



Dave Yost • Auditor of State

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Crawford County General Health District
Crawford County
1520 Isaac Beal Road
Bucyrus, Ohio 44820

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crawford County General Health District, Crawford County, Ohio (the District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the 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 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 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 the Crawford County General Health District, Crawford County, Ohio, as of December 31, 2014, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Public and School Health Services, Women, Infants and Children, and Help Me Grow funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, the 2013 financial statements have been restated to correct a misstatement. We did not modify our opinion regarding this matter.

Other Matters

Supplemental Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Federal Awards Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

We applied no procedures to Management's Discussion & Analysis, as listed in the table of contents. Accordingly, 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 May 4, 2016, 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 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 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

May 4, 2016

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**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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, 2014, 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 Position - 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 long-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, 2014**

Unaudited
(continued)

Reporting the District as a Whole

The statement of net position and the statement of activities reflect how the District did financially during 2014, within the limitations of the cash basis of accounting. The Statement of Net Position - 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 Activities - Cash Basis reports all of the 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 Help Me Grow Funds.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Unaudited
(continued)

The District as a Whole

Table 1 provides a summary of the District's net position for 2014 compared to 2013 on a cash basis:

**Table 1
Net Position - Cash Basis**

	Governmental Activities	
	2014	2013
Assets		
Equity in Pooled Cash and Cash Equivalents	\$669,494	\$605,930
Net Position		
Restricted for Other Purposes	475,078	557,613
Unrestricted	194,416	48,317
Total Net Position	\$669,494	\$605,930

Total net position for the District increased \$63,564 or 10 percent from 2013. The increase in total net position and unrestricted was mostly attributable to an increase in revenue to administer mandated General Health programs received from subdivision settlements and an increase in charges for providing health services for the City of Bucyrus. Receipts for administering the Maternal Home Infant Visiting program also contributed to the increase in total net position.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Unaudited
(continued)

Table 2 reflects the change in net position for 2014 and 2013.

**Table 2
Change in Net Position**

	Governmental Activities	
	2014	2013
Program Cash Receipts		
Charges for Services	\$832,641	\$703,831
Operating Grants and Contributions	800,724	679,634
Total Program Cash Receipts	<u>1,633,365</u>	<u>1,383,465</u>
General Receipts		
Subdivision Settlements	163,373	48,661
Miscellaneous	27,878	38,182
Total General Receipts	<u>191,251</u>	<u>86,843</u>
Total Receipts	<u>1,824,616</u>	<u>1,470,308</u>
Disbursements		
Health		
General Health	410,395	318,598
Public and School Health Services	422,241	407,881
Women, Infants and Children	257,755	250,887
Help Me Grow	255,652	278,606
Public Health Emergency Preparedness	94,094	81,083
Sewage	19,363	10,380
Landfill/Construction and Demolition	50,002	54,157
Swimming Pool	1,447	4,201
Solid Waste	63,091	64,154
Mobile Home and RV Park	4,967	7,720
Food Service	54,333	63,019
Water System	18,011	12,847
Immunization Action Plan	16,849	14,723
Maternal Infant Home Visiting	92,852	0
Total Disbursements	<u>1,761,052</u>	<u>1,568,256</u>
Change in Net Position	63,564	(97,948)
Net Position Beginning of Year	<u>605,930</u>	<u>703,878</u>
Net Position End of Year	<u><u>\$669,494</u></u>	<u><u>\$605,930</u></u>

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Unaudited
(continued)

In 2014, 10 percent of the District's total receipts were from general receipts, consisting mainly of subdivision settlements collected for general health district purposes. The revenue category, subdivision settlements, represents revenue received from the various townships, villages, and municipality that comprise the District. Revenue received from the various townships, villages, and municipality increased significantly from 2013. Ohio law sets forth the requirements of how the various townships, villages and municipality that comprise the District are charged. Program cash receipts accounted for the majority of the District's total receipts in 2014. These receipts consist primarily of charges for services for nursing services and 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. Both the charges for services and operating grants and contributions revenue categories realized an 18 percent increase each in 2014 when compared to 2013. The increase in operating grants and contributions revenue category was primarily attributable to an increase in intergovernmental receipts for the Maternal Home Infant Visiting program and an increase in intergovernmental receipts Medicaid administrative claiming reimbursements.

