

Crawford County, Ohio

COMPREHENSIVE ANNUAL

FINANCIAL

REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2007

**Robin E. Hildebrand**

**CRAWFORD COUNTY AUDITOR**

Prepared by:

Robyn M. Sheets

GAAP Coordinator

**Crawford County, Ohio**  
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The County provides a wide range of services as mandated by State statute. The three member Board of County Commissioners serves as the taxing authority and the contracting authority for the County. The County Commissioners also create and adopt the annual operating budget and approve expenditures of County tax monies.

The County Auditor serves as Chief Fiscal Officer for the County, as well as the tax assessor for all political subdivisions within the County. The County Auditor is responsible for maintaining all financial records and establishes taxing rates for real estate and personal property. Once collected, the tax receipts are distributed to the appropriate political subdivision. The County Auditor is also the chief disbursing agent who, by the issuance of County warrants, makes payment to creditors for liabilities incurred by the County. The County Auditor also serves as the County Sealer of Weights and Measures and as the licensing agent for certain permits required by State statute. The County Auditor serves as Fiscal Agent, but the County is not financially accountable for the Crawford County General Health District, the Crawford County Soil and Water Conservation District, the Crawford County Park District, the Regional Planning Commission, and the Family and Children First Council.

The County Treasurer is the custodian of all County funds and is responsible for collecting all tax monies and applying payments to the appropriate tax accounts. The Treasurer is also responsible for investing all idle County funds as specified by Ohio law. Other elected officials serving four-year terms include the Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, and Sheriff. The Common Pleas Court Judges and the County Municipal Court Judge are elected to six-year terms.

The County Commissioners are required to adopt a final budget by no later than April 1 of each year. This annual budget serves as the foundation for Crawford County's financial planning and control. The budget is prepared at the fund, program, department, and object level. Department heads are required to submit any changes to their budget through the County Commissioners.

## LOCAL ECONOMY

The dominant industries in Crawford County remain manufacturing and agriculture. Over 38 percent of private sector employees in the County work in manufacturing, predominantly durable goods manufacturing (although the County still has a few significant non-durable goods manufacturers). In contrast, on the national level, manufacturing employment has fallen to about 11 percent of total employment. The other dominant industry, agriculture, is evidenced with over 94 percent of the County's land mass used for agriculture, including forests. Only about 10 percent of Crawford County's private sector employees work in retail trade.

Crawford County, like the balance of the state and nation, has been impacted by the off shoring of manufacturing jobs; however, growth in the firms more resistant to off shoring has more than made up for job losses from this globalization effect. Major County employers include such recognizable names as Timken, General Electric, Lifetouch Church Directories and Portraits, and PPG. Locally manufactured products include auto parts, lighting, marine/recreation, telecommunications, construction and mining industry components, and processing equipment for heavy industry. Manufacturing touts an annual payroll of over \$200 million with over 5 thousand employees at approximately one hundred firms.

The manufacturing sector benefits from a highly skilled workforce in a labor market comprised of Crawford and its contiguous counties. Skill training centers support ongoing workforce development addressing the needs of the manufacturing employers. Public and private investment in skill upgrades for incumbent workers as well as initial training for entry level workers has jumped dramatically during the past two years.

In agriculture, crop cash receipts exceed livestock cash receipts by more than three to one. Hogs and soybeans are dominant products, with total farm cash receipts of approximately \$80 million.

Crawford County supports agriculture with 230,000 of its 260,000 acres in agricultural production, with additional acreage in forestry production. In addition to family farm establishments, the County hosts numerous corporate crop and livestock entities as well as food processing facilities. The average per farm cash receipts is 50 percent higher than the state average. Soil qualities and farm-size based economies of scale contribute to this outstanding productivity.

Excellent rail and highway access support area manufacturing. The recently completed four-lane interstate-quality U.S. Route 30 corridor connecting I-71 and I-75, and intersecting Crawford County, enhances the existing transportation assets for existing employers and provides new highway accessible sites for the attraction of new manufacturing firms.

Crawford County's annual average unemployment rate saw a slight increase in 2007 over 2006 due to a decrease in the County's civilian labor force (total pool of workers in the County). The local County rate continues to exceed the state and national rates although it has remained relatively stable over the last ten years. The earlier discussed new investments in skill-based training from local, state and national resources will, over time, serve to reduce the County unemployment rate and provide area employers with more highly skilled workers.

## LONG-TERM FINANCIAL PLANNING

As part of developing a long-range capital asset acquisition plan, the County Commissioners are in the process of conducting a county-wide Information Technology Strategic Implementation Plan to assist with capital budget planning, system implementation, and data integration over the next several years. The goal of this plan is to guide management in future decisions relating to technology needs in an efficient and cost effective manner. The plan is segregated into several steps consisting of interviewing individual County departments to assess each department's technological needs, compiling a report detailing those needs, and reporting suggestions and recommendations on how those needs can be met. The next step is to strategize a plan to share data and resources. This plan is being done in conjunction with the Data Processing Board who has oversight responsibilities for the acquisition of new computer systems within the County. The County Auditor is reviewing different reporting methods and processes that are available to provide management with data to make informed financial decisions.

## RELEVANT FINANCIAL POLICIES

It is the County's policy to ensure that current year revenues are sufficient to fund current year expenditures without the use of non-recurring revenues. Expenditures are set based upon available revenues with the County Commissioners determining the level of funding for each department or office within the primary government.

The County Treasurer manages the investment of County funds by adhering to the Investment and Depository Policy that has been approved by the County's Investment Advisory Committee. Any financial institution that holds County funds must also agree to the requirements of this policy. This policy details the objectives and allowable rules for the safekeeping of County funds.

The County Auditor's capital assets policy is designed to provide accountability and control over the County's capital assets and to assist departments in gathering and maintaining information needed for the preparation of financial statements.

The County Auditor's Procedures and Guidelines Manual assists all County departments in day-to-day accounting procedures and practices. The Financial Report Review Committee also provides County departments with guidance to ensure that the County maintains effective internal controls.

**Crawford County, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2007*  
*Elected Officials*

Board of Commissioners

Carl Watt (President)  
Mohsen Ressallat  
Gary Miller

Auditor

Robin E. Hildebrand

Treasurer

Gary Cole

Recorder

Karen Scott

Clerk of Courts

Sue E. Seevers

Coroner

Michael Johnson

Engineer

Cecil Newcome

Prosecuting Attorney

Stanley E. Flegm

Sheriff

Ronny J. Shawber

Common Pleas Court Judge

Russell Wiseman

Probate/Juvenile Court Judge

Steven D. Eckstein

Municipal Court Judge

James Hoover



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Crawford County  
112 East Mansfield Street  
Bucyrus, Ohio 44820

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Crawford County, Ohio (the County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Waycraft Workshop, Inc., the County's discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for Waycraft Workshop, Inc., on the report of the other auditors.

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 reasonably assure 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 and the report of the other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Crawford County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Auto License and Gas Tax, Child Welfare, County Home, Job and Family Services, Jail Operation Levy, and Mental Retardation and Developmental Disabilities Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2008, on our consideration of the County'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America 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.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



**Mary Taylor, CPA**  
Auditor of State

June 13, 2008

**Crawford County, Ohio**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

The discussion and analysis of Crawford County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

**Highlights**

Highlights for 2007 are as follows:

Net assets increased \$1,222 thousand for governmental activities. The increase is a result of a combination of factors including a reduction in expenses for Auto License and Gas Tax and an increase in the cash balance of the Solid Waste and Recycling program due to an increase in fees collected from increased tonnage at the landfill.

The majority of the internal balance, in the amount of \$246,120, that was owed to governmental activities from business-type activities was fully paid in 2007. General obligation bonds were issued to refund bonds previously issued for the Sanitary Landfill. This enabled restructuring of the debt payment schedule.

General obligation bonds were issued to refund bonds previously issued for various projects of the County allowing the County to take advantage of lower interest rates.

**Using This Annual Report**

This annual report consists of a series of financial statements. These statements are organized so the reader can understand Crawford County's financial position.

*The Statement of Net Assets and the Statement of Activities* provide information about the activities of the County as an entity and present a longer-term view of the County's finances.

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's most significant funds in more detail than the government-wide statements. Non-major funds are presented separately from the major funds in total and in one column. For Crawford County, the General Fund is the most significant of the major funds.

**Reporting the County as a Whole**

One of the most important questions asked about the County's finances is "How did the County do financially during 2007". The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting that is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the County as a whole has increased or decreased. Over time, increases or decreases in the County's net assets are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors. Some of these factors are financial and some are not.

**Crawford County, Ohio**  
Management's Discussion and Analysis  
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Non-financial factors include changes in the County's property tax base and the condition of the County's capital assets (roads, buildings, water and sewer lines). These factors need to be considered when assessing the overall health of the County.

In the Statement of Net Assets and the Statement of Activities, the County is divided into two kinds of activities:

**Governmental Activities** - Most of the County's programs and services are reported here including general government, public safety, public works, health, human services, and economic development. These services are funded primarily by taxes and intergovernmental revenues, including state and federal grants and other shared revenues.

**Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all or most of the costs of the services provided. The County's Sewer and Sanitary Landfill are reported here.

### **Reporting the County's Most Significant Funds**

The fund financial statements provide detailed information about the County's major funds. The County's major governmental funds are the General Fund, Auto License and Gas Tax Fund, Child Welfare Fund, County Home Fund, Job and Family Services Fund, Jail Operation Levy Fund, Mental Retardation and Developmental Disabilities Fund, and the Debt Service Fund.

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of these funds and the year end balances available for spending. These funds are reported on the modified accrual accounting method that measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's short-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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Management's Discussion and Analysis  
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The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds - The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Sewer operation and the Sanitary Landfill operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The Health Benefits Fund accounts for the claims and liabilities relating to the County's health benefits self-insurance program.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the County's programs. The accounting methods used for fiduciary funds are much like that used for the proprietary funds.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

**Government-Wide Financial Analysis**

Table 1 provides a summary of the County's net assets for 2007 and 2006:

Table 1  
Net Assets  
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Assets:</b>						
Current and Other Assets	\$29,810	\$27,201	\$676	\$271	\$30,486	\$27,472
Capital Assets, Net	46,239	48,113	3,794	3,418	50,033	51,531
<b>Total Assets</b>	<b>76,049</b>	<b>75,314</b>	<b>4,470</b>	<b>3,689</b>	<b>80,519</b>	<b>79,003</b>
<b>Liabilities:</b>						
<b>Current and Other</b>						
Liabilities	6,614	6,643	15	21	6,629	6,664
Long-Term Liabilities	13,163	13,621	4,777	5,106	17,940	18,727
<b>Total Liabilities</b>	<b>19,777</b>	<b>20,264</b>	<b>4,792</b>	<b>5,127</b>	<b>24,569</b>	<b>25,391</b>
<b>Net Assets:</b>						
<b>Invested in Capital</b>						
Assets, Net of Related						
Debt	34,876	36,519	350	(785)	35,226	35,734
Restricted	15,100	12,596	0	0	15,100	12,596
Unrestricted (Deficit)	6,296	5,935	(672)	(653)	5,624	5,282
<b>Total Net Assets (Deficit)</b>	<b>\$56,272</b>	<b>\$55,050</b>	<b>(\$322)</b>	<b>(\$1,438)</b>	<b>\$55,950</b>	<b>\$53,612</b>

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Total net assets for governmental activities had a modest 2 percent increase from the prior year. As reflected in the above table, there was little change in assets, liabilities, or net assets.

