



Dave Yost • Auditor of State

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Columbiana General Health District
Columbiana County
P.O. Box 309
Lisbon, Ohio 44432

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Columbiana General Health District, Columbiana County, Ohio (the "Health District"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Health District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Health District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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 Columbiana General Health District, Columbiana County, Ohio, as of December 31, 2012, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Early Start, Cancer Levy and Home Sewage funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Emphasis of Matter

As discussed in Note 7 to the financial statements, during 2012, the Health District adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

Our audit was conducted to opine on the Health District's basic financial statements taken as a whole.

Management's Discussion & Analysis includes tables of net position, changes in net position, and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2014, on our consideration of the Health 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health District's internal control over financial reporting and compliance.

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
Columbus, Ohio

July 23, 2014

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(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, 2012, 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 2012 are as follows:

- For 2012 the total net cash position of the Health District decreased \$74,224, which represents a 13.68% decrease from 2011.
- For 2012, general cash receipts accounted for \$535,868 or 36.24% of total governmental activities cash receipts. Program specific cash receipts accounted for \$942,893 or 63.76% of total governmental activities cash receipts.
- For 2012, the Health District had \$1,552,985 in cash disbursements related to governmental activities; \$942,893 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily property taxes) of \$535,868 were not adequate to provide for these programs.
- The Health District's major funds are the general fund, the early start fund, the cancer levy fund and the home sewage fund. The general fund, the Health District's largest major fund, had cash receipts of \$570,147 in 2012. The cash disbursements of the general fund totaled \$542,870 in 2012. The general fund's cash balance increased \$27,277 from 2011 to 2012.
- The early start fund, a Health District major fund, had cash receipts of \$110,319 in 2012. The early start fund had cash disbursements of \$162,088 in 2012. The early start fund cash balance decreased \$51,769 from 2011 to 2012.
- The cancer levy fund, a Health District major fund, had cash receipts of \$253,239 in 2012. The cancer levy fund had cash disbursements of \$280,560 in 2012. The cancer levy fund cash balance decreased \$27,321 from 2011 to 2012.
- The home sewage fund, a Health District major fund, had cash receipts of \$182,336 in 2012. The home sewage fund had cash disbursements of \$198,039 in 2012. The home sewage fund cash balance decreased \$15,703 from 2011 to 2012.

Using this Cash Basis Basic Financial Statements (BFS)

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)

Reporting the Health District as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position – cash basis and the statement of activities – cash basis answer the question, how did we do financially during 2012? These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and 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 position – cash basis and the statement of activities – cash basis, governmental activities include the Health District's programs and services, including public health infrastructure, Immunization action plan grant and cancer levy.

The statement of net position – cash basis and the statement of activities – cash basis can be found on pages 14-15 of this report.

Reporting the Health District's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the Health District's major funds. The Health District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Health District's most significant funds. The Health District's major governmental funds are the general fund, the early start fund, the cancer levy fund and the home sewage fund. The analysis of the Health District's major governmental funds begins on page 11.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)

Governmental Funds

All of the Health District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Health District's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Health District programs. Since the Health District is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 16-17 of this report.

The Health District's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the general fund, the early start fund, the cancer levy fund and the home sewage fund are presented to demonstrate the Health District's compliance with annually adopted budgets. The budgetary statements can be found on pages 18-21 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 23-31 of this report.

Government-Wide Financial Analysis

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

The table below provides a summary of the Health District's net cash position at December 31, 2012 and December 31, 2011.

	<u>Net Cash Position</u>	
	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 468,155	\$ 542,379
Total assets	<u>468,155</u>	<u>542,379</u>
<u>Net Position</u>		
Restricted	225,533	198,581
Unrestricted	<u>242,622</u>	<u>343,798</u>
Total net position	<u>\$ 468,155</u>	<u>\$ 542,379</u>

For 2012, the total net cash position of the Health District decreased \$74,224, which represents a 13.68% decrease.

The balance of government-wide unrestricted net cash position of \$242,622 at December 31, 2012, 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, 2012
(UNAUDITED)**

The table below shows the changes in net cash position for 2012 and 2011.

