

CRAWFORD COUNTY GENERAL HEALTH DISTRICT

CRAWFORD COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2006

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, Suite B
Bucyrus, Ohio 44820

We have reviewed the *Report of Independent Accountants* of the Crawford County General Health District, Crawford County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2006 through December 31, 2006. 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

June 26, 2007

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CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY, OHIO
Audit Report
For the year ended December 31, 2006

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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, 2006, 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, 2006, 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 5, 2007, 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 5, 2007

Crawford County General Health District, Crawford County

Management's Discussion and Analysis

For the Year Ended December 31, 2006

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, 2006, 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, 2006
Unaudited

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2006, within the limitations of the cash basis of accounting. The Statement of Net Assets - Cash Basis presents the cash balances of the governmental activities of the District at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

Crawford County General Health District, Crawford County
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

The District as a Whole

Table 1 provides a summary of the District's net assets for 2006 compared to 2005 on a cash basis:

Table 1
Net Assets - Cash Basis

	Governmental Activities	
	2006	2005
Assets		
Equity in Pooled Cash and Cash Equivalents	\$266,202	\$287,366
Net Assets		
Restricted for Other Purposes	196,614	233,305
Unrestricted	69,588	54,061
Total Net Assets	\$ 266,202	\$287,366

Net assets decreased \$21,164. This represents a 7 percent decrease from 2005. This slight decrease can generally be attributed to the steadily increasing cost of providing public health services. As such, a cost analysis has been conducted to help identify areas in which to improve.

Crawford County General Health District, Crawford County
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Table 2 reflects the changes in net assets for 2005 and 2006.

Table 2
Change in Net Assets

	Governmental Activities	
	2006	2005
Program Cash Receipts		
Charges for Services	\$550,223	\$518,031
Operating Grants and Contributions	371,912	408,122
Total Program Cash Receipts	<u>922,135</u>	<u>926,153</u>
General Receipts		
Subdivision Settlements	66,092	11,359
Miscellaneous	8,957	7,437
Total General Receipts	<u>75,049</u>	<u>18,796</u>
Total Receipts	<u>997,184</u>	<u>944,949</u>
Disbursements		
Health		
General Health	188,557	280,524
Public and School Health Services	295,291	268,161
Sewage	36,568	36,380
Women, Infants and Children	181,698	191,797
Public Health Infrastructure	103,298	118,124
Reserve Balance Account	3,088	10,375
Landfill/Construction and Demolition	40,143	14,282
Swimming Pool	3,465	2,395
Solid Waste	30,296	32,046
Mobile Home and RV Park	6,982	7,237
Food Service	57,474	50,365
Water System	21,003	22,220
Immunization Action Plan	24,344	25,315
319 Grant	26,141	26,019
Total Disbursements	<u>1,018,348</u>	<u>1,085,240</u>
Change in Net Assets	(21,164)	(140,291)
Net Assets Beginning of Year	<u>287,366</u>	<u>427,657</u>
Net Assets End of Year	<u><u>\$266,202</u></u>	<u><u>\$287,366</u></u>

Crawford County General Health District, Crawford County
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

In 2006, 7.5 percent of the District's total receipts were from general receipts, consisting mainly of subdivision settlements collected for general health district purposes. Program cash receipts accounted for 92.5 percent of the District's total receipts in 2006. These receipts consist primarily of charges for services for 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. The largest change was an increase in total receipts for subdivision settlements. This resulted from an increase of fees received from townships and municipalities composing the District.

Governmental Activities

Table 3 indicates the total cost of services and the net cost of services. The Statement of Activities - Cash Basis reflects the cost of program services and the charges for services and sales and operating grants and contributions offsetting those 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.

Table 3
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Health				
General Health	\$188,557	\$280,524	\$25,719	(\$130,527)
Public and School Health Services	295,291	268,161	(80,091)	(62,194)
Sewage	36,568	36,380	17,466	(1,953)
Women, Infants and Children	181,698	191,797	(29,561)	18,996
Public Health Infrastructure	103,298	118,124	(27,872)	7,977
Reserve Balance Account	3,088	10,375	(3,088)	(10,375)
Landfill/Construction and Demolition	40,143	14,282	4,799	10,683
Swimming Pool	3,465	2,395	(1,036)	34
Solid Waste	30,296	32,046	954	954
Mobile Home and RV Park	6,982	7,237	522	7,193
Food Service	57,474	50,365	(12,077)	(2,971)
Water System	21,003	22,220	(1,522)	1,949
Immunization Action Plan	24,344	25,315	1,856	1,003
319 Grant	26,141	26,019	7,718	144
	<u>\$1,018,348</u>	<u>\$1,085,240</u>	<u>(\$96,213)</u>	<u>(\$159,087)</u>
Total Expenses				

