

CRAWFORD COUNTY GENERAL HEALTH DISTRICT

CRAWFORD COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2010

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



Dave Yost • Auditor of State

Members of the Board of Health
Crawford County General Health District
130 North Walnut Street
Bucyrus, Ohio 44820

We have reviewed the *Report of Independent Accountants* of the Crawford County General Health District, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 16, 2011

This Page is Intentionally Left Blank.

CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY, OHIO
Audit Report
For the year ended December 31, 2010

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1-2
Management’s Discussion and Analysis	3
Statement of Net Assets – Cash Basis	10
Statement of Activities – Cash Basis	11
Statement of Assets and Fund Balance – Cash Basis Governmental Funds	12
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balance – Governmental Funds	13
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Public and School Health Service Fund	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Women, Infants and Children Fund	16
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Public Health Emergency Preparedness Fund	17
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Help Me Grow Fund	18
Notes to the Financial Statements	19-30
Independent Accountants’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	31-32
Status of Prior Year’s Citations and Recommendations	33

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Health:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crawford County General Health District, Crawford County (the District), as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Crawford County General Health District, as of December 31, 2010, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General Fund and each major Special Revenue Fund, thereof for the year then ended in conformity with the accounting basis Note 2 describes.

As discussed in Note 3, the District implemented Governmental Accounting Standards Board Statement Number 54.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.

June 25, 2011

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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, 2010, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to provide readers with a general explanation of the District's financial performance. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Using the Basic Financial Statements

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

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

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

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

Basis of Accounting

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

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

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Unaudited
(continued)

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2010, within the limitations of the cash basis of accounting. The Statement of Net Assets - Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

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

The Statement of Net Assets - Cash Basis reports all 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), Public Health Emergency Preparedness, and Help Me Grow Funds.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Unaudited
(continued)

The District as a Whole

Table 1 provides a summary of the District's net assets for 2010 compared to 2009 on a cash basis:

**Table 1
Net Assets - Cash Basis**

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	<u>\$701,213</u>	<u>\$623,877</u>
Net Assets		
Restricted for Other Purposes	520,699	440,418
Unrestricted	<u>180,514</u>	<u>183,459</u>
Total Net Assets	<u><u>\$701,213</u></u>	<u><u>\$623,877</u></u>

Total net assets for the District increased \$77,336 or 12 percent from 2009. This increase was partially attributable to the District receiving additional grant dollars in 2010 for administering the Women, Infants and Children program. In addition, fewer dollars were spent on salaries and benefits in 2010 for administering the Help Me Grow program. Increases were also realized in fees received for issuing licenses and permits and administering general health services.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Unaudited
(continued)

Table 2 reflects the changes in net assets for 2010 and 2009.

**Table 2
Change in Net Assets**

	Governmental Activities	
	2010	2009
Program Cash Receipts		
Charges for Services	\$722,561	\$703,645
Operating Grants and Contributions	819,479	787,180
Total Program Cash Receipts	1,542,040	1,490,825
General Receipts		
Subdivision Settlements	118,951	122,366
Miscellaneous	23,731	8,513
Total General Receipts	142,682	130,779
Total Receipts	1,684,722	1,621,604
Disbursements		
Health		
General Health	292,547	230,738
Public and School Health Services	317,888	273,631
Women, Infants and Children	226,448	200,620
Public Health Emergency Preparedness	277,483	199,896
Help Me Grow	257,363	302,774
Sewage	10,480	17,663
Reserve Balance Account	6,425	0
Landfill/Construction and Demolition	60,392	47,693
Swimming Pool	2,887	2,792
Solid Waste	65,604	62,434
Mobile Home and RV Park	9,602	5,132
Food Service	54,613	53,818
Water System	18,671	16,491
Immunization Action Plan	3,084	13,752
319 Grant	3,899	0
Total Disbursements	1,607,386	1,427,434
Change in Net Assets	77,336	194,470
Net Assets Beginning of Year	623,877	429,707
Net Assets End of Year	\$701,213	\$623,877

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Unaudited
(continued)

In 2010, 8 percent of the District's total receipts were from general receipts, consisting mainly of subdivision settlements collected for general health district purposes. Subdivision settlements represent revenue received from townships and municipalities that comprise the District. Miscellaneous receipts increased significantly as a result of the District having received administrative reimbursements in 2010 related to the Sewage, Solid Waste and Nursing programs. Program cash receipts accounted for 92 percent of the District's total receipts in 2010. These receipts consist primarily of charges for services for nursing services and outside service contracts, birth and death certificates, sewage permits, food service licenses, mobile home and RV park, swimming pools, and water system permits and state and federal operating grants. Charges for services and Operation grants did not change significantly.

