

CRAWFORD COUNTY GENERAL HEALTH DISTRICT

CRAWFORD COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2008

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



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Crawford County General Health District, Crawford County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 9, 2009

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CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY, OHIO
Audit Report
For the year ended December 31, 2008

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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, 2008, 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, 2008, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General Fund and each major Special Revenue Fund, thereof for the year then ended in conformity with the accounting basis Note 2 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal controls over financial reporting and compliance and the results of testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Charles E. Harris & Associates, Inc.
June 18, 2009

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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, 2008, 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, 2008**

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 2008, 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 Infrastructure, and Help Me Grow Funds.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Unaudited
(continued)

The District as a Whole

Table 1 provides a summary of the District's net assets for 2008 compared to 2007 on a cash basis:

**Table 1
Net Assets -Cash Basis**

	Governmental Activities	
	2008	2007
Assets		
Equity in Pooled Cash and Cash Equivalents	\$429,707	\$314,088
Net Assets		
Restricted for Other Purposes	345,152	228,836
Unrestricted	84,555	85,252
Total Net Assets	\$429,707	\$314,088

Net assets increased \$115,619. This represents a 37 percent increase from 2007. This increase can generally be attributed to increased receipts for administering the Help Me Grow program, an increase in fees received from townships and municipalities comprising the District, and an increase in charges and fees received for providing public health related services.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Unaudited
(continued)

Table 2 reflects the changes in net assets for 2007 and 2008.

**Table 2
Change in Net Assets**

	Governmental Activities	
	2008	2007
Program Cash Receipts		
Charges for Services	\$660,334	\$620,347
Operating Grants and Contributions	635,972	492,667
Total Program Cash Receipts	1,296,306	1,113,014
General Receipts		
Subdivision Settlements	99,661	75,452
Miscellaneous	35,436	12,897
Total General Receipts	135,097	88,349
Total Receipts	1,431,403	1,201,363
Disbursements		
Health		
General Health	235,539	210,113
Public and School Health Services	303,135	306,720
Women, Infants and Children	196,424	185,994
Public Health Infrastructure	100,323	87,323
Help Me Grow	257,502	87,686
Sewage	17,880	36,153
Reserve Balance Account	276	9,419
Landfill/Contstruction and Demolition	47,984	48,811
Swimming Pool	2,762	2,843
Solid Waste	64,488	64,001
Mobile Home and RV Park	7,175	4,443
Food Service	46,668	44,165
Water System	13,320	22,434
Immunization Action Plan	22,017	30,047
319 Grant	291	13,335
Total Disbursements	1,315,784	1,153,477
Change in Net Assets	115,619	47,886
Net Assets Beginning of Year	314,088	266,202
Net Assets End of Year	\$429,707	\$314,088

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Unaudited
(continued)

In 2008, 9 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. Subdivision settlements increased by 32 percent as a result of the District's need for additional revenue to administer mandated General Health programs. Program cash receipts accounted for 91 percent of the District's total receipts in 2008. These receipts consist primarily of charges for services for nursing services and outside service contracts, birth and death certificates, sewage permits, food service licenses, mobile home and RV park, swimming pools, and water system permits and state and federal operating grants. Operating grants and contributions increased by 29 percent primarily due to an increase in intergovernmental revenue which is comprised of revenue received from the City of Bucyrus and from the Ohio Department of Health. The City of Bucyrus contracts with the District to provide health services. The increase in revenue received from the Ohio Department of Health was a result of the District administering the Help Me Grow program for a full calendar year in 2008. Disbursements for the Help Me Grow program also increased significantly for this same reason. Disbursements for General Health increased by 12 percent from 2007 primarily due to 2008 being the first full year of the District employing a full-time Health Commissioner and expenses incurred for administering the Smoke Free Workplace program. The increase in disbursements for the Public Health Infrastructure program is attributable to the timing differences of when obligations were paid.