Crawford County General Health District, Crawford County

Management's Discussion and Analysis

For the Year Ended December 31, 2006

Unaudited

Total cost of services decreased 6 percent from 2005 to 2006. The net cost of services decreased 39.5 percent from 2005 to 2006. This overall decrease can be attributed to the District conducting an annual cost analysis in various funds. This helped to identify areas in which to save money and reduce the total cost of services. The Health District has raised fees, when necessary, to support the cost of services for the Public and School Health Services program. However, an increase in the cost of private purchase vaccines has contributed to an increase in expenses for this program. A change in state law in 2006 contributed to an increase in the number of sewage permits issued by the District in 2006. This generated an increase in revenue which offset the cost of services for sewage related expenses. A decrease in grant monies for Women, Infants and Children from 2005 to 2006 caused a decrease in intergovernmental revenues for this program. Expenses for the Food Service program increased as a result of more time being spent on the program in 2006. Revenues and expenses for the Landfill/Construction and Demolition program were evaluated when conducting the cost analysis. As a result, they were adjusted accordingly to pay the state, townships and Crawford County.

The Health District's Funds

The governmental funds had total receipts of \$997,184 and disbursements of \$1,018,348. The governmental funds had a decrease in the cash balance of \$21,164.

The fund balance of the General Fund increased by \$15,527. An increase in fees received from the City of Bucyrus and subdivision settlements from the townships largely contributed to the increase in cash balance for the General Fund.

Budgetary Highlights

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

During the course of 2006, the District amended its estimated revenues and appropriations as allowed by the County Budget Commission set forth by the Ohio Revised Code, and the budgetary statement reflects both the original and final amounts. Amendments to original receipts in the Public Health Infrastructure Fund were made as the result of receiving additional grant funding from the Ohio Department of Health. As such, amendments were made to original appropriations for the purchase of additional equipment.

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

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Crawford County General Health District, Crawford County
Statement of Net Assets - Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$266,202</u>
<i>Total Assets</i>	<u><u>\$266,202</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$196,614
Unrestricted	<u>69,588</u>
<i>Total Net Assets</i>	<u><u>\$266,202</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, 2006

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities			
Health			
General Health	\$188,557	\$138,986	\$75,290
Public and School Health Services	295,291	206,200	9,000
Sewage	36,568	54,034	0
Women, Infants and Children	181,698	0	152,137
Public Health Infrastructure	103,298	0	75,426
Reserve Balance Account	3,088	0	0
Landfill/Construction and Demolition	40,143	44,942	0
Swimming Pool	3,465	2,429	0
Solid Waste	30,296	31,250	0
Mobile Home and RV Park	6,982	7,504	0
Food Service	57,474	45,397	0
Water System	21,003	19,481	0
Immunization Action Plan	24,344	0	26,200
319 Grant	26,141	0	33,859
	\$1,018,348	\$550,223	\$371,912
<i>Total Governmental Activities</i>			(96,213)
General Receipts			
			66,092
			8,957
			75,049
			<i>Total General Receipts</i>
			75,049
			Change in Net Assets
			(21,164)
			<i>Net Assets Beginning of Year</i>
			287,366
			<i>Net Assets End of Year</i>
			\$266,202

See accompanying notes to the basic financial statements

Crawford County General Health District, Crawford County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2006

	General	Public and School Health Services	Sewage
Assets			
Equity in Pooled Cash and Cash Equivalents	\$69,588	\$29,451	\$39,994
Total Assets	\$69,588	\$29,451	\$39,994
 Fund Balances			
Reserved:			
Reserved for Encumbrances	\$4,880	\$161	\$557
Unreserved:			
Undesignated, Reported in:			
General Fund	64,708	0	0
Special Revenue Funds	0	29,290	39,437
<i>Total Fund Balances</i>	\$69,588	\$29,451	\$39,994

Crawford County General Health District, Crawford County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds (continued)
For the Year Ended December 31, 2006

Women, Infants and Children	Public Health Infrastructure	Other Governmental Funds	Total Governmental Funds
\$17,006	\$30,430	\$79,733	\$266,202
\$17,006	\$30,430	\$79,733	\$266,202
\$375	\$9,696	\$8,318	\$23,987
0	0	0	64,708
16,631	20,734	71,415	177,507
\$17,006	\$30,430	\$79,733	\$266,202

Crawford County General Health District, Crawford County
Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2006