The deficit net assets for business-type activities decreased significantly from a contribution of capital assets from governmental activities.

Table 2 shows the change in net assets for 2007 and 2006.

Table 2  
Change in Net Assets  
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues						
Charges for Services	\$8,195	\$7,360	\$5,712	\$4,566	\$13,907	\$11,926
Operating Grants, Contributions, and Interest	14,840	13,881	0	0	14,840	13,881
Capital Grants and Contributions	0	6,702	0	20	0	6,722
Total Program Revenues	<u>23,035</u>	<u>27,943</u>	<u>5,712</u>	<u>4,586</u>	<u>28,747</u>	<u>32,529</u>
General Revenues						
Property Taxes	4,924	5,121	0	0	4,924	5,121
Sales Taxes	4,982	4,908	0	0	4,982	4,908
Grants and Entitlements	1,526	1,518	0	0	1,526	1,518
Interest	994	854	0	0	994	854
Other	854	860	0	0	854	860
Total General Revenues	<u>13,280</u>	<u>13,261</u>	<u>0</u>	<u>0</u>	<u>13,280</u>	<u>13,261</u>
Total Revenues	36,315	41,204	5,712	4,586	42,027	45,790
Transfers	(570)	68	570	(68)	0	0
Total Revenues and Transfers	<u>35,745</u>	<u>41,272</u>	<u>6,282</u>	<u>4,518</u>	<u>42,027</u>	<u>45,790</u>
Program Expenses						
General Government						
Legislative and Executive	3,897	4,257	0	0	3,897	4,257
Judicial	2,106	2,049	0	0	2,106	2,049
Public Safety	5,708	5,622	0	0	5,708	5,622
Public Works	4,345	2,735	0	0	4,345	2,735
Health	4,781	4,772	0	0	4,781	4,772
Intergovernmental	489	480	0	0	489	480
Human Services	12,654	10,954	0	0	12,654	10,954
Economic Development	68	259	0	0	68	259
Interest and Fiscal Charges	475	641	0	0	475	641
Sewer	0	0	167	106	167	106
Sanitary Landfill	0	0	4,999	3,758	4,999	3,758
Total Expenses	<u>34,523</u>	<u>31,769</u>	<u>5,166</u>	<u>3,864</u>	<u>39,689</u>	<u>35,633</u>
Increase in Net Assets	1,222	9,503	1,116	654	2,338	10,157
Net Assets (Deficit)						
Beginning of Year	<u>55,050</u>	<u>45,547</u>	<u>(1,438)</u>	<u>(2,092)</u>	<u>53,612</u>	<u>43,455</u>
Net Assets (Deficit)						
End of Year	<u>\$56,272</u>	<u>\$55,050</u>	<u>(\$322)</u>	<u>(\$1,438)</u>	<u>\$55,950</u>	<u>\$53,612</u>

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Funding for the major programs of the County is from charges for services, operating grants, sales taxes, and property taxes. The Child Support and Jobs and Family Services Departments are basically funded with state and federal moneys. The County Home, Council on Aging, Children Services, and Mental Retardation and Developmental Disabilities School are supported with a combination of voted property tax levies and grants. The operation of the County Jail is funded by a voted sales tax levy, charges for housing prisoners, and with transfers from the General Fund. The major funding sources for the County Engineer and Highway Department are motor vehicle license fees and gasoline taxes.

Charges for services revenue and operating grants, contributions, and interest revenue did not change significantly from 2006. Capital grants and contributions decreased as a result of the County acquiring a portion of the former U.S. 30 roadway from the State of Ohio in 2006. Repairs to the Morton wastewater treatment plant were made during 2007. Upon completion, it was transferred from governmental activities to business-type activities.

The Legislative and Executive program consists of costs associated with the general administration of County government including the services of the County Commissioners, Auditor, Treasurer, Recorder, and Prosecuting Attorney. The Judicial program accounts for costs associated with the administration of the County's court system including Common Pleas and Municipal courts. The Public Safety program accounts for costs associated with the operation of the County Jail and the Sheriff's Department. The Public Works program accounts for costs associated with the operation of the County Engineer and Highway Department. A significant portion of the expenses was used for routine maintenance activities in 2007. The Health program primarily accounts for costs associated with the Mental Retardation and Developmental Disabilities School. The Human Services program accounts for costs associated with providing services for various state and locally mandated welfare programs. The most significant programs that are supported with local tax dollars are the operation of the County Home and providing services to the elderly through the Council on Aging. The Human Services program also includes the costs associated with Child Support, Child Welfare, and the Jobs and Family Services Department. In 2007, expenses increased in this program from the County offering a two-year buyout to employees within these departments and an increase in social services costs. The Economic Development program accounts for costs associated with creating an office of economic development and land use planning.

Charges for services revenue increased for business-type activities primarily due to additional tonnage received at the landfill that was a result of the market area being expanded.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues, unrestricted intergovernmental revenues, and other general revenues.

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Management's Discussion and Analysis  
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Table 3  
Governmental Activities  
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
General Government				
Legislative and Executive	\$3,897	\$4,257	\$1,744	\$2,019
Judicial	2,106	2,049	981	906
Public Safety	5,708	5,622	4,688	4,558
Public Works	4,345	2,735	(360)	(8,610)
Health	4,781	4,772	1,723	2,173
Intergovernmental	489	480	382	480
Human Services	12,654	10,954	2,124	1,497
Economic Development	68	259	(270)	162
Interest and Fiscal Charges	475	641	475	641
Total Expenses	<u>\$34,523</u>	<u>\$31,769</u>	<u>\$11,487</u>	<u>\$3,826</u>

For the Legislative and Executive and Judicial programs, approximately 55 percent of the costs of services are derived from program revenues, including charges for services. For the Public Works program, the amount received from program revenues decreased due to a capital contribution received in 2006 from the State of Ohio for a segment of U.S. Route 30. This transaction resulted from the State of Ohio constructing a new U.S. Route 30 through Crawford County and a portion of the old U.S. Route 30 was turned over to Crawford County. The Health and Human Services programs are primarily funded by operating grants and contributions.

**Governmental Funds Financial Analysis**

The County's major governmental funds are the General Fund, Auto License and Gas Tax Fund, Child Welfare Fund, County Home Fund, Job and Family Services Fund, Jail Operation Levy Fund, Mental Retardation and Development Disabilities Fund, and Debt Service Fund. The fund balance of the General Fund decreased as a result of transfers made to the Jail Operation Levy Fund, Northeast Water Project Fund, and Debt Service Fund. The fund balance of the Auto License and Gas Tax Fund increased due to a slight increase in revenues but also a slight decrease in expenditures. The Child Welfare Fund had a negative net change in fund balance due to an increase in expenditures due to utilizing more services from Job and Family Services. The County Home continues to have a negative net change in fund balance. In 2007, the County Home Fund experienced a decrease in fees received from residents. The net change in fund balance in the Job and Family Services Fund increased as a result of receiving revenue for services provided to the Child Welfare Department. The fund balance of the Jail Operation Levy Fund had a negative net change in fund balance attributable to fewer housing contracts for outside prisoners. The Mental Retardation and Developmental Disabilities Fund had a slight increase in fund balance.

**Crawford County, Ohio**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

**Business-Type Financial Analysis**

The County's enterprise funds consist of the Sewer Fund and the Sanitary Landfill Fund. The County provides water and sewer services to approximately one hundred twenty customers. Water is being provided to these customers through a water line constructed from the City of Bucyrus to the Village of North Robinson. Construction costs were paid from the users of the water line and from a grant received by the County. A centralized sewer system to replace failing systems or construct new systems in the Sugar Grove area of Whetstone Township became fully functional in 2007. Construction costs were funded with CDBG and Issue II grants. For 2007, revenues for water and sewer services exceeded expenses by nearly \$15 thousand as a result of rate increases.

In 2007, operation of the Sanitary Landfill continued under a lease agreement between the County and Santek Environmental. Under this agreement, Santek Environmental operates the landfill and pays monthly fees to the County. These fees are used for debt retirement of the Landfill. Santek will assume all future construction costs of landfill cells and costs associated with closure of the facility. The agreement allows the County to retain ownership. Santek Environmental has expanded the market area of the Sanitary Landfill.

Since the County has outstanding debt, flow control of solid waste generated within the County is controlled by federal mandate that requires all waste to be disposed of at the local facility. This mandate is extended to Santek Environmental as long as the County has tax-supported debt outstanding.

For 2007, net assets of the Sanitary Landfill increased by \$533 thousand due to an increase in charges for services resulting in increased tonnage from the expanded market area.

**Budgetary Highlights**

As mandated by State statute, the County Commissioners adopt the annual operating budget for the County on the first day of January. For the County General Fund, changes from the original to the final budget have been minimal. Fluctuations in growth and diversity have typically not occurred in Crawford County allowing departmental managers the ability to consistently predict revenues and expenditures. The County does not increase its estimated revenues unless actual revenues realized exceed original estimates and additional spending authority is necessary.

Actual revenues in the General Fund were higher than the final budget by over 12 percent. The most material changes were increases in charges for services, sales taxes, and interest revenues. Changes in appropriations for the General Fund were minimal as total expenditures were 7 percent less than the final budget.

**Capital Assets and Debt Administration**

Capital Assets - The County's investment in capital assets for governmental and business-type activities as of December 31, 2007, was \$35,227,064 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, equipment, roads, and bridges.

Note 11 provides capital asset activity during 2007. During 2007, various roads were resurfaced and bridges improved bringing the infrastructure investment of the County to \$28,100,485. Additions to capital assets consisted of data processing equipment and cars for the Sheriff's Department, heavy-duty vehicles for the County Engineer, and vehicles for the Solid Waste and Recycling Department.



**Crawford County, Ohio**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

Long-Term Debt - At December 31, 2007, the County's overall long-term obligations included \$16,891 thousand in general obligation bonds and \$47 thousand in OPWC loans. Of this amount, \$4,776 thousand is expected to be repaid from business-type activities. To take advantage of lower interest rates, the County issued \$8,135 thousand in general obligation bonds in 2007 to refinance bonds, in the amount of \$7,308 thousand, previously issued for various capital projects within the County.

