

CRAWFORD COUNTY GENERAL HEALTH DISTRICT

CRAWFORD COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2007

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Board of Health
Crawford County General Health District
130 N. Walnut Street
Suite B
Bucyrus, Ohio 44820

We have reviewed the *Report of Independent Accountants* of the Crawford County General Health District, Crawford County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 27, 2008

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CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY, OHIO
Audit Report
For the year ended December 31, 2007

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1-2
Management’s Discussion and Analysis	3
Statement of Net Assets – Cash Basis	10
Statement of Activities – Cash Basis	11
Statement of Assets and Fund Balance – Cash Basis Governmental Funds	12
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balance – Governmental Funds	13
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Public and School Health Service Fund	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Women, Infants and Children Fund	16
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Public Health Infrastructure Fund	17
Notes to the Financial Statements	18-26
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Required by <i>Government Auditing Standards</i>	27-28
Status of Prior Year’s Citations and Recommendations	29

REPORT OF INDEPENDENT ACCOUNTANTS

**Crawford County General Health District
Crawford County
130 North Walnut Street
Suite B
Bucyrus, Ohio 44820**

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 Crawford County General Health District, Crawford County (the District), as of and for the year ended December 31, 2007, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 that 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 basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Crawford County General Health District, as of December 31, 2007, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General Fund and each major Special Revenue Fund, thereof for the year then ended in conformity with the accounting basis Note 2 describes.

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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal controls over financial reporting and compliance and the results of testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Charles E. Harris & Associates, Inc.
June 25, 2008

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Unaudited

The discussion and analysis of the District Board of Health's (the District) financial performance provides a review of the District's financial activities for the year ended December 31, 2007, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to provide readers with a general explanation of the District's financial performance. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Using the Basic Financial Statements

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

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

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

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

Basis of Accounting

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

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

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Unaudited
(continued)

Reporting the District as a Whole

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

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

The Statement of Net Assets - Cash Basis reports all District's activities, which are governmental. Subdivision settlements, a local subsidy, charges for services and federal grant monies finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds.

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the health services provided. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The District's major governmental funds are the General Fund, Public and School Health Services, Women, Infants and Children (WIC), and Public Health Infrastructure Funds.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISSCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Unaudited
(continued)

The District as a Whole

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

**Table 1
Net Assets -Cash Basis**

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	<u>\$314,088</u>	<u>\$266,202</u>
Net Assets		
Restricted for Other Purposes	228,836	196,614
Unrestricted	<u>85,252</u>	<u>69,588</u>
Total Net Assets	<u><u>\$314,088</u></u>	<u><u>\$266,202</u></u>

Net assets increased \$47,886. This represents an 18 percent increase from 2006. This increase can generally be attributed to the District receiving revenue for administering the Help Me Grow program in 2007, an increase in fees received from townships and municipalities comprising the District, and an increase in fees received for certain health programs as the result of completing a cost analysis.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Unaudited
(continued)

Table 2 reflects the changes in net assets for 2006 and 2007.

**Table 2
Change in Net Assets**

	Governmental Activities	
	2007	2006
Program Cash Receipts		
Charges for Services	\$620,347	\$550,223
Operating Grants and Contributions	492,667	371,912
Total Program Cash Receipts	<u>1,113,014</u>	<u>922,135</u>
General Receipts		
Subdivision Settlements	75,452	66,092
Miscellaneous	12,897	8,957
Total General Receipts	<u>88,349</u>	<u>75,049</u>
Total Receipts	<u>1,201,363</u>	<u>997,184</u>
Disbursements		
Health		
General Health	210,113	188,557
Public and School Health Services	306,720	295,291
Women, Infants and Children	185,994	181,698
Public Health Infrastructure	87,323	103,298
Sewage	36,153	36,568
Reserve Balance Account	9,419	3,088
Landfill/Contstruction and Demolition	48,811	40,143
Swimming Pool	2,843	3,465
Solid Waste	64,001	30,296
Mobile Home and RV Park	4,433	6,982
Food Service	44,165	57,474
Water System	22,434	21,003
Immunization Action Plan	30,047	24,344
319 Grant	13,335	26,141
Help Me Grow	87,686	0
Total Disbursements	<u>1,153,477</u>	<u>1,018,348</u>
Change in Net Assets	47,886	(21,164)
Net Assets Beginning of Year	<u>266,202</u>	<u>287,366</u>
Net Assets End of Year	<u><u>\$314,088</u></u>	<u><u>\$266,202</u></u>