	General	Public and School Health Services	Sewage
Receipts			
Charges for Services	\$205,078	\$193,010	\$5,900
Licenses, Fees and Permits	0	13,190	48,134
Fines	0	0	0
Intergovernmental	75,290	9,000	0
Miscellaneous	1,630	3,203	252
<i>Total Receipts</i>	<u>281,998</u>	<u>218,403</u>	<u>54,286</u>
Disbursements			
Current:			
Health			
Personal Services	116,904	262,232	32,664
Materials and Supplies	1,600	19,305	0
Remittances	17,923	0	0
Contractual Services	12,183	0	0
Capital Outlay	13,933	0	0
Vector Control	5,995	0	0
Other	20,019	13,754	3,904
<i>Total Disbursements</i>	<u>188,557</u>	<u>295,291</u>	<u>36,568</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>93,441</u>	<u>(76,888)</u>	<u>17,718</u>
Other Financing Sources (Uses)			
Advances In	24,386	0	0
Transfers In	0	70,000	0
Advances Out	(24,300)	0	0
Transfers Out	(78,000)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(77,914)</u>	<u>70,000</u>	<u>0</u>
Net Change in Fund Balance	15,527	(6,888)	17,718
<i>Fund Balance Beginning of Year</i>	<u>54,061</u>	<u>36,339</u>	<u>22,276</u>
<i>Fund Balance End of Year</i>	<u><u>\$69,588</u></u>	<u><u>\$29,451</u></u>	<u><u>\$39,994</u></u>

Crawford County General Health District, Crawford County
Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds (continued)
For the Year Ended December 31, 2006

Women, Infants and Children	Public Health Infrastructure	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$0	\$403,988
0	0	150,953	212,277
0	0	50	50
152,137	75,426	60,059	371,912
47	0	3,825	8,957
<u>152,184</u>	<u>75,426</u>	<u>214,887</u>	<u>997,184</u>
162,068	50,442	118,677	742,987
0	0	3,714	24,619
0	0	72,044	89,967
0	25,644	8,607	46,434
5,638	10,068	1,835	31,474
0	0	0	5,995
13,992	17,144	8,059	76,872
<u>181,698</u>	<u>103,298</u>	<u>212,936</u>	<u>1,018,348</u>
<u>(29,514)</u>	<u>(27,872)</u>	<u>1,951</u>	<u>(21,164)</u>
20,000	0	4,300	48,686
0	0	8,000	78,000
(20,052)	0	(4,334)	(48,686)
0	0	0	(78,000)
<u>(52)</u>	<u>0</u>	<u>7,966</u>	<u>0</u>
(29,566)	(27,872)	9,917	(21,164)
<u>46,572</u>	<u>58,302</u>	<u>69,816</u>	<u>287,366</u>
<u>\$17,006</u>	<u>\$30,430</u>	<u>\$79,733</u>	<u>\$266,202</u>

Crawford County General Health District, Crawford County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Receipts				
Charges for Services	\$203,291	\$203,291	\$205,078	\$1,787
Intergovernmental	76,392	76,392	75,290	(1,102)
Miscellaneous	0	0	1,630	1,630
<i>Total Receipts</i>	<u>279,683</u>	<u>279,683</u>	<u>281,998</u>	<u>2,315</u>
Disbursements				
Current:				
Health				
Personal Services	105,507	118,388	116,904	1,484
Materials and Supplies	2,445	2,446	2,250	196
Remittances	20,665	20,335	19,741	594
Contractual Services	14,519	14,518	12,183	2,335
Capital Outlay	14,132	13,935	13,933	2
Vector Control	8,780	6,000	5,995	5
Other	46,789	32,462	22,431	10,031
<i>Total Disbursements</i>	<u>212,837</u>	<u>208,084</u>	<u>193,437</u>	<u>14,647</u>
<i>Excess of Receipts Over Disbursements</i>	<u>66,846</u>	<u>71,599</u>	<u>88,561</u>	<u>16,962</u>
Other Financing Sources (Uses)				
Advances In	0	0	24,386	24,386
Advances Out	0	0	(24,300)	(24,300)
Transfers Out	(106,763)	(101,563)	(78,000)	23,563
<i>Total Other Financing Sources (Uses)</i>	<u>(106,763)</u>	<u>(101,563)</u>	<u>(77,914)</u>	<u>23,649</u>
<i>Net Change in Fund Balance</i>	(39,917)	(29,964)	10,647	40,611
<i>Fund Balance Beginning of Year</i>	26,144	26,144	26,144	0
Prior Year Encumbrances Appropriated	27,917	27,917	27,917	0
<i>Fund Balance End of Year</i>	<u>\$14,144</u>	<u>\$24,097</u>	<u>\$64,708</u>	<u>\$40,611</u>