	Change in Net Cash Position	
	Governmental Activities	Governmental Activities
	<u>2012</u>	<u>2011</u>
Cash Receipts:		
Program cash receipts:		
Charges for services	\$ 496,861	\$ 495,683
Operating grants and contributions	<u>446,032</u>	<u>681,661</u>
Total program cash receipts	<u>942,893</u>	<u>1,177,344</u>
General cash receipts:		
Property and other taxes	450,152	412,920
Unrestricted grants	81,878	49,720
Other	<u>3,838</u>	<u>39,740</u>
Total general cash receipts	<u>535,868</u>	<u>502,380</u>
Total cash receipts	<u>1,478,761</u>	<u>1,679,724</u>
Cash Disbursements:		
Salaries	730,020	782,095
Supplies	22,977	32,592
Remittance to State	65,043	60,748
Equipment	6,416	18,168
Contracts - Services	277,113	151,797
Membership/Subscriptions	413	444
Travel	65,913	51,873
Advertising and printing	941	787
Public Employee's Retirement	99,528	109,976
Hospitalization	223,400	283,354
Medicare	9,306	9,971
Worker's Compensation	13,302	13,683
Other	35,608	71,972
Utilities	<u>3,005</u>	<u>3,121</u>
Total cash disbursements	<u>1,552,985</u>	<u>1,590,581</u>
Change in net cash position	(74,224)	89,143
Net cash position at beginning of year	<u>542,379</u>	<u>453,236</u>
Net cash position at end of year	<u>\$ 468,155</u>	<u>\$ 542,379</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

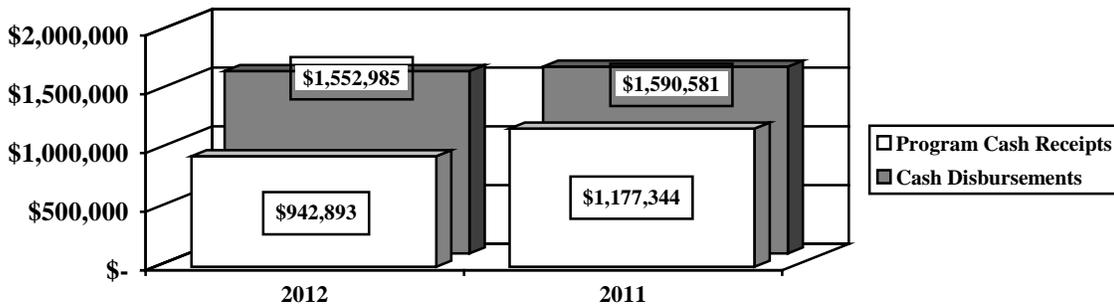
Governmental Activities

Governmental cash position decreased by \$74,224 in 2012 from 2011.

Salaries represent the largest cash disbursement of the Health District. In 2012, salary cash disbursements totaled \$730,020, or 47.01% of total governmental cash disbursements. Salary cash disbursements were supported by \$433,804 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 2012 and 2011. 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**

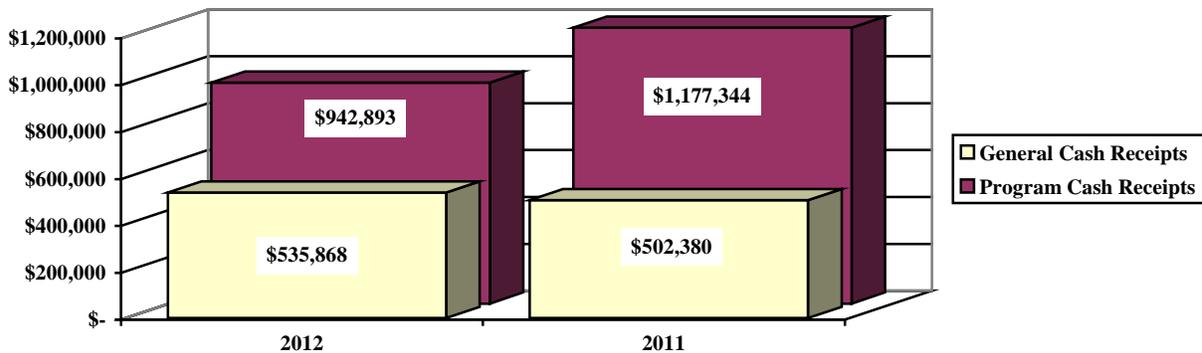
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Governmental Activities

