>	 <u>\$ 457,255</u>	 4.38 %

During 2011, the cash receipts of the general fund increased \$20,024. This increase can mainly be attributed to an increase in fees of \$25,156, which was due to the expiration and nonrenewal of the Health District's contract with the City of Salem in June of 2010. Other revenues also increase 29,286 from 2010 to 2011.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)

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

	2011 <u>Amount</u>	Restated 2010 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Cash Disbursements</u></b>			
Salaries	\$ 194,669	\$ 204,353	(4.74) %
Supplies	16,662	21,062	(20.89) %
Remittance to State	33,078	22,231	48.79 %
Contracts - Services	17,100	11,197	52.72 %
Membership/Subscriptions	444	375	18.40 %
Travel	21,109	16,926	24.71 %
Advertising and Printing	288	-	100.00 %
Public Employee's Retirement	28,182	28,968	(2.71) %
Hospitalization	70,050	61,328	14.22 %
Medicare	2,387	2,536	(5.88) %
Worker's Compensation	3,824	2,836	34.84 %
Other	30,316	28,377	6.83 %
Utilities	<u>966</u>	<u>-</u>	100.00 %
Total	<u>\$ 419,075</u>	<u>\$ 400,189</u>	4.72 %

During 2011, the cash disbursements of the general fund increased \$18,886. This increase can mainly be attributed to increases in salaries paid, remittance to the State, contributions to the Ohio Public Employees Retirement System and costs related to hospitalization.

***Early Start Fund***

The early start fund, a Health District major fund, had cash receipts of \$300,953 in 2011. The early start fund had cash disbursements of \$294,525 in 2011. The early start fund cash balance increased \$6,428 from 2010 to 2011.

***Cancer Levy Fund***

The cancer levy fund, a Health District major fund, had cash receipts of \$276,382 in 2011. The cancer levy fund had cash disbursements of \$263,847 in 2011. The cancer levy fund cash balance increased \$12,535 from 2010 to 2011.

***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 2011, the general fund final budget basis receipts of \$471,000 did not exceed original budget estimates of \$529,000. Actual cash receipts of \$476,674 were more than final budget estimates by \$5,674. The final and original budgetary basis disbursements were \$529,000. The actual budgetary basis disbursements of \$411,846 were \$117,154 less than the final budget estimates.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(UNAUDITED)**

**Capital Assets and Debt Administration**

*Capital Assets*

The Health District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Health District had equipment cash disbursements of \$18,168 during 2011.

*Debt Administration*

The Health District did not have any long-term obligations at December 31, 2011.

**Contacting the Health District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Health District's finances and to show the Health District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Cecile Donahey, Fiscal Officer, Columbiana General Health District, P.O. Box 309, Lisbon, OH 44432.

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

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2011

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 542,379
Total assets . . . . .	542,379
<b>Net assets:</b>	
Restricted for:	
Public health infrastructure. . . . .	25,142
IAP grant. . . . .	29,361
Public health emergency response . . . . .	8,300
Cancer levy. . . . .	135,778
Unrestricted . . . . .	343,798
Total net assets . . . . .	\$ 542,379

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, 2011

	<b>Program Cash Receipts</b>			<b>Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Assets</b>
	<b>Cash Disbursements</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental activities:</b>				
Salaries . . . . .	\$ 782,095	\$ 255,969	\$ 350,425	\$ (175,701)
Supplies . . . . .	32,592	7,478	16,535	(8,579)
Remittance to State . . . . .	60,748	46,525	-	(14,223)
Equipment . . . . .	18,168	-	17,509	(659)
Contracts - Services . . . . .	151,797	12,193	48,334	(91,270)
Membership/Subscriptions . . . . .	444	222	-	(222)
Travel . . . . .	51,873	18,926	23,246	(9,701)
Advertising and printing . . . . .	787	144	510	(133)
Public Employee's Retirement . . . . .	109,976	35,491	49,310	(25,175)
Hospitalization . . . . .	283,354	95,203	122,123	(66,028)
Medicare . . . . .	9,971	3,457	4,614	(1,900)
Worker's Compensation . . . . .	13,683	4,446	9,414	177
Other . . . . .	71,972	15,147	37,469	(19,356)
Utilities . . . . .	3,121	482	2,172	(467)
Totals . . . . .	\$ 1,590,581	\$ 495,683	\$ 681,661	(413,237)
<b>General Cash Receipts:</b>				
Property and other taxes levied for:				
General purposes . . . . .				412,920
Grants and entitlements not restricted to specific programs . . . . .				49,720
Miscellaneous . . . . .				39,740
Total general cash receipts . . . . .				502,380
Change in net cash assets . . . . .				89,143
Net cash assets at beginning of year . . . . .				453,236
Net cash assets at end of year . . . . .				\$ 542,379