Crawford County General Health District, Crawford County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Public and School Health Services Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Receipts				
Charges for Services	\$155,536	\$155,536	\$193,010	\$37,474
Licenses, Fees and Permits	23,000	23,000	13,190	(9,810)
Intergovernmental	12,000	12,000	9,000	(3,000)
Miscellaneous	2,000	2,000	3,203	1,203
<i>Total Receipts</i>	<u>192,536</u>	<u>192,536</u>	<u>218,403</u>	<u>25,867</u>
Disbursements				
Current:				
Health				
Personal Services	256,307	264,501	262,232	2,269
Materials and Supplies	0	19,305	19,305	0
Capital Outlay	1,000	0	0	0
Other	40,746	13,993	13,914	79
<i>Total Disbursements</i>	<u>298,053</u>	<u>297,799</u>	<u>295,451</u>	<u>2,348</u>
<i>Excess of Receipts Under Disbursements</i>	(105,517)	(105,263)	(77,048)	28,215
Other Financing Sources				
Transfers In	106,763	106,763	70,000	(36,763)
<i>Net Change in Fund Balance</i>	1,246	1,500	(7,048)	(8,548)
<i>Fund Balance Beginning of Year</i>	35,536	35,536	35,536	0
Prior Year Encumbrances Appropriated	802	802	802	0
<i>Fund Balance End of Year</i>	<u>\$37,584</u>	<u>\$37,838</u>	<u>\$29,290</u>	<u>(\$8,548)</u>

Crawford County General Health District, Crawford County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Sewage Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over
				(Under)
Receipts				
Charges for Services	\$7,100	\$7,100	\$5,900	(\$1,200)
Licenses, Fees and Permits	35,990	35,990	48,134	12,144
Miscellaneous	500	500	252	(248)
<i>Total Receipts</i>	43,590	43,590	54,286	10,696
Disbursements				
Current:				
Health				
Personal Services	34,655	36,939	32,664	4,275
Capital Outlay	500	0	0	0
Other	5,282	4,860	4,461	399
<i>Total Disbursements</i>	40,437	41,799	37,125	4,674
<i>Excess of Receipts Over Disbursements</i>	3,153	1,791	17,161	15,370
Other Financing Uses				
Transfers Out	(2,250)	(531)	0	531
<i>Net Change in Fund Balance</i>	903	1,260	17,161	15,901
<i>Fund Balance Beginning of Year</i>	20,694	20,694	20,694	0
Prior Year Encumbrances Appropriated	1,582	1,582	1,582	0
<i>Fund Balance End of Year</i>	\$23,179	\$23,536	\$39,437	\$15,901

Crawford County General Health District, Crawford County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Women, Infants and Children Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Over (Under)
Receipts				
Intergovernmental	\$182,282	\$182,282	\$152,137	(\$30,145)
Other	4,553	0	47	47
<i>Total Receipts</i>	<u>186,835</u>	<u>182,282</u>	<u>152,184</u>	<u>(30,098)</u>
Disbursements				
Current:				
Health				
Personal Services	163,551	165,538	162,068	3,470
Capital Outlay	500	5,638	5,638	0
Other	22,029	16,031	14,367	1,664
<i>Total Disbursements</i>	<u>186,080</u>	<u>187,207</u>	<u>182,073</u>	<u>5,134</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>755</u>	<u>(4,925)</u>	<u>(29,889)</u>	<u>(24,964)</u>
Other Financing Sources (Uses)				
Advances In	0	0	20,000	20,000
Transfers Out	(1,304)	0	0	0
Advances Out	0	0	(20,052)	(20,052)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,304)</u>	<u>0</u>	<u>(52)</u>	<u>(52)</u>
<i>Net Change in Fund Balance</i>	(549)	(4,925)	(29,941)	(25,016)
<i>Fund Balance Beginning of Year</i>	46,022	46,022	46,022	0
Prior Year Encumbrances Appropriated	550	550	550	0
<i>Fund Balance End of Year</i>	<u>\$46,023</u>	<u>\$41,647</u>	<u>\$16,631</u>	<u>(\$25,016)</u>