	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>
Cash disbursements:				
Current:				
Salaries	\$ 730,020	\$ 296,216	\$ 782,095	\$ 175,701
Supplies	22,977	11,429	32,592	8,579
Remittance to State	65,043	20,136	60,748	14,223
Equipment	6,416	2,324	18,168	659
Contracts - Services	277,113	103,582	151,797	91,270
Membership/Subscriptions	413	229	444	222
Travel	65,913	23,798	51,873	9,701
Advertising and printing	941	333	787	133
Public Employee's Retirement	99,528	39,050	109,976	25,175
Hospitalization	223,400	86,666	283,354	66,028
Medicare	9,306	3,417	9,971	1,900
Worker's Compensation	13,302	6,026	13,683	(177)
Other	35,608	15,692	71,972	19,356
Utilities	3,005	1,194	3,121	467
Total	\$ 1,552,985	\$ 610,092	\$ 1,590,581	\$ 413,237

The dependence upon general cash receipts for governmental activities is apparent; with 39.29% of cash disbursements supported through taxes and other general cash receipts during 2012.

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, 2012
(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 \$468,155, which is \$74,224 less than last year's total of \$542,379. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2012 and December 31, 2011, for all major and nonmajor governmental funds.

	<u>Fund Cash Balance</u> <u>December 31, 2012</u>	<u>Fund Cash Balance</u> <u>December 31, 2011</u>	<u>Increase</u>
Major Funds:			
General	\$ 203,672	\$ 176,395	\$ 27,277
Early Start	37,681	89,450	(51,769)
Cancer Levy	108,457	135,778	(27,321)
Home Sewage	4,082	19,785	(15,703)
Other Nonmajor Governmental Funds	<u>114,263</u>	<u>120,971</u>	<u>(6,708)</u>
Total	<u>\$ 468,155</u>	<u>\$ 542,379</u>	<u>\$ (74,224)</u>

During 2012, the Health District's fund cash balance decreased \$74,224. This decrease can primarily be attributed to the activity of both the early start fund and the cancer levy fund. The early start fund experienced significantly lower cash receipts during 2012 due to a decrease in intergovernmental revenue. The cancer levy fund experienced higher cash disbursements due to an increase in salaries.

General Fund

The general fund, the Health District's largest major fund, had cash receipts of \$570,147 in 2012. The cash disbursements of the general fund totaled \$542,870 in 2012. The general fund's cash balance increased \$27,277 from 2011 to 2012.

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

	<u>2012</u> <u>Amount</u>	<u>2011</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 273,000	\$ 234,216	16.56 %
Intergovernmental	54,108	21,226	154.91 %
Fees	207,385	181,152	14.48 %
Other	<u>35,654</u>	<u>40,685</u>	(12.37) %
Total	<u>\$ 570,147</u>	<u>\$ 477,279</u>	19.46 %

During 2012, the cash receipts of the general fund increased \$92,868. This increase can mainly be attributed to an increase in taxes of \$38,784. Intergovernmental revenue also increased \$32,882 from 2011 to 2012.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)

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

	<u>2012</u> <u>Amount</u>	<u>2011</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Cash Disbursements</u>			
Salaries	\$ 257,666	\$ 194,669	32.36 %
Supplies	13,590	16,662	(18.44) %
Remittance to State	36,879	33,078	11.49 %
Equipment	1,166	-	100.00 %
Contracts - Services	51,399	17,100	200.58 %
Membership/Subscriptions	413	444	(6.98) %
Travel	28,048	21,109	32.87 %
Advertising and Printing	290	288	0.69 %
Public Employee's Retirement	33,540	28,182	19.01 %
Hospitalization	90,813	70,050	29.64 %
Medicare	3,255	2,387	36.36 %
Worker's Compensation	3,922	3,824	2.56 %
Other	20,896	30,316	(31.07) %
Utilities	993	966	2.80 %
Total	<u>\$ 542,870</u>	<u>\$ 419,075</u>	29.54 %

During 2012, the cash disbursements of the general fund increased \$123,795. This increase can mainly be attributed to increases in salaries paid, contracts – services, and costs related to insurance premiums.