In 2007, the County's credit rating was upgraded for the first time in twenty years. Citing sound financial operations, healthy reserves, a moderately-sized agricultural base, and an affordable debt burden with limited future borrowing, Moody's Investors Service and Standard and Poor's have upgraded the County's underlying rating to A3 and A, respectively. However, a AAA credit rating was listed on the bonds since the County purchased insurance from AMBAC Indemnity Corporation guaranteeing bond payments.

In addition to the bonded debt and OPWC loan, the County's long-term obligations include compensated absences. Additional information on the County's long-term debt and landfill lease agreement can be found in Notes 17 and Note 20 of this report, respectively.

### **Economic Factors**

Crawford County is primarily a rural community with a significant agricultural and durable goods manufacturing presence. The County's \$2 billion tax base has grown approximately 19.4 percent since 2002. This growth is almost entirely attributed to the revaluation of property within the County.

The unemployment rate for the County is currently 6.9 percent, which increased from a rate of 6.5 percent a year ago. This rate exceeds the State's average unemployment rate of 5.6 percent and the national average of 4.6 percent.

The General Fund balance at December 31, 2007, was \$4,322,045, which is a 14 percent decrease from the 2006 balance of \$5,028,668. In 2007, general operating revenues and department expenditures remained comparable to prior years; however, transfers from the General Fund increased by 23 percent contributing to the decrease in fund balance for 2007.

The County's debt burden, which represents 1 percent of the estimated value of real property in the County, remains modest. The County does not plan to construct or make any major renovations to County facilities in the near future.

### **Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Robin Hildebrand, Crawford County Auditor, 112 East Mansfield Street, Suite 105, Bucyrus, Ohio 44820.

**Crawford County, Ohio**  
*Statement of Net Assets*  
*December 31, 2007*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$17,452,877	\$375,872	\$17,828,749	\$0
Cash and Cash Equivalents				
in Segregated Accounts	107,349	0	107,349	105,400
Cash and Cash Equivalents with Fiscal Agent	587,684	0	587,684	0
Cash and Cash Equivalents with Escrow Agent	7,182	0	7,182	0
Investments in Segregated Accounts	0	0	0	180,959
Accounts Receivable	209,322	231,828	441,150	133,977
Accrued Interest Receivable	256,212	0	256,212	0
Sales Taxes Receivable	801,978	0	801,978	0
Due from Other Governments	4,960,663	0	4,960,663	0
Due from Primary Government	0	0	0	7,282
Special Assessments Receivable	94,732	0	94,732	0
Prepaid Items	250,819	838	251,657	1,071
Materials and Supplies Inventory	228,314	0	228,314	0
Internal Balances	1,083	(1,083)	0	0
Property Taxes Receivable	4,638,595	0	4,638,595	0
Unamortized Issuance Costs	213,404	68,565	281,969	0
Other Assets	0	0	0	928
Nondepreciable Capital Assets	6,409,198	1,273,314	7,682,512	39,440
Depreciable Capital Assets, Net	39,830,179	2,520,856	42,351,035	534,599
<i>Total Assets</i>	76,049,591	4,470,190	80,519,781	1,003,656
<b>Liabilities</b>				
Wages Payable	276,496	325	276,821	38,438
Accounts Payable	471,851	260	472,111	39,008
Contracts Payable	101,656	0	101,656	0
Due to Other Governments	794,583	738	795,321	22,326
Due to Component Unit	7,282	0	7,282	0
Deferred Revenue	4,426,458	0	4,426,458	0
Matured Compensated Absences Payable	44,064	0	44,064	4,755
Claims Payable	448,868	0	448,868	0
Accrued Interest Payable	35,709	13,354	49,063	0
Retainage Payable	7,182	0	7,182	0
Long-Term Liabilities				
Due Within One Year	565,000	592,479	1,157,479	13,495
Due in More Than One Year	12,598,008	4,184,669	16,782,677	303,440
<i>Total Liabilities</i>	19,777,157	4,791,825	24,568,982	421,462
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	34,876,678	350,386	35,227,064	257,104
Restricted for				
Capital Projects	258,387	0	258,387	0
Debt Service	185,520	0	185,520	0
Public Safety	698,401	0	698,401	0
Public Works	6,455,947	0	6,455,947	0
Health	3,328,089	0	3,328,089	0
Human Services	1,955,374	0	1,955,374	0
Other Purposes	2,218,256	0	2,218,256	0
Unrestricted (Deficit)	6,295,782	(672,021)	5,623,761	325,090
<i>Total Net Assets (Deficit)</i>	\$56,272,434	(\$321,635)	\$55,950,799	\$582,194

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2007

	Expenses	Program Revenues	
		Charges for Services	Operating Grants, Contributions, and Interest
<b>Governmental Activities</b>			
General Government			
Legislative and Executive	\$3,897,224	\$2,070,169	\$82,852
Judicial	2,105,455	1,069,504	54,935
Public Safety			
Jail Operation	2,277,125	146,857	0
Other Public Safety	3,431,062	360,438	512,926
Public Works	4,344,607	263,405	4,441,559
Health			
Mental Retardation and Developmental Disabilities	3,716,048	0	1,937,496
Other Health	1,064,754	1,013,247	106,636
Intergovernmental	489,447	0	106,921
Human Services			
Child Welfare	2,381,271	106,263	1,504,106
County Home	1,901,425	1,072,385	139,358
Job and Family Services	6,642,540	1,738,220	4,819,895
Other Human Services	1,728,602	342,980	806,801
Economic Development	67,908	11,361	326,844
Interest and Fiscal Charges	475,371	0	0
<i>Total Governmental Activities</i>	<u>34,522,839</u>	<u>8,194,829</u>	<u>14,840,329</u>
<b>Business-Type Activities</b>			
Sewer	166,961	181,811	0
Sanitary Landfill	4,999,267	5,530,383	0
<i>Total Business-Type Activities</i>	<u>5,166,228</u>	<u>5,712,194</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$39,689,067</u>	<u>\$13,907,023</u>	<u>\$14,840,329</u>
Component Unit			
Waycraft Workshop, Inc.	<u>\$1,093,080</u>	<u>\$1,026,178</u>	<u>\$27,859</u>

**General Revenues**

Property Taxes Levied for:  
General Operating  
Health-Mental Health  
Health-Mental Retardation and Developmental Disabilities  
Human Services-Child Welfare  
Human Services-County Home  
Human Services-Council on Aging  
Sales Taxes Levied for:  
General Operating  
Public Safety-Jail Operation  
Public Safety-Jail Debt  
Grants and Entitlements not Restricted to Specific Purposes  
Interest  
Other

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

*Change in Net Assets*

*Net Assets (Deficit) Beginning of Year - Restated (Note 3)*

*Net Assets (Deficit) End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Change in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$1,744,203)	\$0	(\$1,744,203)	\$0
(981,016)	0	(981,016)	0
(2,130,268)	0	(2,130,268)	0
(2,557,698)	0	(2,557,698)	0
360,357	0	360,357	0
			0
(1,778,552)	0	(1,778,552)	0
55,129	0	55,129	0
(382,526)	0	(382,526)	0
(770,902)	0	(770,902)	0
(689,682)	0	(689,682)	0
(84,425)	0	(84,425)	0
(578,821)	0	(578,821)	0
270,297	0	270,297	0
(475,371)	0	(475,371)	0
(11,487,681)	0	(11,487,681)	0
0	14,850	14,850	0
0	531,116	531,116	0
0	545,966	545,966	0
(11,487,681)	545,966	(10,941,715)	0
0	0	0	(39,043)
1,380,564	0	1,380,564	0
384,096	0	384,096	0
2,023,633	0	2,023,633	0
212,584	0	212,584	0
576,121	0	576,121	0
346,906	0	346,906	0
3,321,904	0	3,321,904	0
1,376,542	0	1,376,542	0
284,168	0	284,168	0
1,526,363	0	1,526,363	0
993,766	0	993,766	13,571
854,250	384	854,634	8,655
13,280,897	384	13,281,281	22,226
(570,351)	570,351	0	0
12,710,546	570,735	13,281,281	22,226
1,222,865	1,116,701	2,339,566	(16,817)
55,049,569	(1,438,336)	53,611,233	599,011
<u>\$56,272,434</u>	<u>(\$321,635)</u>	<u>\$55,950,799</u>	<u>\$582,194</u>

**Crawford County, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2007*

	<u>General</u>	<u>Auto License and Gas Tax</u>	<u>Child Welfare</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,437,492	\$3,869,829	\$743,849
Cash and Cash Equivalents			
in Segregated Accounts	0	0	91,694
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Accounts Receivable	24,992	0	0
Accrued Interest Receivable	256,212	0	0
Sales Taxes Receivable	534,657	0	0
Due from Other Governments	758,351	1,817,744	325,751
Special Assessments Receivable	0	0	0
Prepaid Items	235,514	121	0
Materials and Supplies Inventory	41,776	140,889	0
Restricted Assets			
Cash and Cash Equivalents with Escrow Agent	0	0	0
Interfund Receivable	809,825	399	0
Property Taxes Receivable	1,303,461	0	198,719
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$7,402,280</u>	<u>\$5,828,982</u>	<u>\$1,360,013</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Wages Payable	\$76,342	\$33,688	\$0
Accounts Payable	90,502	48,327	126,212
Contracts Payable	10,994	571	0
Due to Other Governments	186,195	47,193	305
Due to Component Unit	0	0	0
Interfund Payable	0	159,097	72,254
Deferred Revenue	2,707,761	1,524,461	444,940
Matured Compensated Absences Payable	8,441	0	0
Liabilities Payable from Restricted Assets			
Retainage Payable	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	<u>3,080,235</u>	<u>1,813,337</u>	<u>643,711</u>
 <b>Fund Balances</b>			
Reserved for Encumbrances	156,476	166,369	54,245
Reserved for Interfund Receivable	183,127	0	0
Unreserved, reported in			
General Fund	3,982,442	0	0
Special Revenue Funds (Deficit)	0	3,849,276	662,057
Debt Service Fund	0	0	0
Capital Projects Funds	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances (Deficit)</i>	<u>4,322,045</u>	<u>4,015,645</u>	<u>716,302</u>
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,402,280</u>	<u>\$5,828,982</u>	<u>\$1,360,013</u>