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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Unaudited
(continued)

**Table 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2008	2007	2008	2007
Health				
General Health	\$235,539	\$210,113	\$24,693	\$18,024
Public and School Health Services	303,135	306,720	(92,945)	(112,601)
Women, Infants and Children	196,424	185,994	15,680	18,666
Public Health Infrastructure	100,323	87,323	20,356	27,985
Help Me Grow	257,502	87,686	2,549	20,154
Sewage	17,880	36,153	(6,860)	(26,423)
Reserve Balance Account	276	9,419	(276)	(9,419)
Landfill/Construction and Demolition	47,984	48,811	4,715	4,209
Swimming Pool	2,762	2,843	(437)	(414)
Solid Waste	64,488	64,001	(2,393)	(801)
Mobile Home and RV Park	7,175	4,433	1,422	4,657
Food Service	46,668	44,165	11,358	14,474
Water System	13,320	22,434	2,146	(2,869)
Immunization Action Plan	22,017	30,047	805	(3,547)
319 Grant	291	13,335	(291)	7,262
Total Expenses	\$1,315,784	\$1,153,477	(\$19,478)	(\$40,463)

Program cash receipts support 98 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 that include, most significantly, subdivision settlements, support the remaining costs. The total cost for providing general health services increased 14 percent from 2007 to 2008. The overall increase in total cost of services can be attributed to the District administering the Help Me Grow program for a full calendar year in 2008, increases in disbursements for the Public Health Infrastructure program, and the District employing a full-time Health Commissioner in 2008.

Overall, the net cost of services for the District decreased by \$20,985, or 52 percent, from 2007. This decrease demonstrates the fact that program cash receipts further offset the cost of providing services in 2008 than in 2007. This was the result of increased program cash receipts for General Health and Public and School Health Services programs.

The Health District's Funds

The governmental funds had total receipts of \$1,431,403 and disbursements of \$1,315,784. The governmental funds had an increase in the cash balance of \$115,619.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Unaudited
(continued)

The fund balance of the General Fund did not change significantly, decreasing by only \$697. The fund balance of the Public and School Health Services Fund increased by \$38,338. This increase was largely attributable to an increase in revenue for services provided for Medicare and Medicaid patients, BCMH Referrals, Newborn Home Visits, and head lice checks. The fund balance of the Help Me Grow Fund increased significantly from 2007. This was largely attributable to the Help Me Grow program operating for a full year in 2008 as opposed to six months in 2007.

Budgetary Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2008, the District amended its estimated revenues and appropriations as set forth by Ohio law, and the budgetary statement reflects that financial activity. A decrease in original encumbrances carried over from the prior year resulted in a decrease in original appropriations for the General, Public and School Health Services, and Public Health Infrastructure Funds. Amendments to original receipts and disbursements in the Women, Infants and Children Fund were made as a result of the District receiving additional grant funding. Amendments were made to original receipts and disbursements in the Help Me Grow Fund as a result of a new contract period beginning mid-year.

Actual receipts in the General Fund did not vary significantly from the final budget. Total disbursements for the General Fund were 3 percent less than budgeted.

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, 2008*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$429,707</u>
<i>Total Assets</i>	<u><u>429,707</u></u>
Net Assets	
Restricted for:	
Other Purposes	345,152
Unrestricted	<u>84,555</u>
<i>Total Net Assets</i>	<u><u>\$429,707</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, 2008*