Early Start Fund

The early start fund, a Health District major fund, had cash receipts of \$110,319 in 2012. The early start fund had cash disbursements of \$162,088 in 2012. The early start fund cash balance decreased \$51,769 from 2011 to 2012.

Cancer Levy Fund

The cancer levy fund, a Health District major fund, had cash receipts of \$253,239 in 2012. The cancer levy fund had cash disbursements of \$280,560 in 2012. The cancer levy fund cash balance decreased \$27,321 from 2011 to 2012.

Home Sewage Fund

The home sewage fund, a Health District major fund, had cash receipts of \$182,336 in 2012. The home sewage fund had cash disbursements of \$198,039 in 2012. The home sewage fund cash balance decreased \$15,703 from 2011 to 2012.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

For 2012, the general fund original and final budget basis receipts were \$566,000 and \$561,198 respectively. Actual cash receipts of \$570,147 were more than final budget estimates by \$8,949. The original and final budgetary basis disbursements were \$566,000 and \$737,375 respectively. The actual budgetary basis disbursements of \$542,652 were \$194,723 less than the final budget estimates. Several factors contributed to the actual disbursements being less than budgeted, which include medical insurance costs that were less than anticipated, a reduction of staff and related costs, and the Help Me Grow program was moved to another County government office and no longer subsidized by general fund monies.

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 \$6,416 during 2012.

Debt Administration

The Health District did not have any long-term obligations at December 31, 2012.

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 7360 State Route 45, P.O. Box 309, Lisbon, OH 44432.

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

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2012

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 468,155
 Total assets	 468,155
 Net position:	
Restricted for:	
Public health infrastructure.	40,607
IAP grant	27,222
Early Start.	37,681
Cancer levy	108,457
Other purposes.	11,566
Unrestricted.	242,622
 Total net position	 \$ 468,155

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, 2012

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Salaries	\$ 730,020	\$ 245,148	\$ 188,656	\$ (296,216)
Supplies.	22,977	6,774	4,774	(11,429)
Remittance to State	65,043	43,464	1,443	(20,136)
Equipment.	6,416	519	3,573	(2,324)
Contracts - Services.	277,113	60,232	113,299	(103,582)
Membership/Subscriptions	413	184	-	(229)
Travel	65,913	14,807	27,308	(23,798)
Advertising and printing.	941	170	438	(333)
Public Employee's Retirement.	99,528	33,498	26,980	(39,050)
Hospitalization.	223,400	74,904	61,830	(86,666)
Medicare.	9,306	3,316	2,573	(3,417)
Worker's Compensation	13,302	3,602	3,674	(6,026)
Other.	35,608	9,801	10,115	(15,692)
Utilities	3,005	442	1,369	(1,194)
Totals	\$ 1,552,985	\$ 496,861	\$ 446,032	(610,092)
		General Cash Receipts:		
		Property and other taxes levied for:		
		General purposes		450,152
		Grants and entitlements not restricted to specific programs.		81,878
		Miscellaneous.		3,838
		Total general cash receipts		535,868
		Change in net cash position		(74,224)
		Net cash position at beginning of year		542,379
		Net cash position at end of year.		\$ 468,155