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	
	2014	2013	2014	2013
Health				
General Health	\$410,395	\$318,598	\$106,434	\$166,743
Public and School Health Services	422,241	407,881	50,859	78,775
Women, Infants and Children	257,755	250,887	10,809	2,011
Help Me Grow	255,652	278,606	(56,728)	(61,985)
Public Health Emergency Preparedness	94,094	81,083	10,417	10,160
Sewage	19,363	10,380	1,275	(10,595)
Landfill/Construction and Demolition	50,002	54,157	(5,562)	143
Swimming Pool	1,447	4,201	(2,815)	(1,031)
Solid Waste	63,091	64,154	3,091	4,154
Mobile Home and RV Park	4,967	7,720	(3,296)	(151)
Food Service	54,333	63,019	(7,504)	(1,876)
Water System	18,011	12,847	4,205	(3,254)
Immunization Action Plan	16,849	14,723	3,074	1,697
Maternal Infant Home Visiting	92,852	0	13,428	0
	\$1,761,052	\$1,568,256	\$127,687	\$184,791
Total Expenses				

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Unaudited
(continued)

In 2014, program cash receipts supported 93 percent of the costs of services for the District. Program cash receipts include charges for services and sales and operating grants and contributions. General receipts include subdivision settlements revenue and miscellaneous revenue.

Overall, the total cost for providing general health services increased by 12 percent from 2013 to 2014. The increase in total cost of services for General Health, Public and School Health Services, Women, Infants, and Children, and the Maternal Infant Home Visiting programs was due to the cost of software support and information technology consulting services. The increase in total cost of services for the General Health program was attributable to staffing changes. Public and School Health Services increased modestly from 2013 to 2014 due to increased vaccine purchases.

In 2014, the cost of providing services was not covered by the charges for services or operating grants revenues. Therefore, general receipts including subdivision settlements revenue and miscellaneous revenue supported the remaining 7 percent of the costs of services for the District that was not covered by program cash receipts. The decrease in net cost of services for the Public School and Health Services and Maternal Home Infant Visiting programs were due to receiving more intergovernmental revenue. A slight decrease in intergovernmental receipts contributed to an increase in the net cost of services for the Women, Infants, and Children program.

The Health District's Funds

The governmental funds had total receipts of \$1,824,616 and disbursements of \$1,761,052. The governmental funds had an increase in the cash balance of \$63,564. The increase was attributable to an increase in revenue to administer mandated General Health programs received from subdivision settlements and an increase in charges for services receipts in 2014 for providing health services for the City of Bucyrus. Ohio law sets forth the requirements of how the various townships, villages and municipality that comprise the District are charged. An increase in intergovernmental receipts was also realized from the District receiving Medicaid administrative claiming reimbursements for the first time and an increase in intergovernmental receipts for the Maternal Home Infant Visiting program.

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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Unaudited
(continued)

During the course of 2014, the District amended its estimated revenues as set forth by Ohio law, and the budgetary statement reflects that financial activity. Amendments to original receipts in the Public and School Health Fund were made as a result of the District receiving slightly more charges for services than anticipated. Amendments to original appropriations are made in accordance with Ohio law in the General Fund. Budgetary changes were made in the General Fund, Public and School Health Services Fund, Women, Infants and Children Fund, and Help Me Grow Fund. Amendments to personal services were made in the General Fund due to staffing changes and more hours spent working in the program. Amendments to the materials and supplies category for the Public and School Health Services Fund were made for the purchase of vaccines. Amendments were made to contract services and capital outlay for the General Fund, Public and School Health Services Fund, Women, Infants and Children Fund, and Help Me Grow Fund. The amendments were for software support and information technology consulting and for computer equipment and office furniture.

Actual receipts and disbursements in the General Fund did not vary significantly from 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, 1520 Isaac Beal Road, Bucyrus, Ohio 44820.

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**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2014*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$669,494</u>
<i>Total Assets</i>	<u><u>669,494</u></u>
Net Position	
Restricted for:	
Other Purposes	475,078
Unrestricted	<u>194,416</u>
<i>Total Net Position</i>	<u><u>\$669,494</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2014*