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ASSETS AND CASH FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011

	<u>General</u>	<u>Early Start</u>	<u>Cancer Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash assets:</b>					
Equity in pooled cash and cash equivalents. . . . .	\$ 176,395	\$ 89,450	\$ 135,778	\$ 140,756	\$ 542,379
Total assets . . . . .	<u>\$ 176,395</u>	<u>\$ 89,450</u>	<u>\$ 135,778</u>	<u>\$ 140,756</u>	<u>\$ 542,379</u>
<b>Fund cash balances:</b>					
Restricted . . . . .	-	-	135,778	62,803	198,581
Committed . . . . .	-	89,450	-	77,953	167,403
Unassigned . . . . .	<u>176,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,395</u>
Total fund cash balances. . . . .	<u>\$ 176,395</u>	<u>\$ 89,450</u>	<u>\$ 135,778</u>	<u>\$ 140,756</u>	<u>\$ 542,379</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 BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General</u>	<u>Early Start</u>	<u>Cancer Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash receipts:</b>					
Taxes . . . . .	\$ 234,216	\$ -	\$ 178,704	\$ -	\$ 412,920
Intergovernmental . . . . .	21,226	300,799	28,794	311,073	661,892
Fees . . . . .	181,152	-	-	25,634	206,786
Vital statistics fees . . . . .	24,619	-	-	-	24,619
Licenses and permits . . . . .	-	-	-	228,223	228,223
Other . . . . .	16,066	154	68,884	60,180	145,284
Total cash receipts . . . . .	<u>477,279</u>	<u>300,953</u>	<u>276,382</u>	<u>625,110</u>	<u>1,679,724</u>
<b>Cash disbursements:</b>					
Salaries . . . . .	194,669	153,893	101,884	331,649	782,095
Supplies . . . . .	16,662	7,152	2,639	6,139	32,592
Remittance to State . . . . .	33,078	-	-	27,670	60,748
Equipment . . . . .	-	1,995	-	16,173	18,168
Contracts - Services . . . . .	17,100	470	106,325	27,902	151,797
Membership/Subscriptions . . . . .	444	-	-	-	444
Travel . . . . .	21,109	14,901	241	15,622	51,873
Advertising and printing . . . . .	288	499	-	-	787
Public Employee's Retirement . . . . .	28,182	21,860	14,493	45,441	109,976
Hospitalization . . . . .	70,050	68,076	34,823	110,405	283,354
Medicare . . . . .	2,387	2,129	889	4,566	9,971
Worker's Compensation . . . . .	3,824	2,876	2,091	4,892	13,683
Other . . . . .	30,316	18,697	462	22,497	71,972
Utilities . . . . .	966	1,977	-	178	3,121
Total cash disbursements . . . . .	<u>419,075</u>	<u>294,525</u>	<u>263,847</u>	<u>613,134</u>	<u>1,590,581</u>
Net change in fund cash balances . . . . .	58,204	6,428	12,535	11,976	89,143
<b>Fund cash balances at beginning of year (restated) . . . . .</b>	<u>118,191</u>	<u>83,022</u>	<u>123,243</u>	<u>128,780</u>	<u>453,236</u>
<b>Fund cash balances at end of year . . . . .</b>	<u>\$ 176,395</u>	<u>\$ 89,450</u>	<u>\$ 135,778</u>	<u>\$ 140,756</u>	<u>\$ 542,379</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)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
Taxes . . . . .	\$ 259,927	\$ 231,428	\$ 234,216	\$ 2,788
Intergovernmental . . . . .	23,223	20,677	20,926	249
Fees . . . . .	228,359	203,322	205,771	2,449
Other . . . . .	17,491	15,573	15,761	188
Total budgetary basis receipts. . . . .	<u>529,000</u>	<u>471,000</u>	<u>476,674</u>	<u>5,674</u>
<b>Budgetary basis disbursements:</b>				
Salaries. . . . .	290,000	290,000	193,422	96,578
Supplies . . . . .	14,000	14,000	13,848	152
Remittance to State . . . . .	20,000	20,000	33,078	(13,078)
Equipment . . . . .	6,000	6,000	-	6,000
Contracts - Services . . . . .	13,000	13,000	14,100	(1,100)
Membership/Subscriptions. . . . .	1,500	1,500	444	1,056