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, 2012

	<u>General</u>	<u>Early Start</u>	<u>Cancer Levy</u>	<u>Home Sewage</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash assets:						
Equity in pooled cash and cash equivalents.	\$ 203,672	\$ 37,681	\$ 108,457	\$ 4,082	\$ 114,263	\$ 468,155
Total assets	<u>\$ 203,672</u>	<u>\$ 37,681</u>	<u>\$ 108,457</u>	<u>\$ 4,082</u>	<u>\$ 114,263</u>	<u>\$ 468,155</u>
Fund cash balances:						
Restricted	\$ -	\$ 37,681	\$ 108,457	\$ 4,082	\$ 75,313	\$ 225,533
Committed	-	-	-	-	38,950	38,950
Unassigned	<u>203,672</u>	-	-	-	-	203,672
Total fund cash balances	<u>\$ 203,672</u>	<u>\$ 37,681</u>	<u>\$ 108,457</u>	<u>\$ 4,082</u>	<u>\$ 114,263</u>	<u>\$ 468,155</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, 2012

	<u>General</u>	<u>Early Start</u>	<u>Cancer Levy</u>	<u>Home Sewage</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash receipts:						
Taxes	\$ 273,000	\$ -	\$ 177,152	\$ -	\$ -	\$ 450,152
Intergovernmental	54,108	110,318	27,770	128,401	158,976	479,573
Fees	207,385	-	-	13,100	9,379	229,864
Vital statistics fees	34,037	-	-	-	-	34,037
Licenses and permits	-	-	-	34,400	174,983	209,383
Other	1,617	1	48,317	6,435	19,382	75,752
Total cash receipts	<u>570,147</u>	<u>110,319</u>	<u>253,239</u>	<u>182,336</u>	<u>362,720</u>	<u>1,478,761</u>
Cash disbursements:						
Salaries	257,666	59,173	147,988	48,652	216,541	730,020
Supplies	13,590	1,485	1,661	-	6,241	22,977
Remittance to State	36,879	-	-	2,225	25,939	65,043
Equipment	1,166	5,250	-	-	-	6,416
Contracts - Services	51,399	13,157	73,427	128,401	10,729	277,113
Membership/Subscriptions	413	-	-	-	-	413
Travel	28,048	29,141	56	1,349	7,319	65,913
Advertising and printing	290	500	-	151	-	941
Public Employee's Retirement	33,540	8,781	19,469	6,804	30,934	99,528
Hospitalization	90,813	28,396	34,143	9,446	60,602	223,400
Medicare	3,255	833	1,438	699	3,081	9,306
Worker's Compensation	3,922	2,409	1,595	312	5,064	13,302
Other	20,896	10,951	783	-	2,978	35,608
Utilities	993	2,012	-	-	-	3,005
Total cash disbursements	<u>542,870</u>	<u>162,088</u>	<u>280,560</u>	<u>198,039</u>	<u>369,428</u>	<u>1,552,985</u>
Net change in fund cash balances	27,277	(51,769)	(27,321)	(15,703)	(6,708)	(74,224)
Fund cash balances at beginning of year . .	<u>176,395</u>	<u>89,450</u>	<u>135,778</u>	<u>19,785</u>	<u>120,971</u>	<u>542,379</u>
Fund cash balances at end of year	<u>\$ 203,672</u>	<u>\$ 37,681</u>	<u>\$ 108,457</u>	<u>\$ 4,082</u>	<u>\$ 114,263</u>	<u>\$ 468,155</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Taxes	\$ 271,015	\$ 268,714	\$ 273,000	\$ 4,286
Intergovernmental	53,714	53,259	54,108	849
Fees	239,666	237,633	241,422	3,789
Other	1,605	1,592	1,617	25
Total budgetary basis receipts	<u>566,000</u>	<u>561,198</u>	<u>570,147</u>	<u>8,949</u>
Budgetary basis disbursements:				
Salaries	300,000	310,198	257,666	52,532
Supplies	17,400	17,400	13,590	3,810
Remittance to State	22,500	43,296	36,879	6,417
Equipment	5,000	5,000	1,166	3,834
Contracts - Services	20,000	85,000	51,399	33,601
Membership/Subscriptions	750	750	413	337
Advertising and printing	500	500	290	210
Travel	22,000	42,000	28,048	13,952
Public Employee's Retirement	42,000	49,000	33,540	15,460
Hospitalization	90,000	140,000	90,813	49,187
Medicare	4,350	5,127	3,255	1,872
Worker's Compensation	4,500	3,704	3,704	-
Other	34,500	32,900	20,896	12,004
Utilities	2,500	2,500	993	1,507
Total budgetary basis disbursements	<u>566,000</u>	<u>737,375</u>	<u>542,652</u>	<u>194,723</u>
Net change in fund cash balance	-	(176,177)	27,495	203,672