	<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	\$235,539	\$250,966	\$9,266	\$24,693
Public and School Health Services	303,135	199,140	11,050	(92,945)
Women, Infants and Children	196,424	0	212,104	15,680
Public Health Infrastructure	100,323	0	120,679	20,356
Help Me Grow	257,502	0	260,051	2,549
Sewage	17,880	11,020	0	(6,860)
Reserve Balance Account	276	0	0	(276)
Landfill/Construction and Demolition	47,984	52,699	0	4,715
Swimming Pool	2,762	2,325	0	(437)
Solid Waste	64,488	62,095	0	(2,393)
Mobile Home and RV Park	7,175	8,597	0	1,422
Food Service	46,668	58,026	0	11,358
Water System	13,320	15,466	0	2,146
Immunization Action Plan	22,017	0	22,822	805
319 Grant	291	0	0	(291)
Total Governmental Activities	<u>\$1,315,784</u>	<u>\$660,334</u>	<u>\$635,972</u>	<u>(19,478)</u>
		General Receipts		
				99,661
				35,436
		<i>Total General Receipts</i>		<u>135,097</u>
				115,619
		<i>Net Assets Beginning of Year</i>		<u>314,088</u>
		<i>Net Assets End of Year</i>		<u><u>\$429,707</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2008*

	<u>General</u>	<u>Public and School Health Services</u>	<u>Women, Infants and Children</u>	<u>Public Health Infrastructure</u>	<u>Help Me Grow</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets							
Equity in Pooled Cash and Cash Equivalents	\$84,555	\$55,492	\$51,352	\$78,771	\$52,462	\$107,075	\$429,707
Total Assets	<u>\$84,555</u>	<u>\$55,492</u>	<u>\$51,352</u>	<u>\$78,771</u>	<u>\$52,462</u>	<u>\$107,075</u>	<u>\$429,707</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$4,844	\$4,487	\$3,677	\$17,998	\$8,037	\$13,170	\$52,213
Unreserved:							
Undesignated, Reported in:							
General Fund	79,711	0	0	0	0	0	79,711
Special Revenue Funds	0	51,005	47,675	60,773	44,425	93,905	297,783
Total Fund Balances	<u>\$84,555</u>	<u>\$55,492</u>	<u>\$51,352</u>	<u>\$78,771</u>	<u>\$52,462</u>	<u>\$107,075</u>	<u>\$429,707</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, 2008*