County Home	Job and Family Services	Jail Operation Levy	Mental Retardation and Developmental Disabilities	Debt Service
\$179,425	\$1,068,449	\$100,360	\$1,383,496	\$39,074
0	0	5,187	0	0
0	0	0	587,684	0
74,374	5,650	0	0	0
0	0	0	0	0
0	0	0	0	267,321
65,712	0	11,105	772,206	0
0	0	0	0	0
2,047	4,604	873	2,421	0
4,171	6,812	21,127	2,232	0
0	0	0	0	0
0	85,730	202	0	0
544,813	0	0	1,906,847	0
<u>\$870,542</u>	<u>\$1,171,245</u>	<u>\$138,854</u>	<u>\$4,654,886</u>	<u>\$306,395</u>
\$21,961	\$58,146	\$25,659	\$35,378	\$0
8,385	101,719	5,044	56,622	0
495	42,276	18,643	6,631	0
46,758	282,835	50,226	70,768	0
0	0	0	7,282	0
54	98	29,181	15,565	0
609,420	5,712	11,105	2,559,009	138,118
0	34,793	0	830	0
0	0	0	0	0
<u>687,073</u>	<u>525,579</u>	<u>139,858</u>	<u>2,752,085</u>	<u>138,118</u>
21,275	126,028	0	52,610	0
0	0	0	0	0
0	0	0	0	0
162,194	519,638	(1,004)	1,850,191	0
0	0	0	0	168,277
0	0	0	0	0
<u>183,469</u>	<u>645,666</u>	<u>(1,004)</u>	<u>1,902,801</u>	<u>168,277</u>
<u>\$870,542</u>	<u>\$1,171,245</u>	<u>\$138,854</u>	<u>\$4,654,886</u>	<u>\$306,395</u>

(continued)

**Crawford County, Ohio**  
*Balance Sheet*  
*Governmental Funds (continued)*  
*December 31, 2007*

	Other Governmental	Total Governmental Funds
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$4,503,966	\$15,325,940
Cash and Cash Equivalents in Segregated Accounts	10,468	107,349
Cash and Cash Equivalents with Fiscal Agent	0	587,684
Accounts Receivable	104,306	209,322
Accrued Interest Receivable	0	256,212
Sales Taxes Receivable	0	801,978
Due from Other Governments	1,209,794	4,960,663
Special Assessments Receivable	94,732	94,732
Prepaid Items	5,239	250,819
Materials and Supplies Inventory	11,307	228,314
Restricted Assets		
Cash and Cash Equivalents with Escrow Agent	7,182	7,182
Interfund Receivable	0	896,156
Property Taxes Receivable	684,755	4,638,595
	<u>\$6,631,749</u>	<u>\$28,364,946</u>
<i>Total Assets</i>		
	<u>\$6,631,749</u>	<u>\$28,364,946</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Wages Payable	\$25,169	\$276,343
Accounts Payable	35,040	471,851
Contracts Payable	22,046	101,656
Due to Other Governments	110,280	794,560
Due to Component Unit	0	7,282
Interfund Payable	618,824	895,073
Deferred Revenue	1,858,657	9,859,183
Matured Compensated Absences Payable	0	44,064
Liabilities Payable from Restricted Assets		
Retainage Payable	7,182	7,182
	<u>2,677,198</u>	<u>12,457,194</u>
<i>Total Liabilities</i>		
	<u>2,677,198</u>	<u>12,457,194</u>
<b>Fund Balances</b>		
Reserved for Encumbrances	246,652	823,655
Reserved for Interfund Receivable	0	183,127
Unreserved, reported in		
General Fund	0	3,982,442
Special Revenue Funds (Deficit)	3,695,320	10,737,672
Debt Service Fund	0	168,277
Capital Projects Funds	12,579	12,579
	<u>3,954,551</u>	<u>15,907,752</u>
<i>Total Fund Balances (Deficit)</i>		
	<u>3,954,551</u>	<u>15,907,752</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,631,749</u>	<u>\$28,364,946</u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Reconciliation of Total Governmental Fund Balances  
to Net Assets of Governmental Activities  
December 31, 2007*

*Total Governmental Fund Balances* \$15,907,752

***Amounts reported for governmental activities on the  
statement of net assets are different because of the following:***

Capital assets used in governmental activities are not  
financial resources and, therefore, are not reported in the funds. 46,239,377

Other long-term assets are not available to pay for current  
period expenditures and, therefore, are deferred in the funds:

Accounts Receivable	47,790	
Accrued Interest Receivable	256,212	
Sales Taxes Receivable	414,362	
Due from Other Governments	4,234,321	
Special Assessments Receivable	94,732	
Interfund Receivable	182,551	
Property Taxes Receivable	202,757	
		5,432,725

Unamortized issuance costs represent deferred charges which  
do not provide current financial resources and, therefore, are  
not reported in the funds. 213,404

The internal service fund is used to charge the costs of  
health care benefits to individual funds. The  
assets and liabilities of the internal service fund are included on the  
statement of net assets. 1,677,893

Some liabilities are not due and payable in the current  
period and, therefore, are not reported in the funds:

Accrued Interest Payable	(35,709)	
General Obligation Bonds Payable	(12,162,049)	
Compensated Absences Payable	(1,000,959)	
		(13,198,717)

*Net Assets of Governmental Activities* \$56,272,434

See accompanying notes to the basic financial statements



**Crawford County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Auto License and Gas Tax	Child Welfare
<b>Revenues</b>			
Property Taxes	\$1,401,629	\$0	\$217,915
Sales Taxes	3,309,542	0	0
Special Assessments	0	0	0
Charges for Services	1,982,950	85,942	106,263
Licenses and Permits	3,306	0	0
Fines and Forfeitures	190,856	61,440	0
Intergovernmental	1,571,207	3,741,375	1,434,481
Interest	872,689	170,156	3,804
Rent	17,344	0	0
Other	83,321	39,723	42,678
<i>Total Revenues</i>	<u>9,432,844</u>	<u>4,098,636</u>	<u>1,805,141</u>
<b>Expenditures</b>			
Current:			
General Government			
Legislative and Executive	2,990,699	0	0
Judicial	1,857,623	0	0
Public Safety	2,560,784	0	0
Public Works	157,855	2,991,764	0
Health	375,632	0	0
Intergovernmental	0	0	0
Human Services	344,866	0	2,381,271
Economic Development	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>8,287,459</u>	<u>2,991,764</u>	<u>2,381,271</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,145,385</u>	<u>1,106,872</u>	<u>(576,130)</u>
<b>Other Financing Sources (Uses)</b>			
Refunding General Obligation Bonds Issued	0	0	0
Premium on Refunding General Obligation Bonds Issued	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Transfers In	35,098	0	215,000
Transfers Out	(1,887,106)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,852,008)</u>	<u>0</u>	<u>215,000</u>
<i>Net Changes in Fund Balances</i>	(706,623)	1,106,872	(361,130)
<i>Fund Balances Beginning of Year - Restated (Note 3)</i>	<u>5,028,668</u>	<u>2,908,773</u>	<u>1,077,432</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,322,045</u></u>	<u><u>\$4,015,645</u></u>	<u><u>\$716,302</u></u>

County Home	Job and Family Services	Jail Operation Levy	Mental Retardation and Developmental Disabilities	Debt Service
\$585,854	\$0	\$0	\$2,057,701	\$0
0	0	1,376,542	0	277,987
0	0	0	0	0
1,072,385	1,788,173	136,616	0	0
0	0	0	0	0
0	0	0	0	0
122,676	4,819,895	0	1,792,495	0
0	0	0	3,272	0
0	0	0	0	181,079
32,037	259,793	90,801	108,018	8,811
1,812,952	6,867,861	1,603,959	3,961,486	467,877
0	0	0	0	0
0	0	0	0	0
0	0	2,272,942	0	0
0	0	0	0	0
0	0	0	3,708,792	0
0	0	0	0	0
1,903,328	6,681,981	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	565,000
0	0	0	0	434,453
0	0	0	0	142,133
1,903,328	6,681,981	2,272,942	3,708,792	1,141,586
(90,376)	185,880	(668,983)	252,694	(673,709)
0	0	0	0	6,535,000
0	0	0	0	86,323
0	0	0	0	(6,479,187)
0	191,084	520,303	0	554,123
(15,000)	0	0	(70,000)	0
(15,000)	191,084	520,303	(70,000)	696,259
(105,376)	376,964	(148,680)	182,694	22,550
288,845	268,702	147,676	1,720,107	145,727
\$183,469	\$645,666	(\$1,004)	\$1,902,801	\$168,277

(continued)

**Crawford County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds (continued)*  
*For the Year Ended December 31, 2007*

	Other Governmental	Total Governmental Funds
<b>Revenues</b>		
Property Taxes	\$747,748	\$5,010,847
Sales Taxes	0	4,964,071
Special Assessments	123,828	123,828
Charges for Services	2,336,480	7,508,809
Licenses and Permits	4,164	7,470
Fines and Forfeitures	38,195	290,491
Intergovernmental	2,116,498	15,598,627
Interest	47,359	1,097,280
Rent	0	198,423
Other	189,068	854,250
<i>Total Revenues</i>	<u>5,603,340</u>	<u>35,654,096</u>
<b>Expenditures</b>		
Current:		
General Government		
Legislative and Executive	681,310	3,672,009
Judicial	260,197	2,117,820
Public Safety	707,706	5,541,432
Public Works	358,949	3,508,568
Health	651,718	4,736,142
Intergovernmental	489,447	489,447
Human Services	1,418,418	12,729,864
Economic Development	61,384	61,384
Capital Outlay	225,796	225,796
Debt Service:		
Principal Retirement	0	565,000
Interest and Fiscal Charges	0	434,453
Issuance Costs	0	142,133
<i>Total Expenditures</i>	<u>4,854,925</u>	<u>34,224,048</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>748,415</u>	<u>1,430,048</u>
<b>Other Financing Sources (Uses)</b>		
Refunding General Obligation Bonds Issued	0	6,535,000
Premium on Refunding General Obligation Bonds Issued	0	86,323
Payment to Refunded Bond Escrow Agent	0	(6,479,187)
Transfers In	472,099	1,987,707
Transfers Out	(35,098)	(2,007,204)
<i>Total Other Financing Sources (Uses)</i>	<u>437,001</u>	<u>122,639</u>
<i>Net Changes in Fund Balances</i>	1,185,416	1,552,687
<i>Fund Balances Beginning of Year - Restated (Note 3)</i>	<u>2,769,135</u>	<u>14,355,065</u>
<i>Fund Balances End of Year</i>	<u>\$3,954,551</u>	<u>\$15,907,752</u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to Statement of Activities  
For the Year Ended December 31, 2007*

*Net Changes in Fund Balances - Total Governmental Funds* \$1,552,687

***Amounts reported for governmental activities on the  
statement of activities are different because of the following:***

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year:

Capital Outlay - Depreciable Capital Assets	625,016	
Depreciation	<u>(2,487,777)</u>	(1,862,761)

The book value of the capital assets is removed from the capital asset account on the statement of net assets when disposed of which results in an expense on the statement of activities. (11,201)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:

Property Taxes	(86,943)	
Sales Taxes	18,543	
Special Assessments	(15,986)	
Charges for Services	81,794	
Intergovernmental	543,513	
Interest	<u>121,038</u>	661,959

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.