Fund cash balance at beginning of year	<u>176,177</u>	<u>176,177</u>	<u>176,177</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 176,177</u>	<u>\$ -</u>	<u>\$ 203,672</u>	<u>\$ 203,672</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ 279,997	\$ 110,299	\$ 110,318	\$ 19
Other	3	1	1	-
Total budgetary basis receipts.	<u>280,000</u>	<u>110,300</u>	<u>110,319</u>	<u>19</u>
Budgetary basis disbursements:				
Salaries	180,000	61,573	59,173	2,400
Supplies.	6,000	5,000	1,485	3,515
Equipment.	6,000	6,000	5,250	750
Contracts - Services.	2,230	18,930	13,157	5,773
Membership/Subscriptions	100	100	-	100
Travel	21,150	29,279	29,141	138
Advertising and printing.	1,000	1,000	500	500
Public Employee's Retirement.	25,200	8,781	8,781	-
Hospitalization.	90,000	48,400	28,396	20,004
Medicare.	2,830	833	833	-
Unemployment Compensation.	2,400	-	-	-
Worker's Compensation	2,790	2,790	2,409	381
Other.	9,300	14,463	10,951	3,512
Utilities.	1,000	2,600	2,012	588
Total budgetary basis disbursements	<u>350,000</u>	<u>199,749</u>	<u>162,088</u>	<u>37,661</u>
Net change in fund cash balance.	(70,000)	(89,449)	(51,769)	37,680
Fund cash balance at beginning of year	<u>89,450</u>	<u>89,450</u>	<u>89,450</u>	<u>-</u>
Fund cash balance at end of year.	<u>\$ 19,450</u>	<u>\$ 1</u>	<u>\$ 37,681</u>	<u>\$ 37,680</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Taxes	\$ 188,637	\$ 160,200	\$ 177,152	\$ 16,952
Intergovernmental	29,570	25,113	27,770	2,657
Other	51,449	43,693	48,317	4,624
Total budgetary basis receipts.	<u>269,656</u>	<u>229,006</u>	<u>253,239</u>	<u>24,233</u>
Budgetary basis disbursements:				
Salaries.	170,000	164,905	147,988	16,917
Supplies	3,000	3,000	1,661	1,339
Contracts - Services	86,140	86,140	73,427	12,713
Travel.	500	500	56	444
Public Employee's Retirement	23,800	23,800	19,469	4,331
Hospitalization	31,500	36,500	34,143	2,357
Medicare	2,400	2,400	1,438	962
Worker's Compensation	1,500	1,595	1,595	-
Other	1,160	1,160	783	377
Total budgetary basis disbursements.	<u>320,000</u>	<u>320,000</u>	<u>280,560</u>	<u>39,440</u>
Net change in fund cash balance	(50,344)	(90,994)	(27,321)	63,673
Fund cash balance at beginning of year.	<u>135,778</u>	<u>135,778</u>	<u>135,778</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 85,434</u>	<u>\$ 44,784</u>	<u>\$ 108,457</u>	<u>\$ 63,673</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)
HOME SEWAGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental	\$ 219,857	\$ 126,032	\$ 128,401	\$ 2,369
Fees	6,107	12,858	13,100	242
Licenses and permits	16,036	33,765	34,400	635
Other.	3,000	6,316	6,435	119
Total budgetary basis receipts.	<u>245,000</u>	<u>178,971</u>	<u>182,336</u>	<u>3,365</u>
Budgetary basis disbursements:				
Salaries.	60,000	48,652	48,652	-
Supplies	800	-	-	-
Remittance to State	3,000	2,765	2,225	540
Contracts - Services	160,000	128,401	128,401	-
Travel.	2,000	1,349	1,349	-
Advertising and printing	-	155	151	4
Public Employee's Retirement	8,400	6,804	6,804	-
Hospitalization	19,000	9,618	9,446	172
Medicare	870	700	699	1
Worker's Compensation	930	312	312	-
Total budgetary basis disbursements.	<u>255,000</u>	<u>198,756</u>	<u>198,039</u>	<u>717</u>
Net change in fund cash balance	(10,000)	(19,785)	(15,703)	4,082
Fund cash balance at beginning of year.	<u>19,785</u>	<u>19,785</u>	<u>19,785</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 9,785</u>	<u>\$ -</u>	<u>\$ 4,082</u>	<u>\$ 4,082</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 - DESCRIPTION OF THE HEALTH DISTRICT