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISSCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Unaudited
(continued)

In 2007, 7 percent of the District's total receipts were from general receipts, consisting mainly of subdivision settlements collected for general health district purposes. Program cash receipts accounted for 93 percent of the District's total receipts in 2007. These receipts consist primarily of charges for services for nursing services and outside service contracts, birth and death certificates, sewage permits, food service licenses, mobile home and RV park, swimming pools, and water system permits and state and federal operating grants. Operating grants and contributions increased by 33 percent primarily due to the District's administering the Help Me Grow program in 2007. During 2007, the District increased fees to the townships and municipalities composing the General Health District.

Governmental Activities

Table 3 indicates the total cost of services and the net cost of services. The total cost of services represents expenses related to carrying out public health duties and administering the WIC program. The net cost of services identifies the cost of those services supported by charges for services, subdivision settlements, and federal grant monies. Information in the following table is derived from the Statement of Activities - Cash Basis which provides further detail on the cost of program services and the charges for services and sales and operating grants and contributions offsetting those services.

**Table 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Health				
General Health	\$210,113	\$188,557	(\$18,204)	(\$25,719)
Public and School Health Services	306,720	295,291	112,601	80,091
Women, Infants and Children	185,994	181,698	(18,666)	(17,466)
Public Health Infrastructure	87,323	103,298	(27,985)	29,561
Sewage	36,153	36,568	26,423	27,872
Reserve Balance Account	9,419	3,088	9,419	3,088
Landfill/Construction and Demolition	48,811	40,143	(4,209)	(4,799)
Swimming Pool	2,843	3,465	414	1,036
Solid Waste	64,001	30,296	801	(954)
Mobile Home and RV Park	4,433	6,982	(4,657)	(522)
Food Service	44,165	57,474	(14,474)	12,077
Water System	22,434	21,003	2,869	1,522
Immunization Action Plan	30,047	24,344	3,547	(1,856)
319 Grant	13,335	26,141	(7,262)	(7,718)
Help Me Grow	87,686	0	(20,154)	0
Total Expenses	\$1,153,477	\$1,018,348	\$40,463	\$96,213

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Unaudited
(continued)

The total cost for providing general health services increased 13 percent from 2006 to 2007. The overall increase in total cost of services can be attributed, in large part, to additional nursing services being provided to more clients who are unable to pay for services. During 2007, the General Health District took over the administration of the Help Me Grow program which also contributed to the increase in total cost of services.

Even though the total cost of services increased during 2007, the net cost of services for the District decreased by 58 percent from 2006. This decrease is due, in part, to an increase in grant dollars received for the Public Health Infrastructure program.

The Health District's Funds

The governmental funds had total receipts of \$1,201,363 and disbursements of \$1,153,477. The governmental funds had an increase in the cash balance of \$47,886.

The fund balance of the General Fund increased by \$15,664. An increase in fees received from the City of Bucyrus and fees from the townships and municipalities contributed to the increase in cash balance for the General Fund.

Budgetary Highlights

The 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.

During the course of 2007, the District amended its estimated revenues and appropriations as allowed by the County Budget Commission set forth by the Ohio Revised Code, and the budgetary statement reflects both the original and final amounts. A decrease in encumbrances carried over from the prior year resulted in a decrease in original appropriations for the General and Public and School Health Services Funds. Amendments to original receipts in the WIC Fund were made as a result of receiving additional grant funding.

Actual receipts in the General Fund did not vary significantly from the final budget. Changes in appropriation for the General Fund were minimal as total disbursements were approximately 4 percent less than the final budget.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Crawford County General Health District, 130 North Walnut Street, Suite B, Bucyrus, Ohio 44820.