Crawford County General Health District, Crawford County
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Public Health Infrastructure Fund
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Receipts				
Intergovernmental	\$74,390	\$123,918	\$75,426	(\$48,492)
Disbursements				
Current:				
Health				
Personal Services	56,256	50,442	50,442	0
Contractual Services	17,213	56,322	30,194	26,128
Capital Outlay	6,847	14,718	14,718	0
Other	9,585	18,372	17,640	732
<i>Total Disbursements</i>	<u>89,901</u>	<u>139,854</u>	<u>112,994</u>	<u>26,860</u>
<i>Excess of Receipts Under Disbursements</i>	(15,511)	(15,936)	(37,568)	(21,632)
Other Financing Uses				
Transfers Out	(467)	0	0	0
<i>Net Change in Fund Balance</i>	(15,978)	(15,936)	(37,568)	(21,632)
<i>Fund Balance Beginning of Year</i>	42,068	42,068	42,068	0
Prior Year Encumbrances Appropriated	<u>16,234</u>	<u>16,234</u>	<u>16,234</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$42,324</u></u>	<u><u>\$42,366</u></u>	<u><u>\$20,734</u></u>	<u><u>(\$21,632)</u></u>

Crawford County General Health District, Crawford County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 1 - Reporting Entity

A five-member Board of Health appointed by the District Advisory Council governs the Health District (the District). 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'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. The District has elected not to apply FASB pronouncements issued after November 30, 1989. 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, 2006

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

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

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

Sewage Fund - The Sewage Fund accounts for monies received from sewage permits and installer licenses.

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 services to control communicable diseases, chronic diseases and disorders, and other preventable health conditions.

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, 2006

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

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

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

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.

Crawford County General Health District, Crawford County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

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 2006.

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, Sewage, WIC, Public Health Infrastructure and other governmental. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

The government-wide statement of net assets reports \$196,614 of restricted net assets. The District did not have any net assets restricted by enabling legislation at December 31, 2006.

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 \$23,987 of reserved for encumbrances. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

Crawford County General Health District, Crawford County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

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 and after nonoperating receipts/cash disbursements in proprietary 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

For 2006, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 47, "Accounting for Termination Benefits". GASB Statement No. 47 establishes accounting and financial reporting standards for benefits associated with either voluntary or involuntary terminations. The implementation of this statement did not result in any change to the District's financial statements.

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	\$4,880
Major Special Revenue Funds:	
Public and School Health Services	161
Sewage	557
Women, Infants and Children	375
Public Health Infrastructure	9,696

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, the City of Crestline, and the Villages of Chatfield, New Washington, North Robinson, and Tiro comprise the District. The City of Bucyrus also contracts with the District for health services in accordance with Ohio law. This is reported in the financial statements as charges for services.

Crawford County General Health District, Crawford County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

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 political subdivisions. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member political subdivisions pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding the \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Members can elect additional coverage, from \$2,000,000 to \$12,000,000 from the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

Through 2004, PEP retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

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 local government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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 (the latest information available):

Crawford County General Health District, Crawford County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

<u>Casualty Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$29,719,675	\$27,437,169
Liabilities	(15,994,168)	(13,880,038)
Retained Earnings	<u>\$13,725,507</u>	<u>\$13,557,131</u>
<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$4,443,332	\$3,648,272
Liabilities	(1,068,245)	(540,073)
Retained Earnings	<u>\$3,375,087</u>	<u>\$3,108,199</u>

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.

For the year ended December 31, 2006, members of all three plans were required to contribute 9 percent of their annual covered salary to fund pension obligations. The District's contribution rate for pension benefits for 2006 was 9.20 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 was \$55,648, \$56,905, and \$53,903 respectively; 92 percent has been contributed for 2006 and 100 percent has been contributed for 2005 and 2004. No contributions were made to the member-directed plan for 2006 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, 2006

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for ancillary health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 employer contribution rate was 13.70 percent of covered payroll and 4.5 percent was the portion used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005 (the latest information available), include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase .5 to 6 percent annually for the next nine years and 4 percent annually after nine years.

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

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits was \$27,219. The actual contribution and the actuarial required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2005 (the latest information available), was \$11.1 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004 is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employers contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

Crawford County General Health District, Crawford County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2006

Note 9 - Interfund Transfers

During 2006 the following transfers were made:

Transfer from the General Fund to:	
Public and School Health Services	\$70,000
Other Governmental Funds	8,000
Total	<u>\$78,000</u>

The Public and School Health Services fund received a transfer of funds from the General Fund to offset operating costs. Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 10 - 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.

Note 11 - Prior Year Budgetary Balance Adjustment

Various funds' beginning budgetary balances changed due to encumbrances not being included in the prior year's ending fund balances.

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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, 2006, which collectively comprise the Crawford County General Health District's basic financial statements and have issued our report thereon dated June 5, 2007, 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 5, 2007.

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 5, 2007

**CRAWFORD COUNTY GENERAL HEALTH DISTRICT
CRAWFORD COUNTY
DECEMBER 31, 2006**

STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the year ending December 31, 2005, 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 10, 2007**