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	
	2010	2009	2010	2009
Health				
General Health	\$292,547	\$230,738	\$23,685	(\$40,028)
Public and School Health Services	317,888	273,631	60,022	45,252
Women, Infants and Children	226,448	200,620	(6,717)	(3,278)
Public Health Emergency Preparedness	277,483	199,896	19,324	9,935
Help Me Grow	257,363	302,774	(37,070)	(60,395)
Sewage	10,480	17,663	(7,065)	3,428
Reserve Balance Account	6,425	0	6,425	0
Landfill/Construction and Demolition	60,392	47,693	1,315	(3,647)
Swimming Pool	2,887	2,792	(491)	(536)
Solid Waste	65,604	62,434	5,529	(1,676)
Mobile Home and RV Park	9,602	5,132	(1,371)	(6,411)
Food Service	54,613	53,818	(4,039)	(4,520)
Water System	18,671	16,491	261	(2,980)
Immunization Action Plan	3,084	13,752	1,639	1,465
319 Grant	3,899	0	3,899	0
	\$1,607,386	\$1,427,434	\$65,346	(\$63,391)
Total Expenses				

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Unaudited
(continued)

In 2010, program cash receipts supported 96 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, most significantly, subdivision settlements. The total cost for providing general health services increased 13 percent from 2009 to 2010. The most significant change occurred within the Public Health Emergency Preparedness program. This program experienced a 39 percent increase in expenditures in 2010 as a result of the District implementing requirements from the Center for Disease Control in relation to emergency readiness and response. The total cost for providing general health services increased by 27 percent from more employee time being spent on general health services in addition to indirect service and maintenance costs for office space. Total cost of services for the Public and School Health Services program increased from restoring staffing levels within the Nursing division. Total cost of services decreased for the Help Me Grow program from reduced staffing levels and a reduction in providing young age and early intervention services in 2010.

In 2010, the cost of providing services was not covered by the charges for services or operating grants. Therefore, the increased cost of services realized in 2010 was paid from subdivisions that comprise the District. The increase in total costs for implementing requirements mandated by the Center for Disease Control related to emergency preparedness contributed to the increased net cost for this program. Due to reductions in staffing to provide services for young age children, the net cost of services for the Help Me Grow program decreased from 2009. The public school and health services program realized an increase in the net cost of services for 2010. This was attributable to restoring staffing levels within the Nursing division.

The Health District's Funds

The governmental funds had total receipts of \$1,684,722 and disbursements of \$1,607,386. The governmental funds had an increase in the cash balance of \$77,336. This increase was attributable to additional grant funding for public health emergency preparedness, increased intergovernmental revenue for the Women, Infants and Children program, and an increase in receipts for licenses, and permits.

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, 2010**

Unaudited
(continued)

During the course of 2010, the District amended its estimated revenues and appropriations as set forth by Ohio law, and the budgetary statement reflects that financial activity. Amendments to original receipts and disbursements in the Public Emergency Preparedness Fund occurred as a result of the District receiving additional grant funding for public health emergency readiness. Amendments to original receipts and disbursements in the Help Me Grow Fund were made as a result of purchasing additional supplies and equipment and administering services to young age children. Amendments to original disbursements in the Public and School Health Services Fund occurred as a result of an increase in personal services for the nursing division to bring the staffing level back to 2008 levels. Amendments were made to original disbursements in the General Fund due to a retirement pay out.