	<u>General</u>	<u>Public and School Health Services</u>	<u>Women, Infants and Children</u>	<u>Help Me Grow</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$102,944	\$92,460	\$59,045	\$223,972	\$191,073	\$669,494
Total Assets	<u>\$102,944</u>	<u>\$92,460</u>	<u>\$59,045</u>	<u>\$223,972</u>	<u>\$191,073</u>	<u>\$669,494</u>
Fund Balances						
Restricted	\$0	\$0	\$59,045	\$223,972	\$192,061	\$475,078
Committed	41,249	92,460	0	0	0	133,709
Assigned	15,117	0	0	0	0	15,117
Unassigned	46,578	0	0	0	(988)	45,590
<i>Total Fund Balances</i>	<u>\$102,944</u>	<u>\$92,460</u>	<u>\$59,045</u>	<u>\$223,972</u>	<u>\$191,073</u>	<u>\$669,494</u>

See accompanying notes to the basic 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, 2014*

	General	Public and School Health Services	Women, Infants and Children	Help Me Grow	Other Governmental Funds	Total Governmental Funds
Receipts						
Charges for Services	\$273,435	\$323,506	\$0	\$0	\$2,764	\$599,705
Contributions	0	0	0	1,893	0	1,893
Licenses, Fees and Permits	0	13,880	0	0	218,892	232,772
Fines	0	0	0	0	164	164
Intergovernmental	193,899	33,996	246,946	310,487	176,876	962,204
Miscellaneous	4,321	2,924	1,344	7,401	11,888	27,878
<i>Total Receipts</i>	<u>471,655</u>	<u>374,306</u>	<u>248,290</u>	<u>319,781</u>	<u>410,584</u>	<u>1,824,616</u>
Disbursements						
Current:						
Health						
Personal Services	273,668	272,962	226,068	205,101	236,271	1,214,070
Materials and Supplies	2,657	113,362	0	5,059	2,095	123,173
Remittances	24,233	0	0	0	108,204	132,437
Contractual Services	84,403	15,694	18,117	19,227	15,642	153,083
Capital Outlay	9,837	4,800	240	14,888	8,956	38,721
Other	15,597	15,423	13,330	11,377	43,841	99,568
<i>Total Disbursements</i>	<u>410,395</u>	<u>422,241</u>	<u>257,755</u>	<u>255,652</u>	<u>415,009</u>	<u>1,761,052</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>61,260</u>	<u>(47,935)</u>	<u>(9,465)</u>	<u>64,129</u>	<u>(4,425)</u>	<u>63,564</u>
Other Financing Sources (Uses)						
Transfers In	0	64,087	0	0	0	64,087
Transfers Out	(64,087)	0	0	0	0	(64,087)
<i>Total Other Financing Sources (Uses)</i>	<u>(64,087)</u>	<u>64,087</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(2,827)	16,152	(9,465)	64,129	(4,425)	63,564
<i>Fund Balance Beginning of Year (Restated)</i>	<u>105,771</u>	<u>76,308</u>	<u>68,510</u>	<u>159,843</u>	<u>195,498</u>	<u>605,930</u>
<i>Fund Balance End of Year</i>	<u>\$102,944</u>	<u>\$92,460</u>	<u>\$59,045</u>	<u>\$223,972</u>	<u>\$191,073</u>	<u>\$669,494</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
GENERAL FUND*