Advertising and printing . . . . .	300	300	288	12
Travel. . . . .	15,845	15,845	20,959	(5,114)
Public Employee's Retirement . . . . .	40,600	40,600	28,182	12,418
Hospitalization . . . . .	88,000	88,000	70,050	17,950
Medicare . . . . .	4,205	4,205	2,369	1,836
Worker's Compensation . . . . .	4,350	4,350	3,824	526
Other . . . . .	30,700	30,700	30,316	384
Utilities. . . . .	500	500	966	(466)
Total budgetary basis disbursements. . . . .	<u>529,000</u>	<u>529,000</u>	<u>411,846</u>	<u>117,154</u>
Net change in fund cash balance . . . . .	-	(58,000)	64,828	122,828
<b>Fund cash balance at beginning of year . . . . .</b>	<u>111,349</u>	<u>111,349</u>	<u>111,349</u>	<u>-</u>
<b>Fund cash balance at end of year . . . . .</b>	<u>\$ 111,349</u>	<u>\$ 53,349</u>	<u>\$ 176,177</u>	<u>\$ 122,828</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
Intergovernmental . . . . .	\$ 349,821	\$ 243,875	\$ 300,799	\$ 56,924
Other . . . . .	179	125	154	29
Total budgetary basis receipts. . . . .	<u>350,000</u>	<u>244,000</u>	<u>300,953</u>	<u>56,953</u>
<b>Budgetary basis disbursements:</b>				
Salaries. . . . .	195,000	147,978	153,893	(5,915)
Supplies . . . . .	6,600	1,600	7,152	(5,552)
Equipment. . . . .	6,000	-	1,995	(1,995)
Contracts - Services . . . . .	500	500	470	30
Membership/Subscriptions . . . . .	100	100	-	100
Travel. . . . .	21,150	18,650	14,901	3,749
Advertising and printing . . . . .	2,000	1,000	499	501
Public Employee's Retirement . . . . .	27,300	27,300	21,860	5,440
Hospitalization . . . . .	75,000	65,000	68,076	(3,076)
Medicare . . . . .	2,827	2,827	2,129	698
Unemployment Compensation . . . . .	2,400	2,400	-	2,400
Worker's Compensation . . . . .	3,023	3,023	2,876	147
Other . . . . .	7,100	5,600	18,697	(13,097)
Utilities. . . . .	1,000	1,000	1,977	(977)
Total budgetary basis disbursements . . . . .	<u>350,000</u>	<u>276,978</u>	<u>294,525</u>	<u>(17,547)</u>
Net change in fund cash balance . . . . .	-	(32,978)	6,428	39,406
<b>Fund cash balance at beginning of year. . . . .</b>	<u>83,022</u>	<u>83,022</u>	<u>83,022</u>	<u>-</u>
<b>Fund cash balance at end of year . . . . .</b>	<u>\$ 83,022</u>	<u>\$ 50,044</u>	<u>\$ 89,450</u>	<u>\$ 39,406</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
Taxes . . . . .	\$ 181,971	\$ 121,625	\$ 178,704	\$ 57,079
Intergovernmental . . . . .	67,058	44,820	28,794	(16,026)
Other . . . . .	82,671	55,255	68,884	13,629
Total budgetary basis receipts. . . . .	<u>331,700</u>	<u>221,700</u>	<u>276,382</u>	<u>54,682</u>
<b>Budgetary basis disbursements:</b>				
Salaries. . . . .	165,000	165,000	101,884	63,116
Supplies . . . . .	3,000	3,000	2,639	361
Contracts - Services . . . . .	103,700	103,700	106,325	(2,625)
Travel. . . . .	1,000	1,000	241	759
Public Employee's Retirement . . . . .	23,100	23,100	14,493	8,607
Hospitalization . . . . .	30,000	30,000	34,823	(4,823)
Medicare . . . . .	2,400	2,400	889	1,511
Worker's Compensation . . . . .	1,500	1,500	2,091	(591)
Other . . . . .	2,000	2,000	462	1,538
Total budgetary basis disbursements. . . . .	<u>331,700</u>	<u>331,700</u>	<u>263,847</u>	<u>67,853</u>
Net change in fund cash balance . . . . .	-	(110,000)	12,535	122,535
<b>Fund cash balance at beginning of year. . . . .</b>	<u>123,243</u>	<u>123,243</u>	<u>123,243</u>	<u>-</u>
<b>Fund cash balance at end of year . . . . .</b>	<u>\$ 123,243</u>	<u>\$ 13,243</u>	<u>\$ 135,778</u>	<u>\$ 122,535</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, 2011