	General	Public and School Health Services	Women, Infants and Children	Public Health Infrastructure	Help Me Grow	Other Governmental Funds	Total Governmental Funds
Receipts							
Charges for Services	\$250,966	\$179,980	\$0	\$0	\$0	\$3,300	\$434,246
Contributions	0	0	0	0	35	0	35
Licenses, Fees and Permits	0	19,160	0	0	0	206,728	225,888
Fines	0	0	0	0	0	200	200
Intergovernmental	108,927	11,050	212,104	120,679	260,016	22,822	735,598
Miscellaneous	4,682	9,550	0	0	17,136	4,068	35,436
<i>Total Receipts</i>	<u>364,575</u>	<u>219,740</u>	<u>212,104</u>	<u>120,679</u>	<u>277,187</u>	<u>237,118</u>	<u>1,431,403</u>
Disbursements							
Current:							
Health							
Personal Services	175,050	260,945	181,534	39,071	173,388	93,609	923,597
Materials and Supplies	1,894	29,093	0	0	11,531	2,082	44,600
Remittances	16,801	0	0	0	0	106,830	123,631
Contractual Services	12,640	0	0	26,570	36,762	6,648	82,620
Capital Outlay	9,497	475	702	5,040	16,636	1,407	33,757
Other	19,657	12,622	14,188	29,642	19,185	12,285	107,579
<i>Total Disbursements</i>	<u>235,539</u>	<u>303,135</u>	<u>196,424</u>	<u>100,323</u>	<u>257,502</u>	<u>222,861</u>	<u>1,315,784</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>129,036</u>	<u>(83,395)</u>	<u>15,680</u>	<u>20,356</u>	<u>19,685</u>	<u>14,257</u>	<u>115,619</u>
Other Financing Sources (Uses)							
Advances In	0	0	0	0	8,000	0	8,000
Transfers In	0	121,733	0	0	0	0	121,733
Advances Out	(8,000)	0	0	0	0	0	(8,000)
Transfers Out	(121,733)	0	0	0	0	0	(121,733)
<i>Total Other Financing Sources (Uses)</i>	<u>(129,733)</u>	<u>121,733</u>	<u>0</u>	<u>0</u>	<u>8,000</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(697)	38,338	15,680	20,356	27,685	14,257	115,619
<i>Fund Balance Beginning of Year</i>	<u>85,252</u>	<u>17,154</u>	<u>35,672</u>	<u>58,415</u>	<u>24,777</u>	<u>92,818</u>	<u>314,088</u>
<i>Fund Balance End of Year</i>	<u>\$84,555</u>	<u>\$55,492</u>	<u>\$51,352</u>	<u>\$78,771</u>	<u>\$52,462</u>	<u>\$107,075</u>	<u>\$429,707</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Charges for Services	\$254,144	\$254,144	\$250,966	(\$3,178)
Intergovernmental	108,858	108,858	108,927	69
Miscellaneous	1,000	1,000	4,682	3,682
<i>Total Receipts</i>	<u>364,002</u>	<u>364,002</u>	<u>364,575</u>	<u>573</u>
Disbursements				
Current:				
Health				
Personal Services	164,519	179,750	175,050	4,700
Materials and Supplies	2,344	2,344	2,344	0
Remittances	21,509	19,260	18,456	804
Contractual Services	14,350	13,395	12,862	533
Capital Outlay	4,000	9,743	9,497	246
Other	42,172	22,716	22,174	542
<i>Total Disbursements</i>	<u>248,894</u>	<u>247,208</u>	<u>240,383</u>	<u>6,825</u>
<i>Excess of Receipts Over Disbursements</i>	<u>115,108</u>	<u>116,794</u>	<u>124,192</u>	<u>7,398</u>
Other Financing Uses				
Advances Out	0	0	(8,000)	(8,000)
Transfers Out	(121,733)	(121,733)	(121,733)	0
<i>Total Other Financing Uses</i>	<u>(121,733)</u>	<u>(121,733)</u>	<u>(129,733)</u>	<u>(8,000)</u>
<i>Net Changes in Fund Balance</i>	(6,625)	(4,939)	(5,541)	(602)
<i>Fund Balance Beginning of Year</i>	78,627	78,627	78,627	0
Prior Year Encumbrances Appropriated	6,625	6,625	6,625	0
<i>Fund Balance End of Year</i>	<u>\$78,627</u>	<u>\$80,313</u>	<u>\$79,711</u>	<u>(\$602)</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Charges for Services	\$180,000	\$180,000	\$179,980	(\$20)
Licenses, Fees and Permits	14,000	14,000	19,160	5,160
Intergovernmental	10,000	10,000	11,050	1,050
Miscellaneous	2,000	2,000	9,550	7,550
<i>Total Receipts</i>	<u>206,000</u>	<u>206,000</u>	<u>219,740</u>	<u>13,740</u>
Disbursements				
Current:				
Health				
Personal Services	284,233	279,958	260,946	19,012
Materials and Supplies	25,400	30,400	30,294	106
Capital Outlay	0	475	475	0
Other	19,357	17,770	15,907	1,863
<i>Total Disbursements</i>	<u>328,990</u>	<u>328,603</u>	<u>307,622</u>	<u>20,981</u>
<i>Excess of Receipts Under Disbursements</i>	(122,990)	(122,603)	(87,882)	34,721
Other Financing Sources				
Transfers In	<u>121,733</u>	<u>121,733</u>	<u>121,733</u>	<u>0</u>
<i>Net Changes in Fund Balance</i>	(1,257)	(870)	33,851	34,721
<i>Fund Balance Beginning of Year</i>	15,897	15,897	15,897	0
Prior Year Encumbrances Appropriated	<u>1,257</u>	<u>1,257</u>	<u>1,257</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,897</u></u>	<u><u>\$16,284</u></u>	<u><u>\$51,005</u></u>	<u><u>\$34,721</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$192,304	\$199,037	\$212,104	\$13,067
Disbursements				
Current:				
Health				
Personal Services	177,031	184,683	181,534	3,149
Capital Outlay	500	702	702	0
Other	15,348	18,323	17,865	458
<i>Total Disbursements</i>	<u>192,879</u>	<u>203,708</u>	<u>200,101</u>	<u>3,607</u>
<i>Net Changes in Fund Balance</i>	(575)	(4,671)	12,003	16,674
<i>Fund Balance Beginning of Year</i>	35,097	35,097	35,097	0
Prior Year Encumbrances Appropriated	<u>575</u>	<u>575</u>	<u>575</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$35,097</u></u>	<u><u>\$31,001</u></u>	<u><u>\$47,675</u></u>	<u><u>\$16,674</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
PUBLIC HEALTH INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$118,342	\$118,342	\$120,679	\$2,337
Disbursements				
Current:				
Health				
Personal Services	36,168	39,204	39,071	133
Contractual Services	38,249	34,921	34,921	0
Capital Outlay	2,500	5,043	5,040	3
Other	42,029	39,688	39,289	399
<i>Total Disbursements</i>	<u>118,946</u>	<u>118,856</u>	<u>118,321</u>	<u>535</u>
<i>Net Changes in Fund Balance</i>	(604)	(514)	2,358	2,872
<i>Fund Balance Beginning of Year</i>	57,811	57,811	57,811	0
Prior Year Encumbrances Appropriated	<u>604</u>	<u>604</u>	<u>604</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$57,811</u></u>	<u><u>\$57,901</u></u>	<u><u>\$60,773</u></u>	<u><u>\$2,872</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$204,602	\$378,894	\$260,016	(\$118,878)
Contributions	0	0	35	35
Miscellaneous	0	0	17,136	17,136
<i>Total Receipts</i>	<u>204,602</u>	<u>378,894</u>	<u>277,187</u>	<u>(101,707)</u>
Disbursements				
Current:				
Health				
Personal Services	130,950	219,357	173,388	45,969
Materials and Supplies	8,495	19,415	12,618	6,797
Contractual Services	41,460	45,623	42,368	3,255
Capital Outlay	5,000	16,872	16,636	236
Other	21,810	21,998	20,529	1,469
<i>Total Disbursements</i>	<u>207,715</u>	<u>323,265</u>	<u>265,539</u>	<u>57,726</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,113)	55,629	11,648	(43,981)
Other Financing Sources				
Advances In	0	0	8,000	8,000
<i>Net Changes in Fund Balance</i>	(3,113)	55,629	19,648	(35,981)
<i>Fund Balance Beginning of Year</i>	21,662	21,662	21,662	0
Prior Year Encumbrances Appropriated	3,115	3,115	3,115	0
<i>Fund Balance End of Year</i>	<u>\$21,664</u>	<u>\$80,406</u>	<u>\$44,425</u>	<u>(\$35,981)</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, 2008*