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**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$314,088</u>
<i>Total Assets</i>	<u><u>314,088</u></u>
Net Assets	
Restricted for:	
Other Purposes	228,836
Unrestricted	<u>85,252</u>
<i>Total Net Assets</i>	<u><u>\$314,088</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Program Cash Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>	
	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	
			<u>Governmental Activities</u>	
Governmental Activities				
Health				
General Health	\$210,113	\$219,055	\$9,262	18,204
Public and School Health Services	306,720	185,619	8,500	(112,601)
Women, Infants and Children	185,994	0	204,660	18,666
Public Health Infrastructure	87,323	0	115,308	27,985
Sewage	36,153	9,730	0	(26,423)
Reserve Balance Account	9,419	0	0	(9,419)
Landfill/Construction and Demolition	48,811	53,020	0	4,209
Swimming Pool	2,843	2,429	0	(414)
Solid Waste	64,001	63,200	0	(801)
Mobile Home and RV Park	4,433	9,090	0	4,657
Food Service	44,165	58,639	0	14,474
Water System	22,434	19,565	0	(2,869)
Immunization Action Plan	30,047	0	26,500	(3,547)
319 Grant	13,335	0	20,597	7,262
Help Me Grow	87,686	0	107,840	20,154
Total Governmental Activities	<u>1,153,477</u>	<u>620,347</u>	<u>492,667</u>	<u>(40,463)</u>
		General Receipts		
				75,452
				12,897
		<i>Total General Receipts</i>		<u>88,349</u>
				47,886
		<i>Net Assets Beginning of Year</i>		<u>266,202</u>
		<i>Net Assets End of Year</i>		<u><u>\$314,088</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2007*

	<u>General</u>	<u>Public and School Health Services</u>	<u>Women, Infants and Children</u>	<u>Public Health Infrastructure</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$85,252	\$17,154	\$35,672	\$58,415	\$117,595	\$314,088
Total Assets	<u>\$85,252</u>	<u>\$17,154</u>	<u>\$35,672</u>	<u>\$58,415</u>	<u>\$117,595</u>	<u>\$314,088</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$6,625	\$1,257	\$575	\$604	\$15,584	\$24,645
Unreserved:						
Undesignated, Reported in:						
General Fund	78,627	0	0	0	0	78,627
Special Revenue Funds	0	15,897	35,097	57,811	102,011	210,816
Total Fund Balances	<u>\$85,252</u>	<u>\$17,154</u>	<u>\$35,672</u>	<u>\$58,415</u>	<u>\$117,595</u>	<u>\$314,088</u>

See notes to the financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGE IN CASH BASIS
FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007*

	General	Public and School Health Services	Women, Infants and Children	Public Health Infrastructure	Other Governmental Funds	Total Governmental Funds
Receipts						
Charges for Services	\$219,055	\$168,369	\$0	\$0	\$880	\$388,304
Contributions	0	0	0	0	1,362	1,362
Licenses, Fees and Permits	0	17,250	0	0	214,343	231,593
Fines	0	0	0	0	450	450
Intergovernmental	84,714	8,500	204,660	115,308	153,575	566,757
Miscellaneous	1,776	2,929	0	0	8,192	12,897
<i>Total Receipts</i>	<u>305,545</u>	<u>197,048</u>	<u>204,660</u>	<u>115,308</u>	<u>378,802</u>	<u>1,201,363</u>
Disbursements						
Current:						
Health						
Personal Services	146,538	266,596	170,477	33,883	214,314	831,808
Materials and Supplies	2,539	25,364	0	0	3,415	31,318
Remittances	19,824	0	0	0	106,485	126,309
Contractual Services	13,788	0	0	30,878	20,450	65,116
Capital Outlay	290	0	1,891	12,668	3,546	18,395
Vector Control	6,485	0	0	0	0	6,485
Other	20,649	14,760	13,626	9,894	15,117	74,046
<i>Total Disbursements</i>	<u>210,113</u>	<u>306,720</u>	<u>185,994</u>	<u>87,323</u>	<u>363,327</u>	<u>1,153,477</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>95,432</u>	<u>(109,672)</u>	<u>18,666</u>	<u>27,985</u>	<u>15,475</u>	<u>47,886</u>
Other Financing Sources (Uses)						
Advances In	17,607	0	0	0	0	17,607
Transfers In	0	97,375	0	0	0	97,375
Advances Out	0	0	0	0	(17,607)	(17,607)
Transfers Out	(97,375)	0	0	0	0	(97,375)
<i>Total Other Financing Sources (Uses)</i>	<u>(79,768)</u>	<u>97,375</u>	<u>0</u>	<u>0</u>	<u>(17,607)</u>	<u>0</u>
Net Change in Fund Balance	15,664	(12,297)	18,666	27,985	(2,132)	47,886
<i>Fund Balance Beginning of Year</i>	<u>69,588</u>	<u>29,451</u>	<u>17,006</u>	<u>30,430</u>	<u>119,727</u>	<u>266,202</u>
<i>Fund Balance End of Year</i>	<u>\$85,252</u>	<u>\$17,154</u>	<u>\$35,672</u>	<u>\$58,415</u>	<u>\$117,595</u>	<u>\$314,088</u>