General Obligation Bonds Payable	565,000	
Payment to Refunded Bond Escrow Agent	<u>6,479,187</u>	7,044,187

Bond proceeds are other financing sources in the governmental funds, but the issuance increases long-term liabilities on the statement of net assets. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities.

General Obligation Bonds Issued	(6,535,000)	
Premium on General Obligation Bonds Issued	(86,323)	
Amortization of Premium	<u>13,249</u>	(6,608,074)

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of net assets. Issuance costs are reported as an expenditure when paid in the governmental funds. Issuance costs and accounting losses are amortized over the life of the new debt on the statement of activities.

Unamortized Issuance Costs	142,133	
Amortization of Issuance Costs	(14,413)	
Annual Accretion	(26,125)	
Accrued Interest Payable	9,685	
Amortization of Accounting Loss	<u>(23,314)</u>	87,966

(continued)

**Crawford County, Ohio**

*Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to Statement of Activities (continued)  
For the Year Ended December 31, 2007*

The internal service fund is used to charge the costs of health care benefits to individual funds. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue of the internal service fund is allocated among the governmental activities. \$356,847

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 1,255

*Change in Net Assets of Governmental Activities* \$1,222,865

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2007*

	Original Budget	Revised Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Property Taxes	\$1,375,000	\$1,375,000	\$1,401,238	\$26,238
Sales Taxes	3,150,000	3,150,000	3,295,296	145,296
Charges for Services	1,703,837	1,703,837	1,966,517	262,680
Licenses and Permits	3,410	3,410	3,306	(104)
Fines and Forfeitures	148,000	148,000	190,553	42,553
Intergovernmental	1,439,178	1,439,178	1,571,491	132,313
Interest	425,000	425,000	801,275	376,275
Rent	17,344	17,344	17,344	0
Other	33,000	33,000	87,011	54,011
<i>Total Revenues</i>	<u>8,294,769</u>	<u>8,294,769</u>	<u>9,334,031</u>	<u>1,039,262</u>
<b>Expenditures</b>				
Current:				
General Government				
Legislative and Executive	3,362,992	3,396,523	3,279,644	116,879
Judicial	2,091,480	2,077,774	1,883,653	194,121
Public Safety	2,937,787	2,923,581	2,596,351	327,230
Public Works	177,388	176,366	159,515	16,851
Health	386,842	379,603	378,129	1,474
Human Services	393,969	393,836	341,280	52,556
<i>Total Expenditures</i>	<u>9,350,458</u>	<u>9,347,683</u>	<u>8,638,572</u>	<u>709,111</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,055,689)</u>	<u>(1,052,914)</u>	<u>695,459</u>	<u>1,748,373</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	1,173,064	1,173,064
Transfers In	0	0	35,098	35,098
Advances Out	0	0	(262,540)	(262,540)
Transfers Out	(1,782,181)	(1,887,358)	(1,887,106)	252
<i>Total Other Financing Sources (Uses)</i>	<u>(1,782,181)</u>	<u>(1,887,358)</u>	<u>(941,484)</u>	<u>945,874</u>
<i>Net Changes in Fund Balance</i>	(2,837,870)	(2,940,272)	(246,025)	2,694,247
<i>Fund Balance Beginning of Year</i>	2,843,815	2,843,815	2,843,815	0
Prior Year Encumbrances Appropriated	<u>130,018</u>	<u>130,018</u>	<u>130,018</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$135,963</u>	<u>\$33,561</u>	<u>\$2,727,808</u>	<u>\$2,694,247</u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Auto License and Gas Tax Fund*  
*For the Year Ended December 31, 2007*

	Original Budget	Revised Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Charges for Services	\$60,000	\$60,000	\$86,011	\$26,011
Fines and Forfeitures	60,000	60,000	62,094	2,094
Intergovernmental	3,540,000	3,540,000	3,725,801	185,801
Interest	50,000	50,000	167,084	117,084
Other	0	0	17,357	17,357
<i>Total Revenues</i>	3,710,000	3,710,000	4,058,347	348,347
<b>Expenditures</b>				
Current:				
Public Works	3,717,029	3,792,139	3,074,203	717,936
<i>Net Changes in Fund Balance</i>	(7,029)	(82,139)	984,144	1,066,283
<i>Fund Balance Beginning of Year</i>	2,600,985	2,600,985	2,600,985	0
Prior Year Encumbrances Appropriated	81,804	81,804	81,804	0
<i>Fund Balance End of Year</i>	<u>\$2,675,760</u>	<u>\$2,600,650</u>	<u>\$3,666,933</u>	<u>\$1,066,283</u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Child Welfare Fund*  
*For the Year Ended December 31, 2007*

	Original Budget	Revised Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Property Taxes	\$205,900	\$205,900	\$217,945	\$12,045
Charges for Services	81,000	81,000	106,263	25,263
Intergovernmental	1,519,390	1,519,390	1,506,342	(13,048)
Interest	3	3	54	51
Other	15,050	40,050	42,697	2,647
<i>Total Revenues</i>	1,821,343	1,846,343	1,873,301	26,958
<b>Expenditures</b>				
Current:				
Human Services	2,094,000	2,738,807	2,485,502	253,305
<i>Excess of Revenues Under Expenditures</i>	(272,657)	(892,464)	(612,201)	280,263
<b>Other Financing Sources</b>				
Transfers In	215,000	215,000	215,000	0
<i>Net Changes in Fund Balance</i>	(57,657)	(677,464)	(397,201)	280,263
<i>Fund Balance Beginning of Year</i>	708,602	708,602	708,602	0
Prior Year Encumbrances Appropriated	221,132	221,132	221,132	0
<i>Fund Balance End of Year</i>	<u>\$872,077</u>	<u>\$252,270</u>	<u>\$532,533</u>	<u>\$280,263</u>

See accompanying notes to the basic financial statements



**Crawford County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*County Home Fund*  
*For the Year Ended December 31, 2007*

	Original Budget	Revised Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Property Taxes	\$616,000	\$616,000	\$585,666	(\$30,334)
Charges for Services	1,325,000	1,325,000	1,080,739	(244,261)
Intergovernmental	55,000	55,000	122,676	67,676
Other	4,000	4,000	8,889	4,889
<i>Total Revenues</i>	2,000,000	2,000,000	1,797,970	(202,030)
<b>Expenditures</b>				
Current:				
Human Services	2,069,650	2,073,648	1,894,378	179,270
<i>Excess of Revenues Under Expenditures</i>	(69,650)	(73,648)	(96,408)	(22,760)
<b>Other Financing Uses</b>				
Transfers Out	(15,000)	(15,000)	(15,000)	0
<i>Net Changes in Fund Balance</i>	(84,650)	(88,648)	(111,408)	(22,760)
<i>Fund Balance Beginning of Year</i>	196,154	196,154	196,154	0
Prior Year Encumbrances Appropriated	23,512	23,512	23,512	0
<i>Fund Balance End of Year</i>	<u>\$135,016</u>	<u>\$131,018</u>	<u>\$108,258</u>	<u>(\$22,760)</u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Job and Family Services Fund*  
*For the Year Ended December 31, 2007*

	Original Budget	Revised Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Charges for Services	\$1,160,000	\$1,160,000	\$1,702,505	\$542,505
Intergovernmental	5,323,540	5,463,540	4,819,895	(643,645)
Other	237,800	237,800	216,098	(21,702)
<i>Total Revenues</i>	6,721,340	6,861,340	6,738,498	(122,842)
<b>Expenditures</b>				
Current:				
Human Services	6,865,000	7,206,112	6,566,908	639,204
<i>Excess of Revenues Over (Under) Expenditures</i>	(143,660)	(344,772)	171,590	516,362
<b>Other Financing Sources</b>				
Transfers In	185,750	185,750	191,084	5,334
<i>Net Changes in Fund Balance</i>	42,090	(159,022)	362,674	521,696
<i>Fund Balance Beginning of Year</i>	310,305	310,305	310,305	0
Prior Year Encumbrances Appropriated	207,293	207,293	207,293	0
<i>Fund Balance End of Year</i>	<u>\$559,688</u>	<u>\$358,576</u>	<u>\$880,272</u>	<u>\$521,696</u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Jail Operation Levy Fund*  
*For the Year Ended December 31, 2007*

	Original Budget	Revised Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Sales Taxes	\$1,250,000	\$1,250,000	\$1,376,542	\$126,542
Charges for Services	220,000	220,000	167,887	(52,113)
Other	55,000	55,000	67,316	12,316
<i>Total Revenues</i>	1,525,000	1,525,000	1,611,745	86,745
<b>Expenditures</b>				
Current:				
Public Safety	2,225,935	2,253,106	2,240,428	12,678
<i>Excess of Revenues Under Expenditures</i>	(700,935)	(728,106)	(628,683)	99,423
<b>Other Financing Sources</b>				
Advances In	0	0	29,000	29,000
Transfers In	580,303	580,303	520,303	(60,000)
<i>Total Other Financing Sources</i>	580,303	580,303	549,303	(31,000)
<i>Net Changes in Fund Balance</i>	(120,632)	(147,803)	(79,380)	68,423
<i>Fund Balance Beginning of Year</i>	133,807	133,807	133,807	0
Prior Year Encumbrances Appropriated	28,511	28,511	28,511	0
<i>Fund Balance End of Year</i>	<u>\$41,686</u>	<u>\$14,515</u>	<u>\$82,938</u>	<u>\$68,423</u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget (Non-GAAP Basis) and Actual*  
*Mental Retardation and Developmental Disabilities Fund*  
*For the Year Ended December 31, 2007*

	Original Budget	Revised Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Property Taxes	\$2,460,000	\$2,460,000	\$2,057,044	(\$402,956)
Intergovernmental	1,462,431	1,482,058	1,741,920	259,862
Interest	0	0	5,570	5,570
Other	80,700	80,700	68,677	(12,023)
<i>Total Revenues</i>	4,003,131	4,022,758	3,873,211	(149,547)
<b>Expenditures</b>				
Current:				
Health	3,933,131	4,022,611	3,714,360	308,251
<i>Excess of Revenues Over Expenditures</i>	70,000	147	158,851	158,704
<b>Other Financing Uses</b>				
Transfers Out	(70,000)	(70,000)	(70,000)	0
<i>Net Changes in Fund Balance</i>	0	(69,853)	88,851	158,704
<i>Fund Balance Beginning of Year</i>	939,433	939,433	939,433	0
Prior Year Encumbrances Appropriated	87,786	87,786	87,786	0
<i>Fund Balance End of Year</i>	<u>\$1,027,219</u>	<u>\$957,366</u>	<u>\$1,116,070</u>	<u>\$158,704</u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2007*