**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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. 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, 2011

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

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

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

Early start fund - This fund accounts for activity that is committed for the contract with the Columbiana County Family and Children First Council to provide services to children from birth to three years that are at risk or have special needs through the federally funded Help Me Grow program.

Cancer levy fund - This fund accounts mainly for tax monies 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.

**Proprietary Funds** - These funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The Health District does not have any proprietary funds.

**Fiduciary Funds** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Health District does not have any fiduciary funds.

**C. Basis of Presentation and Measurement Focus**

Government-wide Financial Statements - The statement of net assets – 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 assets - 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, 2011

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

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

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

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

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Health District may appropriate. The appropriations resolution is the Health District's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Board of Health. The legal level of control has been established by the County Board of Health at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Health District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the County Board of Health.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriations amounts passed by the Health District during the year.

**E. Cash and Cash Equivalents**

The Columbiana County Treasurer is the custodian for the Health District's cash and investments. The County's cash and investment pool holds the Health District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County Treasurer, Nick Barborak, 105 S. Market Street, Lisbon, Ohio 44432.

**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.

**COLUMBIANA GENERAL HEALTH DISTRICT  
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

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

**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 Assets**

Net assets are reported as restricted when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on its use.

The Health District first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

**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. It also includes the long-term amount of loans receivable.

*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, 2011

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

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.

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 - RISK MANAGEMENT**

During 2011, the Health District received liability insurance through the Public Entities Pool of Ohio. Coverage provided by the Public Entities Pool of Ohio is as follows:

Legal Liability - Third Party Claims (\$1,000 deductible)	\$6,000,000
Medical Malpractice Liability (\$1,000 deductible)	6,000,000
Automobile Liability	6,000,000
Wrongful Acts (\$1,000 deductible)	6,000,000

**COLUMBIANA GENERAL HEALTH DISTRICT  
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

**NOTE 4 - PENSION PLANS**

**Ohio Public Employees Retirement System**

Plan Description - The Health District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2011 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 11.00% and 11.60%, respectively. The Health District's contribution rate for 2011 was 14.00%, except for those plan members in law enforcement or public safety, for whom the Health District's contribution was 18.10% of covered payroll.

