



Mary Taylor, CPA
Auditor of State

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government Wide Financial Statements:	
Statement of Net Assets – Cash Basis	12
Statement of Activities – Cash Basis	13
Fund Financial Statements:	
Statement of Assets and Cash Fund Balances	
Governmental Funds.....	14
Statement of Cash Receipts, Cash Disbursements, and Changes in	
Fund Cash Balances-Governmental Funds.....	16
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balance-	
Budget and Actual (Budgetary Basis)-General Fund.....	18
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance-	
Budget and Actual (Budgetary Basis)-Public Health Infrastructure Fund.....	19
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance-	
Budget and Actual (Budgetary Basis)-Public Health Emergency Response Fund	20
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance-	
Budget and Actual (Budgetary Basis)-Early Start Fund.....	21
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance-	
Budget and Actual (Budgetary Basis)-Cancer Levy Fund	22
Notes to the Basic Financial Statements	23
Independent Accountants' Report on Internal Control Over	
Financial Reporting and on Compliance and Other Matters	
Required by <i>Government Auditing Standards</i>	31

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, Ohio (the District), as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General, Public Health Infrastructure, Early Start, Cancer Levy and Public Health Emergency Response Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Mary Taylor, CPA
Auditor of State

July 26, 2010

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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, 2009, 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 2009 are as follows:

- For 2009, the total net cash assets of the Health District increased \$146,409, which represents a 55.44% increase from 2008.
- For 2009, general cash receipts accounted for \$587,733 or 30.70% of total governmental activities cash receipts. Program specific cash receipts accounted for \$1,326,653 or 69.30% of total governmental activities cash receipts.
- For 2009, the Health District had \$1,767,977 in cash disbursements related to governmental activities; \$1,326,653 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily property taxes) of \$587,733 were adequate to provide for these programs.
- The Health District's major funds are the general fund, the public health infrastructure fund, the public health emergency response fund, the early start fund and the cancer levy fund. The general fund, the Health District's largest major fund, had cash receipts of \$514,849 in 2009. The cash disbursements of the general fund, totaled \$482,611 in 2009. The general fund's cash balance increased \$32,238 from 2008 to 2009.
- The public health infrastructure fund, a Health District major fund, had cash receipts of \$138,413 in 2009. The public health infrastructure fund had cash disbursements of \$127,661 in 2009. The public health infrastructure fund cash balance increased \$10,752 from 2008 to 2009.
- The public health emergency response fund, a Health District major fund, had cash receipts of \$161,379 in 2009. The public health emergency response fund had cash disbursements of \$109,759 in 2009. The public health emergency response fund cash balance increased \$51,620 from 2008 to 2009.
- The early start fund, a Health District major fund, had cash receipts of \$413,507 in 2009. The early start fund had cash disbursements of \$380,356 in 2009. The early start fund cash balance increased \$33,151 from 2008 to 2009.
- The cancer levy fund, a Health District major fund, had cash receipts of \$264,648 in 2009. The cancer levy fund had cash disbursements of \$219,216 in 2009. The cancer levy fund cash balance increased \$45,432 from 2008 to 2009.

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 five major governmental funds. The general fund is the most significant major fund.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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 2009? 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, public health emergency response, early start, cancer levy, and general government.

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

Reporting the Health District's Most Significant Funds

Fund Financial Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

Governmental Funds

All of the Health District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Health District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Health District programs. Since the Health District is reporting on the cash basis of accounting, there are no differences in the net assets and fund cash balances or changes in net assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 14-17 of this report.

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

Notes to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-29 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, 2009 and December 31, 2008.

	<u>Net Cash Assets</u>	
	Governmental Activities 2009	Governmental Activities 2008
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 410,498	\$ 264,089
Total assets	410,498	264,089
<u>Net Assets</u>		
Restricted	289,518	162,377
Unrestricted	<u>120,980</u>	<u>101,712</u>
Total net assets	<u>\$ 410,498</u>	<u>\$ 264,089</u>

For 2009, the total net cash assets of the Health District increased \$146,409, which represents a 55.44% increase.

The balance of government-wide unrestricted net cash assets of \$120,980 at December 31, 2009, 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, 2009
(Unaudited)

The table below shows the changes in net cash assets for 2009 and 2008.