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, 130 North Walnut Street, Suite B, Bucyrus, Ohio 44820.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$701,213</u>
<i>Total Assets</i>	<u><u>701,213</u></u>
Net Assets	
Restricted for:	
Other Purposes	520,699
Unrestricted	<u>180,514</u>
<i>Total Net Assets</i>	<u><u>\$701,213</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Program Cash Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>	
	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	
			<u>Governmental Activities</u>	
Governmental Activities				
Health				
General Health	\$292,547	\$260,842	\$8,020	(\$23,685)
Public and School Health Services	317,888	233,609	24,257	(60,022)
Women, Infants and Children	226,448	0	233,165	6,717
Public Health Emergency Preparedness	277,483	0	258,159	(19,324)
Help Me Grow	257,363	0	294,433	37,070
Sewage	10,480	17,545	0	7,065
Reserve Balance Account	6,425	0	0	(6,425)
Landfill/Construction and Demolition	60,392	59,077	0	(1,315)
Swimming Pool	2,887	3,378	0	491
Solid Waste	65,604	60,075	0	(5,529)
Mobile Home and RV Park	9,602	10,973	0	1,371
Food Service	54,613	58,652	0	4,039
Water System	18,671	18,410	0	(261)
Immunization Action Plan	3,084	0	1,445	(1,639)
319 Grant	3,899	0	0	(3,899)
Total Governmental Activities	<u>\$1,607,386</u>	<u>\$722,561</u>	<u>\$819,479</u>	<u>(65,346)</u>
		General Receipts		
				118,951
				23,731
		Total General Receipts		<u>142,682</u>
				77,336
				623,877
				<u>\$701,213</u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2010*

	General	Public and School Health Services	Women, Infants and Children	Public Health Emergency Preparedness	Help Me Grow	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$208,066	\$94,355	\$61,347	\$49,844	\$155,552	\$132,049	\$701,213
Total Assets	<u>\$208,066</u>	<u>\$94,355</u>	<u>\$61,347</u>	<u>\$49,844</u>	<u>\$155,552</u>	<u>\$132,049</u>	<u>\$701,213</u>
Fund Balances							
Restricted	\$0	\$0	\$61,347	\$49,844	\$155,552	\$132,049	\$398,792
Committed	27,552	94,355	0	0	0	0	121,907
Unassigned	180,514	0	0	0	0	0	180,514
<i>Total Fund Balances</i>	<u>\$208,066</u>	<u>\$94,355</u>	<u>\$61,347</u>	<u>\$49,844</u>	<u>\$155,552</u>	<u>\$132,049</u>	<u>\$701,213</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, 2010*