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$265,497	\$265,497	\$273,435	\$7,938
Intergovernmental	170,873	170,873	193,899	23,026
Miscellaneous	2,100	2,100	4,321	2,221
<i>Total Receipts</i>	<u>438,470</u>	<u>438,470</u>	<u>471,655</u>	<u>33,185</u>
Disbursements				
Current:				
Health				
Personal Services	250,431	260,006	273,667	(13,661)
Materials and Supplies	3,000	3,000	2,883	117
Remittances	29,031	30,771	30,771	0
Contractual Services	82,496	91,965	91,695	270
Capital Outlay	8,678	9,842	9,837	5
Other	40,421	17,877	16,658	1,219
<i>Total Disbursements</i>	<u>414,057</u>	<u>413,461</u>	<u>425,511</u>	<u>(12,050)</u>
<i>Excess of Receipts Over Disbursements</i>	<u>24,413</u>	<u>25,009</u>	<u>46,144</u>	<u>21,135</u>
Other Financing Uses				
Transfers Out	(49,260)	(64,087)	(64,087)	0
<i>Net Changes in Fund Balance</i>	(24,847)	(39,078)	(17,943)	21,135
<i>Fund Balance Beginning of Year</i>	80,923	80,923	80,923	0
Prior Year Encumbrances Appropriated	24,847	24,847	24,847	0
<i>Fund Balance End of Year</i>	<u>\$80,923</u>	<u>\$66,692</u>	<u>\$87,827</u>	<u>\$21,135</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, 2014*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$302,400	\$318,494	\$323,506	\$5,012
Licenses, Fees and Permits	20,000	20,000	13,880	(6,120)
Intergovernmental	0	0	33,996	33,996
Miscellaneous	3,000	3,000	2,924	(76)
<i>Total Receipts</i>	<u>325,400</u>	<u>341,494</u>	<u>374,306</u>	<u>32,812</u>
Disbursements				
Current:				
Health				
Personal Services	339,859	317,090	272,962	44,128
Materials and Supplies	77,224	122,899	120,016	2,883
Contract Services	12,182	17,127	17,126	1
Capital Outlay	0	4,800	4,800	0
Other	16,449	15,878	15,877	1
<i>Total Disbursements</i>	<u>445,714</u>	<u>477,794</u>	<u>430,781</u>	<u>47,013</u>
<i>Excess of Receipts Under Disbursements</i>	(120,314)	(136,300)	(56,475)	79,825
Other Financing Sources				
Transfers In	49,260	64,087	64,087	0
<i>Net Changes in Fund Balance</i>	(71,054)	(72,213)	7,612	79,825
<i>Fund Balance Beginning of Year</i>	70,252	70,252	70,252	0
Prior Year Encumbrances Appropriated	6,055	6,055	6,055	0
<i>Fund Balance End of Year</i>	<u><u>\$5,253</u></u>	<u><u>\$4,094</u></u>	<u><u>\$83,919</u></u>	<u><u>\$79,825</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
WOMEN, INFANTS AND CHILDREN FUND
FOR THE YEAR ENDED DECEMBER 31, 2014*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$265,077	\$265,077	\$246,946	(\$18,131)
Miscellaneous	0	0	1,344	1,344
<i>Total Receipts</i>	<u>265,077</u>	<u>265,077</u>	<u>248,290</u>	<u>(16,787)</u>
Disbursements				
Current:				
Health				
Personal Services	235,414	232,253	226,068	6,185
Contract Services	15,438	19,800	18,908	892
Capital Outlay	0	240	240	0
Other	16,881	15,246	13,912	1,334
<i>Total Disbursements</i>	<u>267,733</u>	<u>267,539</u>	<u>259,128</u>	<u>8,411</u>
<i>Net Changes in Fund Balance</i>	(2,656)	(2,462)	(10,838)	(8,376)
<i>Fund Balance Beginning of Year</i>	65,853	65,853	65,853	0
Prior Year Encumbrances Appropriated	<u>2,657</u>	<u>2,657</u>	<u>2,657</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$65,854</u></u>	<u><u>\$66,048</u></u>	<u><u>\$57,672</u></u>	<u><u>(\$8,376)</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
HELP ME GROW FUND
FOR THE YEAR ENDED DECEMBER 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$213,530	\$252,368	\$310,487	\$58,119
Contributions	0	0	1,893	1,893
Other	82,500	43,662	7,401	(36,261)
<i>Total Receipts</i>	<u>296,030</u>	<u>296,030</u>	<u>319,781</u>	<u>23,751</u>
Disbursements				
Current:				
Health				
Personal Services	259,768	243,127	205,101	38,026
Materials and Supplies	6,060	7,450	5,059	2,391
Contractual Services	12,517	20,132	20,290	(158)
Capital Outlay	8,202	18,052	14,888	3,164
Other	23,262	25,491	13,665	11,826
<i>Total Disbursements</i>	<u>309,809</u>	<u>314,252</u>	<u>259,003</u>	<u>55,249</u>
<i>Net Changes in Fund Balance</i>	(13,779)	(18,222)	60,778	79,000
<i>Fund Balance Beginning of Year (Restated)</i>	170,944	170,944	170,944	0
Prior Year Encumbrances Appropriated	<u>13,779</u>	<u>13,779</u>	<u>13,779</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$170,944</u></u>	<u><u>\$166,501</u></u>	<u><u>\$245,501</u></u>	<u><u>\$79,000</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, 2014*

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 of Health 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. 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 position 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 position 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 intergovernmental receipts or other nonexchange transactions.

The statement of net position 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.

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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 2 - Summary of Significant Accounting Policies (Continued)

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 all 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 revenue derived from charges for services, fees and intergovernmental revenue for services committed to providing general nursing and community health services.

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

Help Me Grow Fund - The Help Me Grow Fund receives intergovernmental revenue restricted to administering the Help Me Grow program. These monies are for the promotion of the well-being of young children through home-based specialized services and public awareness, with a special emphasis on early intervention and prevention.