	Change in Net Cash Assets	
	Governmental Activities 2009	Governmental Activities 2008
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 469,976	\$ 553,198
Operating grants and contributions	856,677	657,453
Total program cash receipts	1,326,653	1,210,651
General cash receipts:		
Property and other taxes	387,718	407,603
Unrestricted grants	135,841	115,179
Other	<u>64,174</u>	<u>51,858</u>
Total general cash receipts	<u>587,733</u>	<u>574,640</u>
Total cash receipts	1,914,386	1,785,291
Cash Disbursements:		
Salaries	883,513	960,667
Supplies	41,480	30,525
Remittance to State	64,193	83,431
Equipment	4,798	13,803
Contracts - Services	218,349	226,841
Membership/Subscriptions	50	237
Travel	59,382	72,023
Advertising and printing	340	1,097
Public Employee's Retirement	123,813	129,189
Hospitalization	237,065	261,131
Medicare	11,666	12,880
Worker's Compensation	11,677	5,914
Other	109,187	74,362
Utilities	<u>2,464</u>	<u>2,173</u>
Total cash disbursements	<u>1,767,977</u>	<u>1,874,273</u>
Change in net cash assets	146,409	(88,982)
Net cash assets at beginning of year	<u>264,089</u>	<u>353,071</u>
Net cash assets at end of year	\$ 410,498	\$ 264,089

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

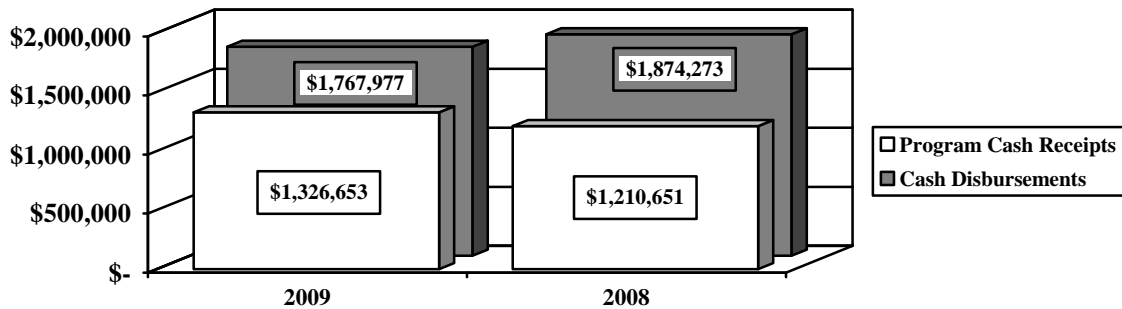
Governmental Activities

Governmental cash assets increased by \$146,409 in 2009 from 2008.

Salaries represent the largest expenditure of the Health District. In 2009, salary cash disbursements totaled \$883,513, or 49.97% of total governmental cash disbursements. Salary expenditures were supported by \$641,431 in direct charges to users for services and operating grants.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2009 and 2008. 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



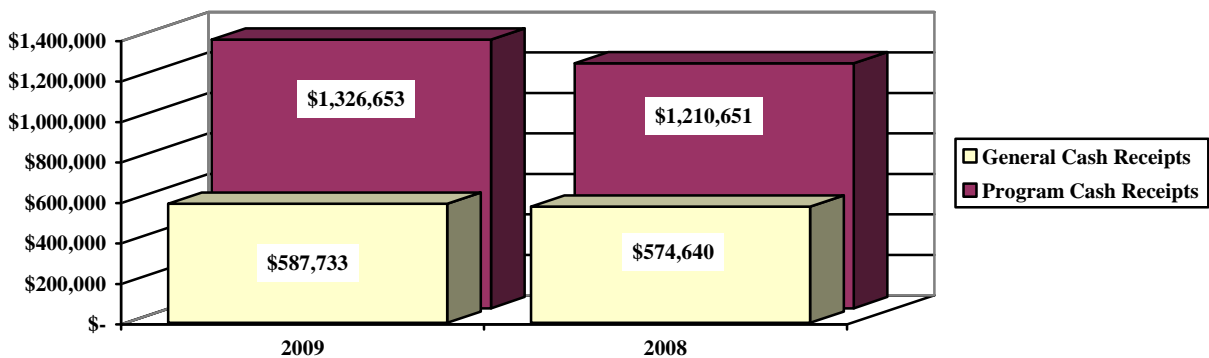
**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>	<u>Total Cost of Services 2008</u>	<u>Net Cost of Services 2008</u>
Cash disbursements:				
Current:				
Salaries	\$ 883,513	\$ 242,082	\$ 960,667	\$ 356,155
Supplies	41,480	8,055	30,525	9,552
Remittance to State	64,193	23,120	83,431	27,415
Equipment	4,798	(2,257)	13,803	(2,137)
Contracts - Services	218,349	42,477	226,841	93,788
Membership/Subscriptions	50	30	237	144
Travel	59,382	8,602	72,023	16,949
Advertising and printing	340	(160)	1,097	731
Public Employee's Retirement	123,813	36,203	129,189	48,988
Hospitalization	237,065	65,472	261,131	92,897
Medicare	11,666	2,726	12,880	4,341
Worker's Compensation	11,677	3,867	5,914	1,553
Other	109,187	11,201	74,362	13,070
Utilities	2,464	(94)	2,173	176
Total	\$ 1,767,977	\$ 441,324	\$ 1,874,273	\$ 663,622