Note 1 - Reporting Entity

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

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

The reporting entity is composed of the primary government.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

Governmental funds are those through which 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 monies received from providing general nursing and community health services.

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

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

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

Help Me Grow Fund - The Help Me Grow Fund receives intergovernmental revenue for the purpose of 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.

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.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

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.

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 2008.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include activities of Public and School Health Services, WIC, Public Health Infrastructure, 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 \$345,152 of restricted net assets. The District did not have any net assets restricted by enabling legislation at December 31, 2008.

K. Fund Balance Reserves

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. The Statement of Assets and Fund Balances - Cash Basis reports \$52,213 of reserved for encumbrances. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

L. Interfund Transactions

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

Note 3 - Budgetary Basis of Accounting

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

General Fund	\$4,844
Major Special Revenue Funds:	
Public and School Health Services	4,487
Women, Infants and Children	3,677
Public Health Infrastructure	17,998
Help Me Grow	8,037

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

Note 4 - Subdivision Settlements and Local Subsidy

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

Note 5 - Risk Management

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

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

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

Casualty Insurance

For occurrences prior to January 1, 2006, PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, and provides up to \$1,750,000 per claim and \$10,000,000 in aggregate per year. For occurrences on or after January 1, 2006, PEP retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in aggregate per year.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an annual aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, from General Reinsurance Corporation.