	Business-Type Activities			Governmental Activity- Internal Service Fund
	Sewer	Sanitary Landfill	Total Enterprise Funds	
<b>Assets</b>				
<b>Current Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$189,511	\$186,361	\$375,872	\$2,126,937
Accounts Receivable	15,454	216,374	231,828	0
Prepaid Items	838	0	838	0
Interfund Receivable	15	0	15	0
<i>Total Current Assets</i>	<u>205,818</u>	<u>402,735</u>	<u>608,553</u>	<u>2,126,937</u>
<b>Noncurrent Assets</b>				
Unamortized Issuance Costs	10,757	57,808	68,565	0
<b>Capital Assets</b>				
Nondepreciable Capital Assets	0	1,273,314	1,273,314	0
Depreciable Capital Assets, Net	1,870,901	649,955	2,520,856	0
<i>Total Noncurrent Assets</i>	<u>1,881,658</u>	<u>1,981,077</u>	<u>3,862,735</u>	<u>0</u>
<i>Total Assets</i>	<u>2,087,476</u>	<u>2,383,812</u>	<u>4,471,288</u>	<u>2,126,937</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Wages Payable	325	0	325	153
Accounts Payable	260	0	260	0
Due to Other Governments	738	0	738	23
Interfund Payable	1,098	0	1,098	0
Claims Payable	0	0	0	448,868
Accrued Interest Payable	1,345	12,009	13,354	0
General Obligation Bonds Payable	55,000	535,000	590,000	0
OPWC Loans Payable	2,479	0	2,479	0
<i>Total Current Liabilities</i>	<u>61,245</u>	<u>547,009</u>	<u>608,254</u>	<u>449,044</u>
<b>Long-Term Liabilities</b>				
General Obligation Bonds Payable	602,470	3,536,673	4,139,143	0
OPWC Loans Payable	44,620	0	44,620	0
Compensated Absences Payable	906	0	906	0
<i>Total Long-Term Liabilities</i>	<u>647,996</u>	<u>3,536,673</u>	<u>4,184,669</u>	<u>0</u>
<i>Total Liabilities</i>	<u>709,241</u>	<u>4,083,682</u>	<u>4,792,923</u>	<u>449,044</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	1,263,595	(913,209)	350,386	0
Unrestricted (Deficit)	114,640	(786,661)	(672,021)	1,677,893
<i>Total Net Assets (Deficit)</i>	<u>\$1,378,235</u>	<u>(\$1,699,870)</u>	<u>(\$321,635)</u>	<u>\$1,677,893</u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Revenues, Expenses, and Changes in Fund Net Assets*  
*Proprietary Funds*  
*For the Year Ended December 31, 2007*

	Business-Type Activities		Total Enterprise Funds	Governmental Activity - Internal Service Fund
	Sewer	Sanitary Landfill		
<b>Operating Revenues</b>				
Charges for Services	\$181,811	\$4,758,217	\$4,940,028	\$3,511,906
Rent	0	772,166	772,166	0
Other	384	0	384	0
<i>Total Operating Revenues</i>	<u>182,195</u>	<u>5,530,383</u>	<u>5,712,578</u>	<u>3,511,906</u>
<b>Operating Expenses</b>				
Personal Services	20,639	0	20,639	7,793
Materials and Supplies	3,856	0	3,856	0
Contractual Services	58,082	4,649,640	4,707,722	377,197
Claims	0	0	0	2,770,069
Depreciation	47,267	127,029	174,296	0
Other	9,651	1,924	11,575	0
<i>Total Operating Expenses</i>	<u>139,495</u>	<u>4,778,593</u>	<u>4,918,088</u>	<u>3,155,059</u>
<i>Operating Income</i>	42,700	751,790	794,490	356,847
<b>Non-Operating Expenses</b>				
Interest Expense	(27,466)	(220,674)	(248,140)	0
<i>Income Before Contributions and Transfers</i>	15,234	531,116	546,350	356,847
Capital Contributions	550,854	0	550,854	0
Transfers In	18,000	1,497	19,497	0
<i>Changes in Net Assets</i>	584,088	532,613	1,116,701	356,847
<i>Net Assets (Deficit) Beginning of Year</i>	<u>794,147</u>	<u>(2,232,483)</u>	<u>(1,438,336)</u>	<u>1,321,046</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>\$1,378,235</u></u>	<u><u>(\$1,699,870)</u></u>	<u><u>(\$321,635)</u></u>	<u><u>\$1,677,893</u></u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended December 31, 2007

	Business-Type Activities			Governmental Activity- Internal Service Fund
	Sewer	Sanitary Landfill	Total Enterprise Funds	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$180,536	\$0	\$180,536	\$3,511,906
Cash Received from Rent	0	772,166	772,166	0
Cash Payments for Personal Services	(19,859)	0	(19,859)	(7,787)
Cash Payments for Materials and Supplies	(3,801)	0	(3,801)	(377,197)
Cash Payments for Contractual Services	(58,594)	0	(58,594)	0
Cash Payments for Claims	0	0	0	(2,556,035)
Cash Payments for Other	(9,512)	(1,924)	(11,436)	0
<i>Net Cash Provided by Operating Activities</i>	<u>88,770</u>	<u>770,242</u>	<u>859,012</u>	<u>570,887</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers In	18,000	1,497	19,497	0
Advances Out	(71,120)	(175,000)	(246,120)	0
<i>Net Cash Used for Noncapital Financing Activities</i>	<u>(53,120)</u>	<u>(173,503)</u>	<u>(226,623)</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Cash Received from Refunding				
General Obligation Bonds Issued	405,000	1,195,000	1,600,000	0
Cash Received from Premium on Refunding				
General Obligation Bonds Issued	18,662	12,699	31,361	0
Cash Payments for Issuance Costs	(9,894)	(14,985)	(24,879)	0
Cash Payments to Refunded Bond Escrow Agent	(413,768)	(1,192,620)	(1,606,388)	0
Principal Paid on General Obligation Bonds	(60,000)	(345,000)	(405,000)	0
Interest Paid on General Obligation Bonds	(16,370)	(155,846)	(172,216)	0
Principal Paid on OPWC Loans	(2,479)	0	(2,479)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(78,849)</u>	<u>(500,752)</u>	<u>(579,601)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(43,199)	95,987	52,788	570,887
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>232,710</u>	<u>90,374</u>	<u>323,084</u>	<u>1,556,050</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$189,511</u>	<u>\$186,361</u>	<u>\$375,872</u>	<u>\$2,126,937</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$42,700	\$751,790	\$794,490	\$356,847
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	47,267	127,029	174,296	0
Increase in Assets				
Accounts Receivable	(1,275)	(108,577)	(109,852)	0
Prepaid Items	(412)	0	(412)	0
Increase (Decrease) in Liabilities				
Wages Payable	11	0	11	5
Accounts Payable	(124)	0	(124)	0
Due to Other Governments	223	0	223	1
Interfund Payable	218	0	218	0
Claims Payable	0	0	0	214,034
Compensated Absences Payable	162	0	162	0
<i>Net Cash Provided by Operating Activities</i>	<u>\$88,770</u>	<u>\$770,242</u>	<u>\$859,012</u>	<u>\$570,887</u>

**Non-Cash Capital Related Transactions**

During 2007, governmental funds contributed capital assets, in the amount of \$550,854, to the Sewer District enterprise fund.

**Other Non-Cash Transactions**

During 2007, \$4,649,640 in tonnage fees was collected by and retained by the lessee as part of the contract with the County.

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*December 31, 2007*

	Private Purpose Trust	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$786	\$3,543,149
Cash and Cash Equivalents in Segregated Accounts	59,533	467,585
Due from Other Governments	0	2,579,932
Special Assessments Receivable	0	130,080
Property Taxes Receivable	0	26,007,079
<i>Total Assets</i>	60,319	\$32,727,825
<b>Liabilities</b>		
Payroll Taxes Withholding	0	\$184,542
Due to Other Governments	0	31,439,472
Undistributed Assets	0	1,103,811
<i>Total Liabilities</i>	0	\$32,727,825
<b>Net Assets</b>		
Held in Trust for Residents	6,178	
Held in Trust for Undistributed Probate	54,141	
<i>Total Net Assets</i>	\$60,319	

See accompanying notes to the basic financial statements



**Crawford County, Ohio**  
*Statement of Change in Fiduciary Net Assets*  
*Private Purpose Trust Funds*  
*For the Year Ended December 31, 2007*

<b>Additions</b>	
Donations	\$19,307
Interest	<u>613</u>
<i>Total Additions</i>	19,920
<b>Deductions</b>	
Human Services	<u>21,920</u>
<i>Change in Net Assets</i>	(2,000)
<i>Net Assets Beginning of Year</i>	<u>62,319</u>
<i>Net Assets End of Year</i>	<u><u>\$60,319</u></u>

See accompanying notes to the basic financial statements

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

**Note 1 - Reporting Entity**

Crawford County, Ohio (County) was created in 1826. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, Common Pleas Court Judge, Probate/Juvenile Court Judge, and Municipal Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budgeting and taxing authority, contracting body, and chief administrators of public services for the County, including each of these departments.

**Primary Government**

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Crawford County, this includes the Board of Mental Retardation and Developmental Disabilities (MRDD), the Job and Family Services Department, the Crawford County Solid Waste Management Board, the Crawford County Emergency Management Agency, and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt, or the levying of taxes.

The component unit column on the financial statements identifies the financial data of the County's discretely presented component unit, Waycraft Workshop, Inc. It is reported separately to emphasize that it is legally separate from the County.

Waycraft Workshop, Inc. - Waycraft Workshop, Inc. (Workshop) is a legally separate not-for-profit corporation served by a self-appointing board of trustees. The Workshop, under a contractual agreement with the Crawford County Board of Mental Retardation and Developmental Disabilities, provides sheltered employment for mentally retarded or handicapped adults in Crawford County. The Crawford County Board of MRDD provides the Workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the Workshop. Based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to the retarded and handicapped adults of Crawford County, the Workshop is reflected as a component unit of Crawford County. The Workshop operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from Waycraft Workshop, Inc., Bucyrus, Ohio.

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

As the custodian of public funds, the Treasurer invests all public moneys held on deposit in the county treasury. In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent but is not financially accountable for these organizations. Accordingly, the activity of the following organizations is presented as agency funds within the County's financial statements:

The Crawford County General Health District is governed by a five member board of health which oversees the operation of the health district and is elected by a regional advisory council composed of township trustees, mayors of participating municipalities, and the County Commissioners. The Board adopts its own budget, hires and fires its own staff, and operates autonomously from the County.

The Crawford County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected by the residents and landowners of the district. The supervisors are authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

The Crawford County Park District is statutorily created as a separate and distinct political subdivision of the State. The probate judge appoints three commissioners who are authorized to contract and sue on behalf of the District. The Commissioners adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits. The Crawford County Park District is a related organization to the County. (See Note 22)

The Regional Planning Commission is statutorily created as a separate and distinct political subdivision of the State. The Commission consists of representatives from the county, each township, and each municipality. The Commission members adopt their own budget, authorize Commission expenditures, hire and fire staff, and do not rely on the County to finance deficits.