	General	Public and School Health Services	Women, Infants and Children	Public Health Emergency Preparedness	Help Me Grow	Other Governmental Funds	Total Governmental Funds
Receipts							
Charges for Services	\$260,467	\$213,459	\$0	\$0	\$0	\$3,380	\$477,306
Contributions	0	0	0	0	300	0	300
Licenses, Fees and Permits	375	20,150	0	0	0	224,003	244,528
Fines	0	0	0	0	0	726	726
Intergovernmental	126,971	24,257	233,165	258,159	294,133	1,445	938,130
Miscellaneous	3,421	7,705	0	0	3,625	8,981	23,732
<i>Total Receipts</i>	<u>391,234</u>	<u>265,571</u>	<u>233,165</u>	<u>258,159</u>	<u>298,058</u>	<u>238,535</u>	<u>1,684,722</u>
Disbursements							
Current:							
Health							
Personal Services	223,047	272,672	190,473	86,054	190,794	97,089	1,060,129
Materials and Supplies	730	30,010	0	0	10,513	2,164	43,417
Remittances	20,213	0	0	0	0	115,462	135,675
Contractual Services	21,441	0	0	67,534	18,505	2,595	110,075
Capital Outlay	926	0	8,448	49,050	17,248	0	75,672
Other	32,615	15,206	27,527	74,845	20,303	11,922	182,418
<i>Total Disbursements</i>	<u>298,972</u>	<u>317,888</u>	<u>226,448</u>	<u>277,483</u>	<u>257,363</u>	<u>229,232</u>	<u>1,607,386</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>92,262</u>	<u>(52,317)</u>	<u>6,717</u>	<u>(19,324)</u>	<u>40,695</u>	<u>9,303</u>	<u>77,336</u>
Other Financing Sources (Uses)							
Advances In	18,968	0	0	15,000	10,000	5,000	48,968
Transfers In	0	57,000	0	0	0	0	57,000
Advances Out	(30,000)	0	0	(14,668)	0	(4,300)	(48,968)
Transfers Out	(57,000)	0	0	0	0	0	(57,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(68,032)</u>	<u>57,000</u>	<u>0</u>	<u>332</u>	<u>10,000</u>	<u>700</u>	<u>0</u>
Net Changes in Fund Balance	24,230	4,683	6,717	(18,992)	50,695	10,003	77,336
<i>Fund Balance</i>							
<i>Beginning of Year - Restated (Note 3)</i>	<u>183,836</u>	<u>89,672</u>	<u>54,630</u>	<u>68,836</u>	<u>104,857</u>	<u>122,046</u>	<u>623,877</u>
<i>Fund Balance End of Year</i>	<u>\$208,066</u>	<u>\$94,355</u>	<u>\$61,347</u>	<u>\$49,844</u>	<u>\$155,552</u>	<u>\$132,049</u>	<u>\$701,213</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Charges for Services	\$261,629	\$261,629	\$260,467	(\$1,162)
Licenses, Fees and Permits	0	0	375	375
Intergovernmental	127,751	127,751	126,971	(780)
Miscellaneous	1,701	1,701	3,421	1,720
<i>Total Receipts</i>	<u>391,081</u>	<u>391,081</u>	<u>391,234</u>	<u>153</u>
Disbursements				
Current:				
Health				
Personal Services	204,776	242,803	223,046	19,757
Materials and Supplies	730	730	730	0
Remittances	22,100	24,143	24,143	0
Contractual Services	14,436	21,446	21,441	5
Capital Outlay	1,000	1,000	927	73
Other	71,733	39,599	38,657	942
<i>Total Disbursements</i>	<u>314,775</u>	<u>329,721</u>	<u>308,944</u>	<u>20,777</u>
<i>Excess of Receipts Over Disbursements</i>	<u>76,306</u>	<u>61,360</u>	<u>82,290</u>	<u>20,930</u>
Other Financing Sources (Uses)				
Advances In	0	0	18,968	18,968
Advances Out	0	0	(30,000)	(30,000)
Transfers Out	(82,319)	(57,000)	(57,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(82,319)</u>	<u>(57,000)</u>	<u>(68,032)</u>	<u>(11,032)</u>
<i>Net Changes in Fund Balance</i>	(6,013)	4,360	14,258	9,898
<i>Fund Balance Beginning of Year</i>	177,823	177,823	177,823	0
Prior Year Encumbrances Appropriated	<u>6,013</u>	<u>6,013</u>	<u>6,013</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$177,823</u></u>	<u><u>\$188,196</u></u>	<u><u>\$198,094</u></u>	<u><u>\$9,898</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC AND SCHOOL HEALTH SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$185,661	\$185,661	\$213,459	\$27,798
Licenses, Fees and Permits	18,000	18,000	20,150	2,150
Intergovernmental	0	0	24,257	24,257
Miscellaneous	6,500	6,500	7,705	1,205
<i>Total Receipts</i>	<u>210,161</u>	<u>210,161</u>	<u>265,571</u>	<u>55,410</u>
Disbursements				
Current:				
Health				
Personal Services	246,480	275,562	272,672	2,890
Materials and Supplies	30,132	31,068	31,065	3
Other	20,454	19,069	18,880	189
<i>Total Disbursements</i>	<u>297,066</u>	<u>325,699</u>	<u>322,617</u>	<u>3,082</u>
<i>Excess of Receipts Under Disbursements</i>	(86,905)	(115,538)	(57,046)	58,492
Other Financing Sources				
Transfers In	82,319	82,319	57,000	(25,319)
<i>Net Changes in Fund Balance</i>	(4,586)	(33,219)	(46)	33,173
<i>Fund Balance Beginning of Year</i>	85,086	85,086	85,086	0
Prior Year Encumbrances Appropriated	4,585	4,585	4,585	0
<i>Fund Balance End of Year</i>	<u><u>\$85,085</u></u>	<u><u>\$56,452</u></u>	<u><u>\$89,625</u></u>	<u><u>\$33,173</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, 2010*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$208,341	\$234,341	\$233,165	(\$1,176)
Disbursements				
Current:				
Health				
Personal Services	180,657	193,576	190,473	3,103
Capital Outlay	0	10,014	8,448	1,566
Other	29,591	32,387	28,509	3,878
<i>Total Disbursements</i>	<u>210,248</u>	<u>235,977</u>	<u>227,430</u>	<u>8,547</u>
<i>Net Changes in Fund Balance</i>	(1,907)	(1,636)	5,735	7,371
<i>Fund Balance Beginning of Year</i>	52,722	52,722	52,722	0
Prior Year Encumbrances Appropriated	<u>1,907</u>	<u>1,907</u>	<u>1,907</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$52,722</u></u>	<u><u>\$52,993</u></u>	<u><u>\$60,364</u></u>	<u><u>\$7,371</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH EMERGENCY PREPAREDNESS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010*