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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 2 - Summary of Significant Accounting Policies (Continued)

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

D. Budgetary Process

All funds, 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.

Subject to the amount that has been apportioned among the townships and municipal corporations and as may become available from the several sources of revenue, 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. Any such action must be submitted to and approved by the County Budget Commission.

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 are detailed in the County's Comprehensive Annual Financial Report and 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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 2 - Summary of Significant Accounting Policies (Continued)

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 2014.

J. Net Position

Net position is 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 position restricted for other purposes primarily include activities of Public and School Health Services, WIC, Help Me Grow 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 position reports \$475,078 of restricted net position. The District did not have any net position restricted by enabling legislation at December 31, 2014.

K. Fund Balance

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

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

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. (Board of Health resolutions).

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 2 - Summary of Significant Accounting Policies (Continued)

Enabling legislation authorized the District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the District can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Health. The committed amounts cannot be used for any other purpose unless the Board of Health remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Health, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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 classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned amounts represent intended uses established by the Board of Health or by a District official delegated that authority by resolution.

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 used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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 can be used.

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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 3 - Restatement of Fund Balance

In 2014, the District began accounting for the financial activity related to the Maternal Infant Home Visiting Program within the other governmental funds rather than administering the program within the Help Me Grow Program. The adjustment had the following effect on fund balances of the major governmental funds and all other funds as previously reported:

	General	Help Me Grow	Public and School Health Services	Women, Infants and Children
Fund Balance at December 31, 2014	\$105,771	\$172,283	\$76,308	\$68,510
Adjustment	0	(12,440)	0	0
Adjusted Fund Balance at December 31, 2014	\$105,771	\$159,843	\$76,308	\$68,510
		Other Governmental	Total Governmental Funds	
Fund Balance at December 31, 2014		\$183,058	\$605,930	
Adjustment		12,440	0	
Adjusted Fund Balance at December 31, 2014		\$195,498	\$605,930	

Note 4 - 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 restricted, committed, or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to:

General Fund	\$15,117
Major Special Revenue Funds:	
Public and School Health Services	8,540
Women, Infants and Children	1,373
Help Me Grow	3,351

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 5 - Subdivision Settlements and Local Subsidy

Section 3709.28 of the Ohio Revised Code sets forth the requirements that must be followed in determining the apportionments that each township and village comprising the District must pay. In accordance with Ohio law, the County Auditor is required to apportion the aggregate appropriation of the District as fixed by the County Budget Commission, less the amounts available to the District from all sources of revenue certified by the ensuing fiscal year, including any amounts in the District fund from the previous appropriation, and after considering and allowing for funds needed to fund ongoing operations in the ensuing fiscal year. In accordance with Ohio law, the County Auditor makes all apportionments based on each entity's taxable property valuations, and the County Auditor withholds these apportionments from the property tax settlements and distributes these monies back to the District's General Fund. Subdivision settlements for 2014 totaled \$163,373 and 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, and the Villages of Chatfield, Crestline, 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. For 2014, the amount received by the District from the City of Bucyrus for providing health services was \$223,497 and is reported in the financial statements as charges for services revenue.

Note 6 - 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. York Risk Pooling Services, Inc. (YORK), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by YORK. 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 and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2014, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

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, 2014 and 2013:

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 6 - Risk Management (Continued)

<u>Casualty and Property Coverage</u>	<u>2014</u>	<u>2013</u>
Assets	\$35,402,177	\$34,411,883
Liabilities	<u>(12,363,257)</u>	<u>(12,760,194)</u>
Net Position - Unrestricted	<u>\$23,038,920</u>	<u>\$26,651,689</u>

At December 31, 2014 and 2013, respectively, the liabilities above include approximately \$11.2 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.1 million of unpaid claims to be billed to approximately 488 member governments in the future, as of December 31, 2014 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the District's share of these unpaid claims collectible in future years is approximately \$14,676.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2014	\$7,338
2013	\$7,192

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing (via certified mail) 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 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. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which 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, 2014
(Continued)*

Note 7 - Defined Benefit Retirement Plans (Continued)

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 stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 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 and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2014, members in the state and local classifications contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2014, member and employer contribution rates were consistent across all three plans.

The District's contribution rate for 2014 was 14 percent of covered payroll. The portion of the District's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the District's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Employer contribution rates are actuarially determined.