The Family and Children First Council is statutorily created and consists of various representatives from the County. The Council members adopt their own budget, authorize Council expenditures, hire and fire staff, and do not rely on the County to finance deficits.

Northland Homes and Properties, Inc. is a joint venture among the Crawford County Board of MRDD and two other county MRDD boards, and the Crawford-Marion Alcohol, Drug Addiction, and Mental Health Services Board is a joint venture between the Crawford County Board of Mental Health and the Marion County Board of Mental Health. (See Note 23)

The County also participates in the County Commissioners Association of Ohio Service Corporation, an insurance purchasing pool. (See Note 24)

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of Crawford County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The County has elected not to apply FASB Statements and Interpretations issued after November 30, 1989, to its business-type activities or to its proprietary funds. Following are the more significant of the County's accounting policies.

**A. Basis of Presentation**

The County'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 County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues 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 interest that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

**Fund Financial Statements**

During the year, the County segregates transactions related to certain County 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 County at this more detailed level. The focus of governmental and enterprise 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. The internal service fund is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

**B. Fund Accounting**

The County 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. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County'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 County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Auto License and Gas Tax Fund - The fund accounts for revenue derived from the sale of motor vehicle licenses, gasoline taxes, and interest. Expenditures are restricted by state law to county road and bridge repair/improvement programs.

Child Welfare Fund - The fund accounts for various state and federal grants as well as transfers from the General Fund. These moneys are used to provide services to children pursuant to Chapter 5153 of the Ohio Revised Code.

County Home Fund - The fund accounts for a county-wide property tax levy and moneys received from residents for operational costs of the County Home.

Job and Family Services Fund - The fund accounts for various state and federal grants as well as transfers from the General Fund used to provide public assistance to general relief recipients and pay their providers of medical assistance, and for certain public social services.

Jail Operation Levy Fund - The fund accounts for sales tax revenue used for the operation of the County Jail.

Mental Retardation and Developmental Disabilities Fund - The fund accounts for the operation of a school and the costs of administering a workshop for the mentally retarded and developmentally disabled. Revenue sources are a county-wide property tax levy and state and federal grants.

Debt Service Fund - The fund accounts for the accumulation of financial resources for the payment of the jail facility, Job and Family Services building, administration building, and courthouse renovation general obligation bonds, interest, and related costs.

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

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users of goods or services. The following are the County's major enterprise funds:

Sewer Fund - The fund accounts for the provision of sewer and water services.

Sanitary Landfill Fund - The fund accounts for charges for services and equipment rental charges collected for the operation of the sanitary landfill.

Internal Service Fund - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service fund accounts for an employee health benefits self-insurance plan that began in 2002.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County's own programs. The County's private purpose trust funds account for moneys held for county home residents for their personal expenses and moneys held in trust by the probate court. The County's agency funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows reflects how the County finances and meets the cash flow needs of its proprietary activities.

The private purpose trust funds are accounted for using a flow of economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; proprietary funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty-one days after year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the year in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), grants, interest, and rent.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at December 31, 2007, but were levied to finance 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioner's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department, and object level for all funds. Budgetary information for the Law Enforcement Trust special revenue fund and the Probate Trust private purpose trust fund is not reported because it is not included in the entity for which the "appropriated budget" is adopted or the fund had no activity during the year.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the revised budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the County Commissioners.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the revised budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

F. Cash and Investments

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through County records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately within departments of the County, and not included in the County treasury, are recorded as "Cash and Cash Equivalents in Segregated Accounts". Cash and cash equivalents that are held separately with Clearwater Council of Governments are recorded as "Cash and Cash Equivalents with Fiscal Agent". Retainage held in separate accounts for construction projects is not included in the County treasury and is recorded as "Cash and Cash Equivalents with Escrow Agent".



**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

The County's investments included federal agency securities, commercial paper, nonnegotiable certificates of deposit, and STAR Ohio. The County's investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. Fair value is based on quoted market price. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2007 was \$872,689, which includes \$759,010 assigned from other County funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**H. Inventory**

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption.

**I. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. The County has resources set aside in separate escrow accounts whose use is limited to the payment of retainage to contractors.

**J. Unamortized Issuance Costs/Bond Premium/Accounting Gain or Loss**

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Issuance costs are recorded as deferred charges.

Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or a reduction of the face amount of the new debt.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the period when the debt is first issued.

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

**K. Capital Assets**

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements. Capital assets used by the proprietary funds are reported in both the business-type activity column on the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated, except for land, land and landfill improvements, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Building Improvements	40 years	40 years
Improvements Other Than Buildings	40 years	N/A
Equipment	5 to 10 years	3 to 25 years
Vehicles	5 to 10 years	10 years
Furniture/Fixtures	10 years	10 to 20 years
Infrastructure	10 to 50 years	40 years

Landfill cells are depreciated based on the tonnage received each year. The County's infrastructure consists of roads, bridges, storm and sanitary sewer lines, and water lines. All infrastructure was recorded on the County's financial statements based on estimated historical cost at the date of original construction or improvement.

**L. Interfund Receivables/Payables**

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables". Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets. The only interfund balances which remain on the government-wide statement of net assets are those between governmental and business-type activities. These amounts are reflected as "Internal Balances".

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the County's termination policy. The County records a liability for accumulated unused sick leave for employees who are at least fifty years of age having ten years of service with the County or fifty-five years of age with five years of service with the County.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated leave are paid. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, bonds and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include activities of the County Engineer, Children Services, County Home, Job and Family Services, County Sheriff, Mental Retardation and Developmental Disabilities, and the Courts. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The County did not have any net assets restricted by enabling legislation at December 31, 2007.

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**P. Fund Balance Reserves**

The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances and interfund receivables.

**Q. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services, rent, and other revenues for sewer and sanitary landfill services, as well as charges for services in the internal service fund for premiums charged to other funds. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

**R. Capital Contributions**

Capital contributions arise from outside contributions of capital assets, from grants, from other funds, or from outside contributions of resources restricted to capital acquisition and construction.

**S. Internal Activity**

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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 revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**T. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 3 - Accounting Change and Restatement of Fund Balance/Net Assets**

In prior years, the County failed to report moneys held by a third party on behalf of the County. In addition, the County recorded the incorrect amount of infrastructure contributed to the County by the State of Ohio. The restatement due to these corrections had the following effect on fund balance/net assets as they were previously reported.

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
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	General	Auto License and Gas Tax	Child Welfare	County Home	Job and Family Services
Fund Balance December 31, 2006	\$5,028,668	\$2,908,773	\$1,077,432	\$288,845	\$268,702
Cash and Cash Equivalents	0	0	0	0	0
Adjusted Fund Balance	<u>\$5,028,668</u>	<u>\$2,908,773</u>	<u>\$1,077,432</u>	<u>\$288,845</u>	<u>\$268,702</u>

	Jail Operation Levy	Mental Retardation and Developmental Disabilities	Debt Service	Other Governmental Funds	Total Governmental Funds
Fund Balance December 31, 2006	\$147,676	\$1,159,183	\$145,727	\$2,769,135	\$13,794,141
Cash and Cash Equivalents	0	560,924	0	0	560,924
Adjusted Fund Balance	<u>\$147,676</u>	<u>\$1,720,107</u>	<u>\$145,727</u>	<u>\$2,769,135</u>	<u>\$14,355,065</u>

	Total Governmental Activities
Net Assets, December 31, 2006	\$48,104,924
Cash and Cash Equivalents	560,924
Nondepreciable Capital Assets	3,558,400
Depreciable Capital Assets	3,034,646
Accumulated Depreciation	(209,325)
Adjusted Net Assets	<u>\$55,049,569</u>

**Note 4 - Change in Accounting Principles**

For 2007, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' year of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this statement for the Ohio Public Employees Retirement System postemployment healthcare plan, in the amount of \$61,868, which is the same as the previously reported liability.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

**Crawford County, Ohio**  
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GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

**Note 5 - Accountability**

The following funds had deficit fund balances/net assets as of December 31, 2007.

	Deficit Fund Balances/ Net Assets
Special Revenue Funds	
Jail Operation Levy	\$1,004
Community Development Block Grant	188,656
Law Enforcement Overtime Project	6,369
Capital Projects Funds	
Sugar Grove Sewer Project	54,337
Westmoor Sewer Construction	161,204
Enterprise	
Sanitary Landfill	1,699,870

The deficits in the special revenue funds resulted from adjustments for accrued liabilities. The General Fund provides transfers when cash is required, not when accruals occur.

The deficits in the Sugar Grove Sewer Project and Westmoor Sewer Construction funds are the result of expenditures exceeding available resources. Once engineering and project estimates are complete, the County will assess the property owners.

The deficit in the Sanitary Landfill fund is the result of accumulated operating losses. The County has entered into a lease agreement for the Sanitary Landfill with Santek Environmental. This was done in an attempt to eliminate the deficit net assets and to control the General Fund financial liability for the Sanitary Landfill operation.

**Note 6 - Budgetary Basis of Accounting**

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

**Crawford County, Ohio**  
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2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

The adjustments necessary to reconcile the GAAP and budgetary basis statements are as follows:

	Net Changes in Fund Balance			
	General	Auto License and Gas Tax	Child Welfare	County Home
GAAP Basis	(\$706,623)	\$1,106,872	(\$361,130)	(\$105,376)
Non-Budgeted Cash Activity	(65,326)	(4,954)	21,212	414
Net Adjustment for Revenue Accruals	(28,758)	(13,215)	71,948	8,603
Net Adjustment for Expenditure Accruals	82,513	95,410	65,818	10,011
Prepaid Items	(194,691)	(19)	59	(1,379)
Materials and Supplies Inventory	(10,665)	(21,855)	0	4,135
Advances In	1,173,064	0	0	0
Advances Out	(262,540)	0	0	0
Encumbrances	(232,999)	(178,095)	(195,108)	(27,816)
Budget Basis	<u>(\$246,025)</u>	<u>\$984,144</u>	<u>(\$397,201)</u>	<u>(\$111,408)</u>

	Net Changes in Fund Balance		
	Job and Family Services	Jail Operation Levy	Mental Retardation and Developmental Disabilities
GAAP Basis	\$376,964	(\$148,680)	\$182,694
Non-Budgeted Cash Activity	1,620	(137)	(17,310)
Net Adjustment for Revenue Accruals	(85,668)	32,274	3,467
Net Adjustment for Expenditure Accruals	252,194	18,281	35,665
Prepaid Items	4,149	14,468	(37)
Materials and Supplies Inventory	1,491	(7,503)	(128)
Advances In	0	29,000	0
Encumbrances	(188,076)	(17,083)	(115,500)
Budget Basis	<u>\$362,674</u>	<u>(\$79,380)</u>	<u>\$88,851</u>

**Crawford County, Ohio**  
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**Note 7 - Deposits and Investments**

Moneys held by the County are classified by State statute into two categories. Active moneys are public moneys determined to be necessary to meet current demands upon the County treasury. Active moneys must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Moneys held by the County, which are not considered active, are classified as inactive. Inactive moneys may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State.