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$115,000	\$235,215	\$258,159	\$22,944
Disbursements				
Current:				
Health				
Personal Services	43,444	87,551	86,054	1,497
Contractual Services	90,108	75,700	75,700	0
Capital Outlay	7,136	49,051	49,050	1
Other	19,239	77,080	75,808	1,272
<i>Total Disbursements</i>	159,927	289,382	286,612	2,770
<i>Excess of Revenues Under Expenditures</i>	(44,927)	(54,167)	(28,453)	25,714
Other Financing Sources (Uses)				
Advances In	0	0	15,000	15,000
Advances Out	0	0	(14,668)	(14,668)
<i>Total Other Financing Sources (Uses)</i>	0	0	332	332
<i>Net Changes in Fund Balance</i>	(44,927)	(54,167)	(28,121)	26,046
<i>Fund Balance Beginning of Year</i>	26,909	26,909	26,909	0
Prior Year Encumbrances Appropriated	41,927	41,927	41,927	0
<i>Fund Balance End of Year</i>	\$23,909	\$14,669	\$40,715	\$26,046

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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$123,437	\$258,124	\$294,133	\$36,009
Contributions	0	0	300	300
Other	0	0	3,625	3,625
<i>Total Receipts</i>	<u>123,437</u>	<u>258,124</u>	<u>298,058</u>	<u>39,934</u>
Disbursements				
Current:				
Health				
Personal Services	112,037	238,349	190,794	47,555
Materials and Supplies	1,874	18,600	13,488	5,112
Contractual Services	7,433	35,749	27,355	8,394
Capital Outlay	12,355	21,247	17,249	3,999
Other	10,090	46,236	22,369	23,867
<i>Total Disbursements</i>	<u>143,789</u>	<u>360,181</u>	<u>271,254</u>	<u>88,927</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(20,352)	(102,057)	26,804	128,861
Other Financing Sources				
Advances In	0	0	10,000	10,000
<i>Net Changes in Fund Balance</i>	(20,352)	(102,057)	36,804	138,861
<i>Fund Balance Beginning of Year</i>	84,006	84,006	84,006	0
Prior Year Encumbrances Appropriated	20,852	20,852	20,852	0
<i>Fund Balance End of Year</i>	<u><u>\$84,506</u></u>	<u><u>\$2,801</u></u>	<u><u>\$141,662</u></u>	<u><u>\$138,861</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, 2010*

Note 1 - Reporting Entity

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

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

The reporting entity is composed of the primary government.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible.

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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

Governmental funds are those through which 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.

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

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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

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

D. Budgetary Process

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

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

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

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 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, 2010*

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 2010.

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include activities of Public and School Health Services, WIC, Public Health Emergency Preparedness, 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 assets reports \$520,699 of restricted net assets. The District did not have any net assets restricted by enabling legislation at December 31, 2010.

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).

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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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.

Note 3 - Change in Accounting Principles and Restatement of Fund Balance

A. Change in Accounting Principles

For 2010, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 provides fund balance classifications that can be more consistently applied and clarifies the existing governmental fund type definitions. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned, and or unassigned.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

B. Restatement of Fund Balance

The restatement is due to the implementation of GASB Statement No. 54. The restatement had the following effect on fund balance of the major and nonmajor funds of the District as they were previously reported.

	General	Public and School Health Services	Women, Infants and Children	Public Health Emergency Preparedness
Fund Balance at December 31, 2009	\$183,459	\$89,672	\$54,630	\$68,836
Change in Fund Structure	377	0	0	0
Adjusted Fund Balance at December 31, 2009	\$183,836	\$89,672	\$54,630	\$68,836

	Help Me Grow	Other Governmental Funds	Total Governmental Funds
Fund Balance at December 31, 2009	\$104,857	\$122,423	\$623,877
Change in Fund Structure	0	(377)	0
Adjusted Fund Balance at December 31, 2009	\$104,857	\$122,046	\$623,877

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 a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to:

General Fund	\$9,972
Major Special Revenue Funds:	
Public and School Health Services	4,730
Women, Infants and Children	982
Public Health Emergency Preparedness	9,129
Help Me Grow	13,890

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

Note 5 - Subdivision Settlements and Local Subsidy

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

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, 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 ARPCO. 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 to reduce its exposure to loss. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years. There has been no reduction of limits from the prior year.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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, 2010 and 2009:

<u>Casualty and Property Coverage</u>	<u>2010</u>	<u>2009</u>
Assets	\$34,952,010	\$36,374,898
Liabilities	<u>(14,320,812)</u>	<u>(15,256,862)</u>
Net Assets - Unrestricted	<u>\$20,631,198</u>	<u>\$21,118,036</u>

	<u>2010</u>	<u>2009</u>
Number of Members	454	447
Unpaid claims to be paid in future	Approx. \$12.4 million	Approx. \$13.7 million

At December 31, 2010, the liabilities above include approximately \$12.4 million of estimated incurred claims payable. The casualty coverage assets and retained earnings above also include unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010. PEP will collect these amounts in the future annual premium billings when PEP's related liabilities are due for payment.