The dependence upon general cash receipts for governmental activities is apparent; with 24.96% of cash disbursements supported through taxes and other general cash receipts during 2009.

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, 2009
(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 \$410,498, which is \$146,409 more than last year's total of \$264,089. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2009 and December 31, 2008, for all major and nonmajor governmental funds.

	<u>Fund Cash Balance</u> <u>December 31, 2009</u>	<u>Fund Cash Balance</u> <u>December 31, 2008</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 53,242	\$ 21,004	\$ 32,238
Public Health Infrastructure	56,648	45,896	10,752
Public Health Emergency Response	51,620	-	51,620
Early Start	90,146	56,995	33,151
Cancer Levy	66,993	21,561	45,432
Other Nonmajor Governmental Funds	<u>91,849</u>	<u>118,633</u>	<u>(26,784)</u>
 Total	 <u>\$ 410,498</u>	 <u>\$ 264,089</u>	 <u>\$ 146,409</u>

During 2009, the Health District's fund cash balance increased \$146,409. This increase can be attributed to funding received in response to the H1N1 pandemic through the public health emergency response fund. The majority of the Health District's staff worked in that area for three months and was no longer paid by the general fund, public health infrastructure fund, or cancer levy fund where they would have normally been paid. This created increases in the fund cash balances of those funds. The early start fund cash balance increased due to reduced staff and other cutbacks related to the uncertainty in future funding.

General Fund

The general fund, the Health District's largest major fund, had cash receipts of \$514,849 in 2009. The cash disbursements of the general fund totaled \$482,611 in 2009. The general fund's cash balance increased \$32,238 from 2008 to 2009.

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

	2009 Amount	2008 Amount	Percentage Change
<u>Cash Receipts:</u>			
Taxes	\$ 218,155	\$ 234,000	(6.77) %
Intergovernmental	85,950	80,336	6.99 %
Fees	192,948	256,072	(24.65) %
Other	17,796	19,819	(10.21) %
 Total	 <u>\$ 514,849</u>	 <u>\$ 590,227</u>	 (12.77) %

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

During 2009, the cash receipts of the general fund decreased \$75,378. This decrease can mainly be attributed to a decrease in fees of \$63,124, which was due to the expiration and nonrenewal of the Health District's contract with the City of Salem in June of 2009. The lack of new construction due to a poor economy was also a factor in the overall decrease in general fund cash receipts.

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

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Disbursements</u>			
Salaries	\$ 243,979	\$ 342,874	(28.84) %
Supplies	15,812	6,713	135.54 %
Remittances to State	37,402	53,302	(29.83) %
Contracts - Services	13,396	37,015	(63.81) %
Memberships/Subscriptions	50	237	(78.90) %
Travel	16,583	26,394	(37.17) %
Advertising and Printing	-	415	(100.00) %
Public Employee's Retirement	33,942	42,380	(19.91) %
Hospitalization	82,989	105,331	(21.21) %
Medicare	3,037	4,587	(33.79) %
Worker's Compensation	4,628	2,244	106.24 %
Other	30,618	26,703	14.66 %
Utilities	<u>175</u>	<u>315</u>	(44.44) %
Total	<u>\$ 482,611</u>	<u>\$ 648,510</u>	(25.58) %

During 2009, the cash disbursements of the general fund decreased \$165,899. This decrease can mainly be attributed to the retirement of the Health Commissioner in 2008, which resulted in a significant severance disbursement during the year that is uncommon for the Health District. In 2009, the Health District experienced a more typical salary disbursement for the year and therefore lower overall cash disbursements from the general fund.