The District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 was \$97,687, \$107,749, and \$82,099, respectively. For 2014, 92 percent has been contributed and the full amount was contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$12,559 made by the District and \$8,971 made by plan members.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 8 - Postemployment Benefits (Continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through contributions to OPERS. A portion of each employer's contribution is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed 14 percent of covered payroll, the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of employer contribution allocated to healthcare remains at 2 percent for both plans, as recommended by the OPERS Actuary.

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 the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The District's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013, and 2012 was \$18,374, \$8,441, and \$32,840, respectively. For 2014, 92 percent has been contributed and the full amount was contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the recent passage of pension legislation under Senate Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

Note 9 - Interfund Activity

During 2014, a transfer was made from the General Fund to Public and School Health Services in the amount of \$64,087. 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.

Note 10 - Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in governmental funds.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 10 - Fund Balance (Continued)

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

Fund Balance	General	Public and School Health Services	Women, Infants and Children
Restricted for:			
Women and Children Nutrition	\$0	\$0	\$59,045
Committed for:			
Community Health Services	0	92,460	0
Personal Services Resources	41,249	0	0
Total Committed	41,249	92,460	0
Assigned for:			
Unpaid Obligations	15,117	0	0
Unassigned for:			
General Health	46,578	0	0
Total Fund Balance	\$102,944	\$92,460	\$59,045

Fund Balance	Help Me Grow	Other Governmental Funds
Restricted for:		
Camp, Manufactured Home, and Park Licensing	\$0	\$6,940
Construction and Demolition Debris Remittances	0	37,304
Emergency Preparedness	0	24,796
Food Service and Vending Licensing	0	60,009
Private Sewer Operations	0	20,183
Private Water System Licensing	0	7,476
Public Immunizations	0	9,616
Public Pool Licensing	0	6,014
Solid Waste Facility Licensing	0	19,723
Young Child Well Being	223,972	0
Total Restricted	223,972	192,061
Unassigned for:		
Maternal Infant Home Visiting (Deficit)	0	(988)
Total Fund Balance	\$223,972	\$191,073

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)*

Note 11 - 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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass-Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	01710011WA0714	10.557	\$ <u>257,756</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>257,756</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Health</i>			
Special Education - Grants for Infants & Families	0170031HG0514	84.181	<u>114,001</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>114,001</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Public Health Emergency Preparedness	01710012PH0514	93.069	94,094
Maternal, Infant and Early Childhood Home Visiting Program	01710011MH0214	93.505	<u>88,563</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>182,657</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 554,414</u>

The accompanying notes are an integral part of this schedule.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2014**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Crawford County General Health District's (the District's) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



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

Crawford County General Health District
Crawford County
1520 Isaac Beal Road
Bucyrus, Ohio 44820

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 the Crawford County General Health District, Crawford County, Ohio (the District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 4, 2016, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We further noted the 2013 financial statements have been restated to correct a misstatement.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the 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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the 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 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2014-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

District's Response to Finding

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

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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

May 4, 2016



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Crawford County General Health District
Crawford County
1520 Isaac Beal Road
Bucyrus, Ohio 44820

To the Board of Health:

Report on Compliance for Each Major Federal Program

We have audited the Crawford County General Health District's, Crawford County, Ohio (the District's), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on the Early Intervention Program for Infants and Toddlers with Disabilities

As described in Findings 2014-002 and 2014-003 in the accompanying schedule of findings, the District did not comply with requirements regarding the following:

Finding #	CFDA #	Program Name	Compliance Requirement
2014-002	84.181	Early Intervention Program for Infants and Toddlers with Disabilities	Allowable Costs/Cost Principles
2014-003	84.181	Early Intervention Program for Infants and Toddlers with Disabilities	Cash Management and Reporting

Compliance with these requirements is necessary, in our opinion, for the District to comply with the requirements applicable to this program.

Qualified Opinion on the Early Intervention Program for Infants and Toddlers with Disabilities

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on the Early Intervention Program for Infants and Toddlers with Disabilities* paragraph, the Crawford County General Health District, Crawford County, Ohio, complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Early Intervention Program for Infants and Toddlers with Disabilities* for the year ended December 31, 2014.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the Crawford County General Health District, Crawford County, Ohio, complied in all material respects with the requirements referred to above that could directly and materially affect its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings as item 2014-005. This finding did not require us to modify our compliance opinion on each major federal program.

The District's responses to our noncompliance findings are described in the accompanying corrective action plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

Report on Internal Control over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2014-002 through 2014-004 to be material weaknesses.