See notes to the financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$217,830	\$217,830	\$219,055	\$1,225
Intergovernmental	83,012	83,012	84,714	1,702
Miscellaneous	1,000	1,000	1,776	776
<i>Total Receipts</i>	<u>301,842</u>	<u>301,842</u>	<u>305,545</u>	<u>3,703</u>
Disbursements				
Current:				
Health				
Personal Services	144,323	149,837	146,538	3,299
Materials and Supplies	3,250	2,883	2,883	0
Remittances	20,818	22,283	21,733	550
Contractual Services	14,350	15,358	13,788	1,570
Capital Outlay	1,000	3,290	3,290	0
Vector Control	0	6,485	6,485	0
Other	43,212	24,689	22,021	2,668
<i>Total Disbursements</i>	<u>226,953</u>	<u>224,825</u>	<u>216,738</u>	<u>8,087</u>
<i>Excess of Receipts Over Disbursements</i>	<u>74,889</u>	<u>77,017</u>	<u>88,807</u>	<u>11,790</u>
Other Financing Sources (Uses)				
Advances In	0	0	17,607	17,607
Transfers Out	(97,376)	(97,376)	(97,375)	1
<i>Total Other Financing Sources (Uses)</i>	<u>(97,376)</u>	<u>(97,376)</u>	<u>(79,768)</u>	<u>17,608</u>
<i>Net Change in Fund Balance</i>	(22,487)	(20,359)	9,039	29,398
<i>Fund Balance Beginning of Year</i>	64,708	64,708	64,708	0
Prior Year Encumbrances Appropriated	4,880	4,880	4,880	0
<i>Fund Balance End of Year</i>	<u>\$47,101</u>	<u>\$49,229</u>	<u>\$78,627</u>	<u>\$29,398</u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC AND SCHOOL HEALTH SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$180,000	\$180,000	\$168,369	(\$11,631)
Licenses, Fees and Permits	18,000	18,000	17,250	(750)
Intergovernmental	12,000	12,000	8,500	(3,500)
Miscellaneous	2,000	2,000	2,929	929
<i>Total Receipts</i>	<u>212,000</u>	<u>212,000</u>	<u>197,048</u>	<u>(14,952)</u>
Disbursements				
Current:				
Health				
Personal Services	275,385	272,385	266,596	5,789
Materials and Supplies	25,000	26,500	25,764	736
Other	16,660	18,074	15,617	2,457
<i>Total Disbursements</i>	<u>317,045</u>	<u>316,959</u>	<u>307,977</u>	<u>8,982</u>
<i>Excess of Receipts Under Disbursements</i>	(105,045)	(104,959)	(110,929)	(5,970)
Other Financing Sources				
Transfers In	97,376	97,376	97,375	(1)
<i>Net Change in Fund Balance</i>	(7,669)	(7,583)	(13,554)	(5,971)
<i>Fund Balance Beginning of Year</i>	29,290	29,290	29,290	0
Prior Year Encumbrances Appropriated	161	161	161	0
<i>Fund Balance End of Year</i>	<u>\$21,782</u>	<u>\$21,868</u>	<u>\$15,897</u>	<u>(\$5,971)</u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
WOMEN, INFANTS AND CHILDREN FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$203,027	\$208,027	\$204,660	(\$3,367)
Disbursements				
Current:				
Health				
Personal Services	164,414	173,807	170,477	3,330
Capital Outlay	500	1,891	1,891	0
Other	22,295	16,403	14,201	2,202
<i>Total Disbursements</i>	<u>187,209</u>	<u>192,101</u>	<u>186,569</u>	<u>5,532</u>
<i>Net Changes in Fund Balance</i>	15,818	15,926	18,091	2,165
<i>Fund Balance Beginning of Year</i>	16,631	16,631	16,631	0
Prior Year Encumbrances Appropriated	<u>375</u>	<u>375</u>	<u>375</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$32,824</u></u>	<u><u>\$32,932</u></u>	<u><u>\$35,097</u></u>	<u><u>\$2,165</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$110,000	\$110,000	\$115,308	\$5,308
Disbursements				
Current:				
Health				
Personal Services	35,008	34,552	33,883	669
Contractual Services	42,183	41,320	31,278	10,042
Capital Outlay	7,150	15,563	12,668	2,895
Other	35,355	28,096	10,098	17,998
<i>Total Disbursements</i>	<u>119,696</u>	<u>119,531</u>	<u>87,927</u>	<u>31,604</u>
<i>Net Changes in Fund Balance</i>	(9,696)	(9,531)	27,381	36,912
<i>Fund Balance Beginning of Year</i>	20,734	20,734	20,734	0
Prior Year Encumbrances Appropriated	<u>9,696</u>	<u>9,696</u>	<u>9,696</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$20,734</u></u>	<u><u>\$20,899</u></u>	<u><u>\$57,811</u></u>	<u><u>\$36,912</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007*