Public Health Infrastructure Fund

The public health infrastructure fund, a Health District major fund, had cash receipts of \$138,413 in 2009. The public health infrastructure fund had cash disbursements of \$127,661 in 2009. The public health infrastructure fund cash balance increased \$10,752 from 2008 to 2009.

Public Health Emergency Response Fund

The public health emergency response fund, a Health District major fund, had cash receipts of \$161,379 in 2009. The public health emergency response fund had cash disbursements of \$109,759 in 2009. The public health emergency response fund cash balance increased \$51,620 from 2008 to 2009.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

Early Start Fund

The early start fund, a Health District major fund, had cash receipts of \$413,507 in 2009. The early start fund had cash disbursements of \$380,356 in 2009. The early start fund cash balance increased \$33,151 from 2008 to 2009.

Cancer Levy Fund

The cancer levy fund, a Health District major fund, had cash receipts of \$264,648 in 2009. The cancer levy fund had cash disbursements of \$219,216 in 2009. The cancer levy fund cash balance increased \$45,432 from 2008 to 2009.

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 2009, the general fund final budget basis receipts of \$500,000 exactly matched the original budget estimates. Actual cash receipts of \$514,849 were more than final budget estimates by \$14,849. The final budgetary basis disbursements of \$500,000 exactly matched the original budget estimates. The actual budgetary basis disbursements of \$482,611 were \$17,389 less than the final budget estimates.

Capital Assets and Debt Administration

Capital Assets

The Health District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Health District had equipment cash disbursements of \$4,798 during 2009.

Debt Administration

The Health District did not have any long-term obligations at December 31, 2009.

Contacting the Health District's Financial Management

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 410,498
Total assets	410,498
Net assets:	
Restricted for:	
Public health infrastructure	56,648
Emergency response	51,620
Early start.	90,146
Cancer levy	66,993
Solid Waste/Landfill.	12,506
Home health	5,438
Food service	6,167
Unrestricted	120,980
Total net assets	\$ 410,498

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Salaries	\$ 883,513	\$ 246,407	\$ 395,024	\$ (242,082)
Supplies	41,480	7,541	25,884	(8,055)
Remittance to State	64,193	40,267	806	(23,120)
Equipment	4,798	-	7,055	2,257
Contracts - Services	218,349	34,836	141,036	(42,477)
Membership/Subscriptions	50	20	-	(30)
Travel	59,382	19,130	31,650	(8,602)
Advertising and printing	340	-	500	160
Public Employee's Retirement	123,813	35,318	52,292	(36,203)
Hospitalization	237,065	63,906	107,687	(65,472)
Medicare	11,666	3,368	5,572	(2,726)
Worker's Compensation	11,677	3,909	3,901	(3,867)
Other	109,187	15,204	82,782	(11,201)
Utilities	2,464	70	2,488	94
Totals	\$ 1,767,977	\$ 469,976	\$ 856,677	(441,324)
 General Cash Receipts:				
Property and other taxes levied for:				
General purposes				387,718
Grants and entitlements not restricted to specific programs . .				135,841
Miscellaneous				64,174
Total general cash receipts				587,733
Change in net cash assets				146,409
Net cash assets at beginning of year				264,089
Net cash assets at end of year				\$ 410,498