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.

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 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, 2010, 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 2010, member and employer contribution rates were consistent across all three plans.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

The District's contribution rate for 2010 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 the traditional plan was 5.5 percent from January 1, through February 28, 2010, and 5 percent from March 1, through December 31, 2010. The portion of the employer contribution allocated to health care for members in the combined plan was 4.73 percent from January 1, through February 28, 2010, and 4.23 percent from March 1, through December 31, 2010. 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, 2010, 2009, and 2008 was \$72,342, \$62,790, and \$51,407, respectively; 92 percent has been contributed for 2010 and 100 percent has been contributed for 2009 and 2008. No contributions were made to the member-directed plan for 2010 by the District or by plan members.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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 pension 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.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained in 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 2010, state and local employers contributed 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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 the traditional plan was 5.5 percent from January 1, through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of the employer contribution allocated to health care for members in the combined plan was 4.73 percent from January 1, through February 28, 2010, and 4.23 percent from March 1, through February 28, 2010.

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, 2010, 2009, and 2008 was \$41,399, \$45,402, and \$51,507, respectively; 92 percent has been contributed for 2010 and 100 percent for 2009 and 2008.

Note 9 - Interfund Activity

During 2010, a transfer was made from the General Fund to Public and School Health Services in the amount of \$57,000. The Public and School Health Services fund received the transfer to offset operating costs. Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During 2010, the following advances were made.

		Advances Out			Total
		General	Public Health Emergency Preparedness	Other Governmental	
Advances In	General	\$0	\$14,668	\$4,300	\$18,968
	Emergency Preparedness	15,000	0	0	15,000
	Help Me Grow	10,000	0	0	10,000
	Other Governmental	5,000	0	0	5,000
	Total Governmental Funds	\$30,000	\$14,668	\$4,300	\$48,968

During 2010, advances were made from the General Fund to the Public Health Emergency Preparedness Fund, Help Me Grow Fund, and other governmental funds in anticipation of intergovernmental receipts to provide services relating to those programs. During 2010, advances were repaid to the General Fund from the Public Health Emergency Preparedness Fund in the amount of \$14,668 and other governmental funds in the amount of \$4,300.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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.

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	Public Health Emergency Preparedness
Restricted for:				
Emergency Preparedness	\$0	\$0	\$0	\$49,844
Women and Children Nutrition	0	0	61,347	0
Total Restricted	0	0	61,347	49,844
Committed for:				
Community Health Services	0	94,355	0	0
Personal Services Resources	27,552	0	0	0
Total Committed	27,552	94,355	0	0
Unassigned for:				
General Health	180,514	0	0	0
Total Fund Balance	\$208,066	\$94,355	\$61,347	\$49,844

Fund Balance	Help Me Grow	Other Governmental Funds
Restricted for:		
Camp, Manufactured Home, and Park Licensing	\$0	\$23,326
Construction and Demolition Debris Remittances	0	26,736
Food Service and Vending Licensing	0	42,420
Private Sewer Operations	0	13,565
Private Water System Licensing	0	7,962
Public Immunizations	0	5,039
Public Pool Licensing	0	1,502
Solid Waste Facility Licensing	0	11,499
Young Child Well Being	155,552	0
Total Restricted	155,552	132,049
Total Fund Balance	\$155,552	\$132,049

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010*

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.

**INDEPENDENT ACCOUNTANTS' 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
130 North Walnut Street
Suite B
Bucyrus, Ohio 44820

To the Board of Health:

We have audited the financial statements of the Crawford County General Health District, Crawford County, Ohio (District) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 25, 2011, wherein we noted the District followed the cash basis of accounting and implemented Governmental Accounting Standards Board Statement Number 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.

June 25, 2011

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY
DECEMBER 31, 2010**

STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the year ending December 31, 2009, reported no material citations or recommendations.



Dave Yost • Auditor of State

CRAWFORD GENERAL HEALTH DISTRICT

CRAWFORD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 29, 2011**