Note 1 - Reporting Entity

A seven-member Board of Health governs the Health District (the District). Five members are appointed by the District Advisory Council and two members are appointed by the City of Bucyrus. The Board appoints a health commissioner and all employees of the District. The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services and the issuance of health-related licenses and permits. The District also serves as a responding organization in matters concerning public health threats or emergencies.

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

The reporting entity is composed of the primary government.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the 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 District is responsible.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007*

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 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 District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

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

Governmental Funds

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

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

Public and School Health Services Fund - The Public and School Health Services Fund accounts for monies received from providing general nursing and community health services.

Women, Infants, and Children (WIC) Fund - The Women, Infants, and Children Fund accounts for federal grant monies received for the Special Supplemental Nutrition Program.

Public Health Infrastructure Fund - The Public Health Infrastructure Fund receives Federal grant monies used to provide training to establish an infrastructure capable of responding to public health threats, emergencies, disasters and terrorism.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007*

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

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the 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. Any such modifications made by the District are described in the appropriate section in this note.

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

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Board of Health may appropriate. The appropriations resolution is the County Board of Health's authorization to spend.

The Board of Health adopts an annual appropriation measure before the first Monday of April. The appropriation measure sets forth the amounts for current expenses for the next year and estimates the several sources of revenue available to the District, including the amount provided by the State and the amount to be collected in fees. The measure is certified to the County Auditor who submits it to the County Budget Commission. The Commission may reduce but not increase any item in the appropriation measure.

The appropriation, less the amount available from the several sources of revenue and any carry-over from the previous year, is apportioned among the townships and municipal corporations composing the District on the basis of taxable valuation. In order for the townships and municipal corporations to include the amounts for the District in their budgets, the District provides each with an estimate of contemplated revenues and expenditures before the first day of June.

The Board of Health, by resolution, may transfer funds from one account in the appropriation to another, reduce or increase any account, create new accounts, make additional appropriations or reduce total appropriations, budget to the amount that has been apportioned among the townships and municipal corporations and as may become available from the several sources of revenue. Any such action must be submitted to and approved by the County Budget Commission.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007*

E. Cash and Investments

The County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the 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 Crawford County Auditor's Office, 112 East Mansfield Street, Bucyrus, Ohio 44820.

F. Capital Assets

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

G. Accumulated Leave

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

H. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Long-Term Obligations

The 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 an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid. The District did not have any long-term obligations in 2007.

J. Net Assets

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

The government-wide statement of net assets reports \$228,836 of restricted net assets. The District did not have any net assets restricted by enabling legislation at December 31, 2007.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007*

K. Fund Balance Reserves

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. The Statement of Assets and Fund Balances - Cash Basis reports \$24,645 of reserved for encumbrances. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

L. Interfund Transactions

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

Note 3 - Budgetary Basis of Accounting

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

General Fund	\$6,625
Major Special Revenue Funds:	
Public and School Health Services	1,257
Women, Infants and Children	575
Public Health Infrastructure	604