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF ASSETS AND CASH FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	<u>General</u>	<u>Public Health Infrastructure</u>	<u>Public Health Emergency Response</u>	<u>Early Start</u>
Cash assets:				
Equity in pooled cash and cash equivalents . . .	\$ 53,242	\$ 56,648	\$ 51,620	\$ 90,146
Total assets.	<u>\$ 53,242</u>	<u>\$ 56,648</u>	<u>\$ 51,620</u>	<u>\$ 90,146</u>
Fund cash balances:				
Unreserved, undesignated, reported in:				
General fund	\$ 53,242	\$ -	\$ -	\$ -
Special revenue funds.	<u>-</u>	<u>56,648</u>	<u>51,620</u>	<u>90,146</u>
Total fund cash balances.	<u>\$ 53,242</u>	<u>\$ 56,648</u>	<u>\$ 51,620</u>	<u>\$ 90,146</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Cancer Levy	Other Governmental Funds	Total Governmental Funds
\$ 66,993	\$ 91,849	\$ 410,498
<u>\$ 66,993</u>	<u>\$ 91,849</u>	<u>\$ 410,498</u>
\$ -	\$ -	\$ 53,242
<u>66,993</u>	<u>91,849</u>	<u>357,256</u>
<u>\$ 66,993</u>	<u>\$ 91,849</u>	<u>\$ 410,498</u>

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>General</u>	<u>Public Health Infrastructure</u>	<u>Public Health Emergency Response</u>	<u>Early Start</u>
Cash receipts:				
Taxes	\$ 218,155	\$ -	\$ -	\$ -
Intergovernmental	85,950	138,413	161,379	413,482
Fees	192,948	-	-	-
Licenses and permits	-	-	-	-
Other	17,796	-	-	25
Total cash receipts	<u>514,849</u>	<u>138,413</u>	<u>161,379</u>	<u>413,507</u>
Cash disbursements:				
Salaries	243,979	40,313	49,986	197,612
Supplies	15,812	849	3,238	6,423
Remittances to State	37,402	-	-	-
Equipment	-	-	4,798	-
Contracts - Services	13,396	60,800	24,938	4,200
Memberships/Subscriptions	50	-	-	-
Travel	16,583	2,068	1,090	23,182
Advertising and printing	-	-	340	-
Public Employee's Retirement	33,942	5,738	4,142	27,894
Hospitalization	82,989	4,988	7,609	73,482
Medicare	3,037	585	660	2,812
Worker's Compensation	4,628	523	-	2,333
Other	30,618	11,703	12,958	40,223
Utilities	175	94	-	2,195
Total cash disbursements	<u>482,611</u>	<u>127,661</u>	<u>109,759</u>	<u>380,356</u>
Net change in fund cash balances	32,238	10,752	51,620	33,151
Fund cash balances at beginning of year	<u>21,004</u>	<u>45,896</u>	<u>-</u>	<u>56,995</u>
Fund cash balances at end of year	<u>\$ 53,242</u>	<u>\$ 56,648</u>	<u>\$ 51,620</u>	<u>\$ 90,146</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Cancer Levy	Other Governmental Funds	Total Governmental Funds
\$ 169,563	\$ -	\$ 387,718
49,891	143,403	992,518
260	18,620	211,828
-	231,236	231,236
44,934	28,331	91,086
<u>264,648</u>	<u>421,590</u>	<u>1,914,386</u>
122,988	228,635	883,513
970	14,188	41,480
-	26,791	64,193
-	-	4,798
47,381	67,634	218,349
-	-	50
174	16,285	59,382
-	-	340
18,338	33,759	123,813
24,370	43,627	237,065
1,260	3,312	11,666
1,288	2,905	11,677
2,447	11,238	109,187
-	-	2,464
<u>219,216</u>	<u>448,374</u>	<u>1,767,977</u>
45,432	(26,784)	146,409
<u>21,561</u>	<u>118,633</u>	<u>264,089</u>
<u>\$ 66,993</u>	<u>\$ 91,849</u>	<u>\$ 410,498</u>