The Health District's contribution rate for pension benefits for members in the Traditional Plan for 2011 was 10.00%. The Health District's contribution rate for pension benefits for members in the Combined Plan for 2011 was 7.95%. For those plan members in law enforcement and public safety pension contributions were 14.10%. The Health District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$76,223, \$74,796, and \$71,733, respectively; 100% has been contributed for 2011, 2010 and 2009.

**COLUMBIANA GENERAL HEALTH DISTRICT  
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

**NOTE 5 - POSTRETIREMENT BENEFIT PLANS**

**Ohio Public Employees Retirement System**

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

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2011, local government employers contributed 14.00% of covered payroll (18.10% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2011 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2011 was 6.05%.

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, 2011, 2010, and 2009 were \$32,158, \$41,914, and \$52,080, respectively; 100% has been contributed for 2011, 2010 and 2009.

**NOTE 6 - 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, 2011

**NOTE 7 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2011, the Health District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the Health District

**B. Fund Reclassifications**

Fund reclassifications are required in order to report funds in accordance with GASB Statement No 54. These fund reclassifications had the following effect on the Health District's governmental fund cash balances as previously reported:

	<u>General</u>	<u>Early Start</u>	<u>Cancer Levy</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Fund balance at December 31, 2010	\$ 111,349	\$ 83,022	\$ 123,243	\$ 135,622	\$ 453,236
Fund reclassifications:					
Safe Kids	<u>6,842</u>	<u>-</u>	<u>-</u>	<u>(6,842)</u>	<u>-</u>
Total fund reclassifications	<u>6,842</u>	<u>-</u>	<u>-</u>	<u>(6,842)</u>	<u>-</u>
Restated fund balance at January 1, 2011	<u>\$ 118,191</u>	<u>\$ 83,022</u>	<u>\$ 123,243</u>	<u>\$ 128,780</u>	<u>\$ 453,236</u>

**COLUMBIANA GENERAL HEALTH DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**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	Cancer Levy	Nonmajor Governmental Funds	Total Governmental Funds
<b>Restricted:</b>					
Public health infrastructure	\$ -	\$ -	\$ -	\$ 25,142	\$ 25,142
IAP grant	-	-	-	29,361	29,361
Public health emergency response	-	-	-	8,300	8,300
Cancer levy	-	-	135,778	-	135,778
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>135,778</b>	<b>62,803</b>	<b>198,581</b>
<b>Committed:</b>					
Camp/trailer	-	-	-	12,485	12,485
Occupant protection	-	-	-	10,057	10,057
Water	-	-	-	13,258	13,258
Swimming pool	-	-	-	2,072	2,072
Rabies grant	-	-	-	3,935	3,935
Early start	-	89,450	-	-	89,450
Home health	-	-	-	12,924	12,924
Food service	-	-	-	3,437	3,437
Home sewage	-	-	-	19,785	19,785
<b>Total committed</b>	<b>-</b>	<b>89,450</b>	<b>-</b>	<b>77,953</b>	<b>167,403</b>
Unassigned	176,395	-	-	-	176,395
<b>Total fund balances</b>	<b>\$ 176,395</b>	<b>\$ 89,450</b>	<b>\$ 135,778</b>	<b>\$ 140,756</b>	<b>\$ 542,379</b>

**NOTE 9 - BUDGETARY BASIS OF ACCOUNTING**

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statements:

**Net Change in Fund Balance**

	<u>General</u>
Cash basis	\$ 58,204
Fund budgeted elsewhere	<u>6,624</u>
Budgetary basis	<u>\$ 64,828</u>

The safe kids fund is a legally budgeted in as a separate special revenue fund but is considered part of the general fund according to GASB Statement No. 54.

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# Dave Yost • Auditor of State

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

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

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, (the District) as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 15, 2012, in which we noted the District implemented Government Accounting Standards Board Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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 matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated April 15, 2012.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

April 15, 2012



# Dave Yost • Auditor of State

**COLUMBIANA GENERAL HEALTH DISTRICT**

**COLUMBIANA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 15, 2012**