The District's responses to our internal control over compliance findings are described in the accompanying corrective action plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

May 4, 2016

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**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	<u>Unmodified:</u> CFDA #10.557 – Special Supplemental Nutrition Program for Women, Infants and Children (WIC) <u>Qualified:</u> CFDA #84.181 – Early Intervention Program for Infants and Toddler with Disabilities Unmodified -
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	CFDA #10.557 – Special Supplemental Nutrition Program for Women, Infants and Children (WIC) CFDA #84.181 – Early Intervention Program for Infants and Toddler with Disabilities
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014
(Continued)**

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

FINDING 2014-001

**Material Noncompliance / Material Weakness
Receipt and Expenditure Posting**

Ohio Rev. Code § 5705.10(D) states, in part, all revenue derived from a source other than the general property tax and which the law prescribes, shall be used for a particular purpose is to be paid into a special fund for such purpose.

During 2014 and 2013, the District improperly recorded Maternal, Infant and Early Childhood Home Visiting Program (MIECHV) grant receipts and expenditures in the Help Me Grow Fund. This resulted in the following audit adjustments:

- Decrease 2014 Help Me Grow Fund receipts and increase in Other Governmental Funds by \$60,284.
- Decrease 2014 Help Me Grow Fund disbursements and increase in Other Governmental Funds disbursements by \$73,712.
- Restatement to decrease beginning Help Me Grow Fund balance and increase beginning Other Governmental Funds balance by \$12,440.

The District's accounting records and financial statements have been adjusted to properly record this activity.

We recommend the District closely monitor the posting of revenue derived for a particular purpose to ensure the revenue is paid into the special revenue fund for such purpose.

Officials' Response:

We've already created a separate fund for receipts/expenditures for this grant.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2014-002
CFDA Title and Number	CFDA #84.181 – Early Intervention Program for Infants and Toddlers with Disabilities
Federal Award Number / Year	0170031HG0514 / 2014
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Health

Material Noncompliance / Material Weakness – Allowable Costs/Cost Principles

2 C.F.R. Part 225, Appendix A, Paragraph C.3.d states, "where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required as described in Appendices C, D, and E to this part." 2 C.F.R. Part 225, Appendix C, Paragraph D.3 further states, "all other local governments claiming central service costs must develop a plan in accordance with the requirements described in this appendix and maintain the plan and related supporting documentation for audit. These local governments are not required to submit their plans for Federal approval unless they are specifically requested to do so by the cognizant agency. Where a local government only receives funds as a sub-recipient, the primary recipient will be responsible for negotiating indirect cost rates and/or monitoring the sub-recipient's plan."

Attachment A, section 29 of the service agreement with the Crawford-Marion ADAMH Board indicates the District agrees "that funds granted as a result of this application are to be used for the purposes set forth herein and administered in compliance with the *Ohio Department of Health Grants Administration Policy and Procedure Manual* and other applicable terms and conditions established by the participating federal agency and the Ohio Department of Health."

Section C2.4 of the *Ohio Department of Health Grants Administration Policy and Procedure Manual* states, "furthermore, the cost allocation plan used to determine shared costs must be submitted with the application in the application budget."

During 2014, the District allocated certain shared costs to the Early Intervention Program for Infants and Toddlers with Disabilities federal grant. The District did not submit a cost allocation plan for approval and was unable to provide documentation supporting the allocation method used, resulting in unallowable costs of \$6,611, or 5.8% of total grant expenditures.

We recommend the District implement internal control policies and procedures to ensure all allocated costs are made in accordance with an approved cost allocation plan as required.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Finding Number	2014-003
CFDA Title and Number	CFDA #84.181 – Early Intervention Program for Infants and Toddlers with Disabilities
Federal Award Number / Year	0170031HG0514 / 2014
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Health

Material Noncompliance / Material Weakness – Cash Management and Reporting

Section E2.2 of the *Ohio Department of Health (ODH) Grants Administration Policy and Procedures Manual* states, "Subgrantee Quarterly Expenditure Reports must be completed and submitted via GMIS within 15 calendar days following the end of the reporting period, which is designated in the RFP." Paragraph 4 of this section further states, "the reporting of expenditures and revenues must be on the cash basis; thereby reporting actual expenses paid during the quarter."