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Taxes	\$ 211,863	\$ 211,863	\$ 218,155	\$ 6,292
Intergovernmental	83,471	83,471	85,950	2,479
Fees	187,383	187,383	192,948	5,565
Other	17,283	17,283	17,796	513
Total budgetary basis receipts.	<u>500,000</u>	<u>500,000</u>	<u>514,849</u>	<u>14,849</u>
Budgetary basis disbursements:				
Salaries	252,770	252,770	243,979	8,791
Supplies	16,382	16,382	15,812	570
Remittances to State	38,750	38,750	37,402	1,348
Contracts - Services	13,878	13,878	13,396	482
Membership/Subscriptions.	52	52	50	2
Travel.	17,181	17,181	16,583	598
Public Employee's Retirement	35,165	35,165	33,942	1,223
Hospitalization	85,979	85,979	82,989	2,990
Medicare	3,146	3,146	3,037	109
Worker's Compensation	4,795	4,795	4,628	167
Other	31,721	31,721	30,618	1,103
Utilities.	181	181	175	6
Total budgetary basis disbursements.	<u>500,000</u>	<u>500,000</u>	<u>482,611</u>	<u>17,389</u>
Net change in fund cash balance	-	-	32,238	32,238
Fund cash balance at beginning of year	<u>21,004</u>	<u>21,004</u>	<u>21,004</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 21,004</u>	<u>\$ 21,004</u>	<u>\$ 53,242</u>	<u>\$ 32,238</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ 118,000	\$ 118,000	\$ 138,413	\$ 20,413
Total budgetary basis receipts.	<u>118,000</u>	<u>118,000</u>	<u>138,413</u>	<u>20,413</u>
Budgetary basis disbursements:				
Salaries.	37,262	51,755	40,313	11,442
Supplies	785	1,090	849	241
Contracts - Services	56,199	78,057	60,800	17,257
Travel	1,911	2,655	2,068	587
Public Employee's Retirement	5,304	7,367	5,738	1,629
Hospitalization	4,611	6,404	4,988	1,416
Medicare	541	751	585	166
Worker's Compensation	483	671	523	148
Other	10,817	15,025	11,703	3,322
Utilities.	87	121	94	27
Total budgetary basis disbursements.	<u>118,000</u>	<u>163,896</u>	<u>127,661</u>	<u>36,235</u>
Net change in fund cash balance	-	(45,896)	10,752	56,648
Fund cash balance at beginning of year.	<u>45,896</u>	<u>45,896</u>	<u>45,896</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 45,896</u>	<u>\$ -</u>	<u>\$ 56,648</u>	<u>\$ 56,648</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
PUBLIC HEALTH EMERGENCY RESPONSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ -	\$ 161,379	\$ 161,379	\$ -
Total budgetary basis receipts.	<u>-</u>	<u>161,379</u>	<u>161,379</u>	<u>-</u>
Budgetary basis disbursements:				
Salaries.	-	73,494	49,986	23,508
Supplies	-	4,761	3,238	1,523
Equipment	-	7,055	4,798	2,257
Contracts - Services	-	36,666	24,938	11,728
Travel	-	1,603	1,090	513
Advertising and printing	-	500	340	160
Public Employee's Retirement	-	6,090	4,142	1,948
Hospitalization	-	11,188	7,609	3,579
Medicare	-	970	660	310
Other	-	19,052	12,958	6,094
Total budgetary basis disbursements.	<u>-</u>	<u>161,379</u>	<u>109,759</u>	<u>51,620</u>
Net change in fund cash balance	-	-	51,620	51,620
Fund cash balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,620</u>	<u>\$ 51,620</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
EARLY START FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ 399,976	\$ 359,978	\$ 413,482	\$ 53,504
Other	24	22	25	3
Total budgetary basis receipts.	<u>400,000</u>	<u>360,000</u>	<u>413,507</u>	<u>53,507</u>
Budgetary basis disbursements:				
Salaries.	207,818	216,647	197,612	19,035
Supplies	6,755	7,042	6,423	619
Contracts - Services	4,418	4,605	4,200	405
Travel.	24,379	25,415	23,182	2,233
Public Employee's Retirement	29,335	30,581	27,894	2,687
Hospitalization	77,277	80,560	73,482	7,078
Medicare	2,957	3,083	2,812	271
Worker's Compensation	2,453	2,558	2,333	225
Other	42,300	44,098	40,223	3,875
Utilities.	2,308	2,406	2,195	211
Total budgetary basis disbursements	<u>400,000</u>	<u>416,995</u>	<u>380,356</u>	<u>36,639</u>
Net change in fund cash balance	-	(56,995)	33,151	90,146
Fund cash balance at beginning of year.	<u>56,995</u>	<u>56,995</u>	<u>56,995</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 56,995</u>	<u>\$ -</u>	<u>\$ 90,146</u>	<u>\$ 90,146</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
CANCER LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Taxes	\$ 140,957	\$ 140,957	\$ 169,563	\$ 28,606
Intergovernmental	41,474	41,474	49,891	8,417
Fees	216	216	260	44
Other	37,353	37,353	44,934	7,581
Total budgetary basis receipts.	<u>220,000</u>	<u>220,000</u>	<u>264,648</u>	<u>44,648</u>
Budgetary basis disbursements:				
Salaries.	123,428	135,525	122,988	12,537
Supplies	973	1,069	970	99
Contracts - Services	47,549	52,211	47,381	4,830
Travel.	175	192	174	18
Public Employee's Retirement	18,404	20,207	18,338	1,869
Hospitalization	24,457	26,854	24,370	2,484
Medicare	1,265	1,388	1,260	128
Worker's Compensation	1,293	1,419	1,288	131
Other	2,456	2,696	2,447	249
Total budgetary basis disbursements.	<u>220,000</u>	<u>241,561</u>	<u>219,216</u>	<u>22,345</u>
Net change in fund cash balance	-	(21,561)	45,432	66,993
Fund cash balance at beginning of year.	<u>21,561</u>	<u>21,561</u>	<u>21,561</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 21,561</u>	<u>\$ -</u>	<u>\$ 66,993</u>	<u>\$ 66,993</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, 2009**