Property Insurance

Travelers Indemnity Company reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined PEP members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

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

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007:

<u>Casualty Coverage</u>	<u>2008</u>	<u>2007</u>
Assets	\$31,305,230	\$32,931,970
Liabilities	(14,126,746)	(15,888,159)
Retained Earnings	<u>\$17,178,484</u>	<u>\$17,043,811</u>

<u>Property Coverage</u>	<u>2008</u>	<u>2007</u>
Assets	\$4,464,305	\$4,628,101
Liabilities	(1,183,460)	(1,452,665)
Retained Earnings	<u>\$3,280,845</u>	<u>\$3,175,436</u>

At December 31, 2008 and 2007, respectively, casualty coverage liabilities noted above include \$12.9 million and \$15.0 million of estimated incurred claims payable. The casualty coverage assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008. PEP will collect these amounts in the future annual premium billings when PEP's related liabilities are due for payment.

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

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

Note 7 - Defined Benefit Retirement Plans

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in the state and local classifications contributed 10 percent of covered payroll.

The District's contribution rate for 2008 was 14 percent of covered payroll. For 2008, a portion of the District's contribution rate equal to 7 percent of covered payroll was allocated to fund the postemployment health care plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the District of 14 percent.

The District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 was \$51,407, \$53,119, and \$55,648, respectively; 92 percent has been contributed for 2008 and 100 percent has been contributed for 2007 and 2006. No contributions were made to the member-directed plan for 2008 by the District or by plan members.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension 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 provides retirement, disability, and survivor benefits as well as postemployment health care coverage to qualifying members of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage.

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 health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement 12.

A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2008, state and local employers contributed at a rate of 14 percent of covered payroll. The portion of employer contributions allocated to health care was 7 percent in 2008 for all employers.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS.

Summary of Assumptions:

Actuarial Review - The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2007.

Funding Method - The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

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

Investment Return - The investment assumption rate for 2007 was 6.50 percent.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

Active Employee Total Payroll - An annual increase of 4 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition annual pay increases over and above the 4 percent base increase were assumed to range from .50 percent to 6.30 percent.

Health Care - Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 percent to 4 percent for the next seven years. In subsequent years, (eight and beyond) health care costs were assumed to increase 4 percent (the projected wage inflation rate).

OPEB is advance funded on an actuarially determined basis. The following disclosures are required:

The traditional pension and combined plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076.

The rates stated above are the contractually required contribution rates of OPERS.

The District's contribution allocated to fund postemployment health care benefits for the year ended December 31, 2008, 2007, and 2006 was \$51,407, \$34,989, and \$27,219, respectively. The actual contributions and the actuarially required contributions amounts are the same.

The amount of \$12.8 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2007.

Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2007 reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.8 billion and \$17 billion, respectively.

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

Note 9 - Interfund Activity

During 2008 a transfer was made from the General Fund to Public and School Health Services in the amount of \$121,733. 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 2008 an advance was made from the General Fund to the Help Me Grow Fund in the amount of \$8,000. The advance paid the Help Me Grow Fund in anticipation of grant dollars.

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008*

Note 10 - Contingent Liabilities

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

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

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

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

To the Board of Health:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining information of the Crawford County General Health District, Crawford County, (District) as of and for the year ended December 31, 2008, which collectively comprise the Crawford County General Health District's basic financial statements and have issued our report thereon dated June 18, 2009, wherein we noted the District uses a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we have reported to management of the District in a separate letter dated June 18, 2009.

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

Charles E. Harris & Associates, Inc.

June 18, 2009

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY
DECEMBER 31, 2008**

STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the year ending December 31, 2007, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

GENERAL HEALTH DISTRICT

CRAWFORD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 21, 2009**