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

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

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

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

B. Fund Accounting

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

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 restricted 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.

Home sewage fund - This fund accounts for fees, permits and licenses committed to the landfill and solid wastes. The home sewage fund also accounts for the water pollution control loan.

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

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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.

E. Cash and Cash Equivalents

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

F. Capital Assets

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

G. Unpaid Vacation and Sick Leave

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

H. Long-Term Obligations

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

I. Employer Contributions to Cost-Sharing Pension Plans

The Health District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 4 and 5 the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Net Position

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

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

K. Fund Balance

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

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

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

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 2012, 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, 2012

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 2012, 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 2012 member contribution rates were 10.00% for members in State and local classifications. The Health District's contribution rate for 2012 was 14.00%.

The Health District's contribution rate for pension benefits for members in the Traditional Plan for 2012 was 10.00%. The Health District's contribution rate for pension benefits for members in the Combined Plan for 2012 was 7.95%. The Health District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$67,080, \$76,223, and \$74,796, respectively; 100% has been contributed for 2012, 2011 and 2010.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 2012, local government employers contributed 14.00% of covered payroll. Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2012 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2012 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, 2012, 2011, and 2010 were \$28,456, \$32,158, and \$41,914, respectively; 100% has been contributed for 2012, 2011 and 2010.

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, 2012

NOTE 7 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2012, the Health District has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the Health District.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for state and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the Health District.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows or resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the Health District's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources. GASB Statement No. 63 did not have an effect on the Health District's financial statements.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. GASB Statement No. 65 did not have an effect on the Health District's financial statements.

**COLUMBIANA GENERAL HEALTH DISTRICT
COLUMBIANA COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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	Home Sewage	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:						
Public health infrastructure	\$ -	\$ -	\$ -	\$ -	\$ 40,607	\$ 40,607
IAP grant	-	-	-	-	27,222	27,222
Early start	-	37,681	-	-	-	37,681
Cancer levy	-	-	108,457	-	-	108,457
Other purposes	-	-	-	4,082	7,504	11,586
Total restricted	<u>-</u>	<u>37,681</u>	<u>108,457</u>	<u>4,082</u>	<u>67,829</u>	<u>225,553</u>
Committed:						
Camp/trailer	-	-	-	-	2,496	2,496
Occupant protection	-	-	-	-	4,314	4,314
Water	-	-	-	-	23,515	23,515
Swimming pool	-	-	-	-	3,507	3,507
Food service	-	-	-	-	5,118	5,118
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,950</u>	<u>38,950</u>
Unassigned	<u>203,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,672</u>
Total fund balances	<u>\$ 203,672</u>	<u>\$ 37,681</u>	<u>\$ 108,457</u>	<u>\$ 4,082</u>	<u>\$ 106,779</u>	<u>\$ 468,175</u>

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	\$ 27,277
Fund budgeted elsewhere	<u>218</u>
Budgetary basis	<u>\$ 27,495</u>

The safe kids fund is legally budgeted 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 AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Columbiana General Health District
Columbiana County
P.O. Box 309
Lisbon, Ohio 44432

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Columbiana General Health District, Columbiana County, (the "Health District") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements and have issued our report thereon dated July 23, 2014, wherein we noted the Health District adopted new accounting guidance in Governmental Accounting Standards Board No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Health District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Health District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Health District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of reasonably assuring whether the Health 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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Health District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Health District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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
Columbus, Ohio

July 23, 2014



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
AUGUST 12, 2014**