NOTE 1 - DESCRIPTION OF THE HEALTH DISTRICT

The Columbiana General Health District, Columbiana County (the "Health District") is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Health District is directed by a five-member Board and a Health Commissioner. The Health District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and issuing health-related licenses and permits.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

The Health District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Health District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

B. Fund Accounting

The Health District uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Health District classifies each fund as either governmental, proprietary or fiduciary.

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

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

Public health infrastructure fund - This is a federal grant fund used to account for the Centers for Disease Control and Prevention - Investigations and Technical Assistance Program.

Public health emergency response fund - This is a federal grant fund used to account for the support and enhancement of public health infrastructure that is critical to public health preparedness and response.

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

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

Other governmental funds of the Health District are used to account for grants and other resources, and capital projects whose use is restricted to a particular purpose.

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

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

C. Basis of Presentation and Measurement Focus

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

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.

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.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

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.

G. Unpaid Vacation and Sick Leave

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

H. Long-Term Obligations

The Health District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of loans are reported as cash when received and principal and interest are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither is an other financing source nor is a capital outlay expenditure reported at inception. Lease payments are reported when paid.

I. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 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.

NOTE 3 - RISK MANAGEMENT

During 2009, 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)	\$3,000,000
Medical Malpractice Liability (\$1,000 deductible)	3,000,000
Automobile Liability	3,000,000
Wrongful Acts (\$1,000 deductible)	3,000,000

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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 that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, 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 2009 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%. The Health District's contribution rate for 2009 was 14.00%, except for those plan members in law enforcement or public safety, for whom the contribution was 17.63% of covered payroll.

The Health District's contribution rate for pension benefits for 2009 was 7.00% from January 1 through March 31, 2009 and 8.50% from April 1 through December 31, 2009, except for those plan members in law enforcement and public safety. For those classifications, pension contributions were 10.63% from January 1 through March 31, 2009 and 12.13% from April 1 through December 31, 2009. The Health District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$71,733, \$64,831, and \$73,152, respectively; these contributions were sufficient to fulfill the requirements.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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 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 2009, local government employers contributed 14.00% of covered payroll (17.63% 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 2009 was 7.00% from January 1 through March 31, 2009 and 5.50% from April 1 through December 31, 2009.

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, 2009, 2008, and 2007 were \$52,080, \$64,831, and \$48,201, respectively; these contributions were sufficient to fulfill the requirements.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

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

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Mary Taylor, CPA

Auditor of State

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

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

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana General Health District, Columbiana County, (the District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *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 Government'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*.

Columbiana General Health District
Columbiana County
Independent Accountants' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Required by
Government Auditing Standards
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated July 26, 2010.

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

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

Mary Taylor, CPA
Auditor of State

July 26, 2010



Mary Taylor, CPA
Auditor of State

COLUMBIANA GENERAL HEALTH DISTRICT

COLUMBIANA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 21, 2010**