Note 4 - Subdivision Settlements and Local Subsidy

Ohio law requires the County to apportion the excess of the District's appropriations over other estimated receipts among the townships and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from property tax settlements and distributes it to the District. These amounts are reported as intergovernmental receipts in the financial statements. Auburn, Bucyrus, Chatfield, Cranberry, Dallas, Holmes, Jackson, Jefferson, Liberty, Lykens, Polk, Sandusky, Texas, Tod, Vernon and Whetstone Townships, the City of Crestline, and the Villages of Chatfield, New Washington, North Robinson, and Tiro comprise the District. The City of Bucyrus also contracts with the District for health services in accordance with Ohio law. This is reported in the financial statements as charges for services.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007*

Note 5 - Risk Management

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

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

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Insurance

For occurrences prior to January 1, 2006, PEP retains casualty risks up to \$250,000 per claim, including automobile loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$12,000,000, from General Reinsurance Corporation. For occurrences on or after January 1, 2006, PEP retains casualty risk up to \$350,000 per claim, including automobile adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$350,000, up to \$2,650,000 per claim and \$10,000,000 in aggregate per year. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, from General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an annual aggregate of \$10,000,000.

Property Insurance

Through 2004, PEP retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence. APEEP's Guarantee Fund paid losses and loss adjustment expenses exceeding operating contributions.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit. The aggregate loss limit for 2006 and 2005 were \$1,901,127 and \$1,712,113, respectively.

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

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007*

Members may withdraw in each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of their anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus subsequent year's premium. Also, upon withdrawal, payments of all property and casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Financial Position

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

<u>Casualty Coverage</u>	<u>2006</u>
Assets	\$30,997,868
Liabilities	<u>(15,875,741)</u>
Retained Earnings	<u>\$15,122,127</u>

<u>Property Coverage</u>	<u>2006</u>
Assets	\$5,125,326
Liabilities	<u>(863,163)</u>
Retained Earnings	<u>\$4,262,163</u>

The casualty coverage assets and retained earnings above include approximately \$14.4 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2006. PEP will collect these amounts in the future annual premium billings when PEP's related liabilities are due for payment.

Settled claims have not exceeded this commercial coverage in any of the last three years.

Note 7 - Defined Benefit Retirement Plans

Ohio Public Employees Retirement System

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

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007*

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

For the year ended December 31, 2007, members of all three plans were required to contribute 9.5 percent of their annual covered salary to fund pension obligations. The District's contribution rate for pension benefits for 2007 was 13.85 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 was \$53,119, \$55,648, and \$56,905 respectively; 92 percent has been contributed for 2007 and 100 percent has been contributed for 2006 and 2005. No contributions were made to the member-directed plan for 2007 by the District or by plan members.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for ancillary health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 employer contribution rate was 13.85 percent of covered payroll; 5.0 percent was the portion used to fund health care from January 1, 2007, through June 30, 2007, and 6.0 percent was the portion used to fund health care from July 1, 2007, through December 31, 2007.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase .5 to 5 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007*

The number of active contributing participants in the traditional and combined plans was 374,979. Actual employer contributions for 2007 which were used to fund postemployment benefits was \$34,989. The actual contribution and the actuarial required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2006 (the latest information available), was \$12.0 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004 was effective on January 1, 2007. Member and employers 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.

Note 9 - Interfund Activity

During 2007 a transfer was made from the General Fund to Public and School Health Services in the amount of \$97,375. The Public and School Health Services fund received the transfer to offset operating costs. Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During 2007 an advance was made from other governmental funds to the General Fund in the amount of \$17,607. The advance repaid the General Fund upon receipt of grant dollars in other governmental funds.

Note 10 - Contingent Liabilities

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

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Crawford County General Health District
Crawford County
130 North Walnut Street
Suite B
Bucyrus, Ohio 44820

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining information of the Crawford County General Health District, Crawford County, (District) as of and for the year ended December 31, 2007, which collectively comprise the Crawford County General Health District's basic financial statements and have issued our report thereon dated June 25, 2008, wherein we noted the District uses a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the District in a separate letter dated June 25, 2008.

This report is intended for the information and use of management and the Board of Health and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.

June 25, 2008

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY
DECEMBER 31, 2007**

STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the year ending December 31, 2006, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

GENERAL HEALTH DISTRICT

CRAWFORD 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 9, 2008**