Additionally, the District has entered into an agreement with the Crawford-Marion ADAMH Board as Administrative Agent of the Crawford County Family Children First Council for purchase of grant services. Section III.C of the agreement states, "reports are due to AGENT 5 days prior to the deadlines indicated by ODH for AGENT to review prior to submission."

During 2014, the District did not submit the first Quarterly Expenditure Report to the Crawford-Marion ADAMH Board by the April 10, 2014 deadline, and did not maintain support for when the second Quarterly Expenditure Report was submitted. Also, the third and fourth Quarterly Expenditure Reports submitted by the District improperly included expenditures totaling \$653 which occurred after the report period.

We recommend the District implement internal control procedures to ensure Quarterly Expenditure Reports are submitted by the required deadline and that such reports are supported by actual expenditures of the District for the report period. Procedures should include supervisory review to ensure the completeness and accuracy of the reports prior to submission.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Finding Number	2014-004
CFDA Title and Number	CFDA #84.181 – Early Intervention Program for Infants and Toddlers with Disabilities
Federal Award Number / Year	0170031HG0514 / 2014
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Health

Material Weakness – Activities Allowed or Unallowed and Allowable Costs/Cost Principles

The District should establish internal control procedures over the expenditure of federal funds to ensure all costs are charged in accordance with applicable federal guidelines.

During 2014, the District did not have controls in place over Early Intervention Program for Infants and Toddlers with Disabilities federal program expenditures. Purchases of goods and services were not reviewed to ensure expenditures charged to the program were for an allowable activity and/or cost. Additionally, daily log sheets were completed by employees to support payroll costs charged to the program; however, these log sheets were not reviewed by a supervisor.

Lack of controls over federal expenditures could lead to unallowable costs being charged to a federal program, such as those costs identified in Finding 2014-002.

We recommend the District implement internal control policies and procedures over federal grant expenditures to ensure the allowability of all costs. Such procedures should include supervisory review of all purchases of goods and services by an individual knowledgeable of the applicable grant requirements. Additionally, daily log sheets should be reviewed by a direct supervisor to ensure payroll costs charged to the federal program are allowable and accurate.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Finding Number	2014-005
CFDA Title and Number	CFDA #84.181 – Early Intervention Program for Infants and Toddlers with Disabilities
Federal Award Number / Year	0170031HG0514 / 2014
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Health

Material Noncompliance – Schedule of Federal Awards Expenditures

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, (the Circular), sets forth standards for the audit of non-Federal entities expending Federal awards. Section .300(a) of the Circular states the auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Section .310(b) states, in part, the auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. At a minimum, the schedule shall:

1. List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For Research and Development, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency.
2. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
3. Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
4. Include notes that describe the significant accounting policies used in preparing the schedule.
5. To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each federal program.
6. Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule.

The original schedule of federal awards expenditures prepared by the District for fiscal year 2014 improperly excluded the Early Intervention Program for Infants and Toddlers with Disabilities grant expenditures of \$114,001.

Failure to identify federal awards and accurately prepare a federal awards expenditures schedule may result in noncompliance with the Circular and may compromise the District's ability to obtain federal awards in the future.

The District has made this adjustment to the schedule of federal awards expenditures.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Material Noncompliance – Schedule of Federal Awards Expenditures (Continued)

We recommend the District implement procedures to track and readily identify the receipt and disbursement of all federal awards. The District should use this information to ensure accurate preparation of the schedule of federal awards expenditures at year end.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
DECEMBER 31, 2014**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2014-002	Create a Cost Allocation Plan.	Plan complete June 30, 2016	Director of Administrative Services
2014-003	Actual expenditure reports will be generated monthly to ensure all expenditures were posted/paid during the month and reported correctly on the grant reports. This process will guarantee all expenditure reports to the Crawford-Marion ADAMH Board will be submitted on time.	Implemented May 2016	Director of Administrative Services
2014-004	Plan on all purchases being made with grant dollars be approved by the grant supervisor prior to purchases with a purchase requisition. All daily log sheets will be reviewed by the Director/Direct Supervisor prior to processing payroll.	Implemented May 2016	Director of Administrative Services
2014-005	A Schedule of Federal Award Expenditures will be generated each year to ensure the accurate documentation of the federal expenditures.	Implemented February 2016	Director of Administrative Services

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Material Noncompliance/Material Weakness – Schedule of Federal Awards Expenditures	No	Finding is being repeated in the current audit as Finding #2014-005.

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Dave Yost • Auditor of State

CRAWFORD COUNTY 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
MAY 31, 2016**