1. United States treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange similar securities, or cash, equal value for equal value;
9. Up to twenty-five percent of the County's average portfolio in either of the following:
  - a. commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed 10 percent of the value of the outstanding commercial paper of the issuing corporation, and which mature within two hundred seventy days after purchase;
  - b. bankers acceptances eligible for purchase by the federal reserve system and which mature within one hundred eighty days after purchase;



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10. Up to 15 percent of the County's average portfolio in notes issued by United States corporations or by depository institutions that are doing business under authority granted by the United States provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper; and
12. Up to 1 percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

#### Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$4,807,182 of the County's bank balance of \$14,332,861 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the State statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the FDIC.

The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public moneys deposited in the financial institution whose market value at all times be at least 105 percent of the deposits being secured.

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
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Investments

As of December 31, 2007, the County had the following investments:

	Total	Maturities	
		Less Than 6 Months	1 Year to 3 Years
Federal Home Loan Mortgage Corporation Notes	\$1,000,155	\$1,000,155	\$0
Federal National Mortgage Association Notes	1,000,452	0	1,000,452
Federal Home Loan Bank Bonds	2,269,256	749,500	1,519,756
Commercial Paper	1,498,204	1,498,204	0
STAR Ohio	1,889,552	1,889,552	0
Total Investments	\$7,657,619	\$5,137,411	\$2,520,208

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless matched to a specific obligation or debt of the County.

The Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, and Federal Home Loan Bank Bonds carry a rating of Aaa by Moodys. The commercial paper carries a rating of A1+ by Moodys. STAR Ohio carries a rating of AAA by Standard and Poor's. The County has no policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that commercial paper have the highest rating by at least two nationally recognized standard rating services and STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

The County places no limit on the amount it may invest in any one issuer. The following table indicates the percentage of each investment to the total portfolio:

	Fair Value	Percentage of Portfolio
Federal Home Loan Mortgage Corporation Notes	\$1,000,155	13.06%
Federal National Mortgage Association Notes	1,000,452	13.07
Federal Home Loan Bank Bonds	2,269,256	29.63
Commercial Paper	1,498,204	19.56

**Note 8 - Receivables**

Receivables at December 31, 2007, consisted of accounts (billings for user charged services, including unbilled utility services), accrued interest, sales taxes, grants, entitlements, shared revenues, special assessments, interfund, and property taxes. All receivables are expected to be collected within one year, except special assessments, interfund, and property taxes. Special assessments, in the amount of \$42,587, and interfund receivables, in the amount of \$183,127, will not be received within one year. At December 31, 2007, the amount of delinquent special assessments was \$42,587. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
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Receivables recorded on the County's financial statements are recorded to the extent the amounts are determined material and substantiated, not only by supporting documentation but also by a reasonable systematic method of determining their existence, completeness, valuation, and collectibility. Using these criteria, the County has elected to not record child support arrearages in the agency funds. These amounts, while potentially significant, are not considered measurable and, because collections are often significantly in arrears, the County is unable to determine a reasonable value.

A summary of the principal amounts due from other governments is as follows:

Fund Type/Fund	Description	Amount
Governmental Activities		
Major Funds		
General Fund	Local Government Revenue Assistance	\$593,009
	Grants and Subsidies	165,342
Total General Fund		758,351
Auto License and Gas Tax	Motor Vehicle License Tax and Gas Tax	1,817,744
Child Welfare	Tangible Tax, Homestead, and Rollback	25,586
	Child Welfare Grant	300,165
Total Child Welfare		325,751
County Home	Tangible Tax, Homestead, and Rollback	65,712
Jail Operation Levy	Housing of Prisoners	11,105
MRDD	Tangible Tax, Homestead, and Rollback	229,990
	MRDD Grants	542,216
Total MRDD		772,206
Total Major Funds		3,750,869
Nonmajor Funds		
Community Development Block Grant	Community Development Grant	676,190
Council on Aging Levy	Tangible Tax, Homestead, and Rollback	39,427
Economic Development	Ohio Department of Development Grant	85,000
Emergency Management Agency	Emergency Management Grants	170,426
Felony Delinquent Care	Felony Delinquent Care Grant	86,599
Help Me Grow	Help Me Grow Grant	47,255
Law Enforcement Overtime Project	Law Enforcement Overtime Grant	25,484
Mental Health	Tangible Tax, Homestead, and Rollback	47,321
Ohio Childrens Trust	Ohio Childrens Trust Grant	7,500
Victims of Crime	Victims of Crime Grant	24,592
Total Nonmajor Funds		1,209,794
Total Governmental Activities		\$4,960,663

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
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Fund Type/Fund	Description	Amount
Agency Funds		
Local Government	Local Government Revenue Assistance	\$642,427
Library Local Government	Library Local Government	914,009
Tangible Tax	Tangible Tax	114,449
Undivided Tax	Motor Vehicle License Tax and Gas Tax	909,047
Total Agency Funds		\$2,579,932

**Note 9 - Permissive Sales and Use Tax**

In 1978, the County Commissioners, by resolution, imposed a one-half of one percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property, including motor vehicles not subject to the sales tax. In February 1993, the County Commissioners, by resolution, imposed an additional one-half of one percent tax on all retail sales pursuant to Sections 5739.02 and 5741.02 of the Ohio Revised Code. In May 1994, voters approved a one-half of one percent tax on retail sales pursuant to Sections 5739.02 and 5741.02 of the Ohio Revised Code. This tax commenced July 1, 1994, for a period of twenty-five years. Proceeds shall be used for constructing, equipping, furnishing, and operating a new correctional facility and for paying principal, interest, premium, and costs associated with the issuance of debt. As required by State statute, the County Commissioners established how the sales tax proceeds would be allocated prior to the election. Thus, as long as the County has outstanding debt, sales tax proceeds will be prorated based on this debt.

The total sales tax percentage is now one and one-half percent with one percent allocated for General Fund operations and one-half of one percent allocated for jail operations. Proceeds of the tax are credited to the General Fund, Jail Operation Levy special revenue fund, and the Debt Service fund.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the taxes to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month.

A receivable is recognized at year end for amounts that will be received from sales which occurred during 2007. On the accrual basis, the full amount of the receivable is recognized as revenue. On the modified accrual basis, the amount of the receivable not collected within the available period is recorded as deferred revenue.

**Note 10 - Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the County. Real property tax revenues received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

**Crawford County, Ohio**  
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Public utility property tax revenues received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2005, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the value as of December 31, 2006. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent for inventory. The tangible personal property tax is being phased out. The assessment percentage for all property, including inventory, for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds.

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of December 31, 2007, and for which there was an enforceable legal claim. The entire receivable has been deferred since current taxes were not levied to finance 2007 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while the remainder has been deferred.

The full tax rate for all County operations for the year ended December 31, 2007, was \$8.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

	Amount
Agricultural/Residential and Other Real Estate	\$637,921,070
Public Utility	26,869,670
Tangible Personal	51,220,071
Total Assessed Value	\$716,010,811

**Crawford County, Ohio**  
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**Note 11 - Capital Assets**

Capital asset activity for the year ended December 31, 2007, was as follows:

	Restated Balance at December 31, 2006	Additions	Reductions	Balance at December 31, 2007
Primary Government				
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$686,015	\$0	\$0	\$686,015
Land Improvements	5,562,881	0	0	5,562,881
Construction in Progress	769,951	0	(609,649)	160,302
Total Nondepreciable Capital Assets	<u>7,018,847</u>	<u>0</u>	<u>(609,649)</u>	<u>6,409,198</u>
Depreciable Capital Assets				
Buildings and Building Improvements	28,895,532	12,400	0	28,907,932
Improvements Other Than Buildings	10,000	0	0	10,000
Equipment	1,291,868	50,446	(12,662)	1,329,652
Vehicles	4,540,112	416,740	(159,106)	4,797,746
Furniture/Fixtures	260,355	20,578	0	280,933
Infrastructure	27,365,984	734,501	0	28,100,485
Total Depreciable Capital Assets	<u>62,363,851</u>	<u>1,234,665</u>	<u>(171,768)</u>	<u>63,426,748</u>
Less Accumulated Depreciation for				
Buildings and Building Improvements	(6,212,283)	(743,600)	0	(6,955,883)
Improvements Other Than Buildings	(10,000)	0	0	(10,000)
Equipment	(872,205)	(102,818)	12,662	(962,361)
Vehicles	(2,995,209)	(362,802)	147,905	(3,210,106)
Furniture/Fixtures	(69,005)	(13,281)	0	(82,286)
Infrastructure	(11,110,657)	(1,265,276)	0	(12,375,933)
Total Accumulated Depreciation	<u>(21,269,359)</u>	<u>(2,487,777)</u>	<u>160,567</u>	<u>(23,596,569)</u>
Total Depreciable Capital Assets, Net	<u>41,094,492</u>	<u>(1,253,112)</u>	<u>(11,201)</u>	<u>39,830,179</u>
Governmental Activities Capital Assets, Net	<u>\$48,113,339</u>	<u>(\$1,253,112)</u>	<u>(\$620,850)</u>	<u>\$46,239,377</u>
	Balance at December 31, 2006	Additions	Reductions	Balance at December 31, 2007
Business-Type Activities				
Nondepreciable Capital Assets				
Land	\$175,550	\$0	\$0	\$175,550
Landfill Improvements	1,097,764	0	0	1,097,764
Total Nondepreciable Capital Assets	<u>1,273,314</u>	<u>0</u>	<u>0</u>	<u>1,273,314</u>

(continued)

**Crawford County, Ohio**  
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	Balance at December 31, 2006	Additions	Reductions	Balance at December 31, 2007
Depreciable Capital Assets				
Buildings and Building Improvements	\$488,225	\$0	\$0	\$488,225
Landfill Cells	8,181,566	0	0	8,181,566
Equipment	2,055,227	0	0	2,055,227
Vehicles	14,200	0	0	14,200
Infrastructure	1,615,875	550,854	0	2,166,729
<b>Total Depreciable Capital Assets</b>	<b>12,355,093</b>	<b>550,854</b>	<b>0</b>	<b>12,905,947</b>
Less Accumulated Depreciation for				
Buildings and Building Improvements	(173,856)	(12,509)	0	(186,365)
Landfill Cells	(7,829,132)	(63,266)	0	(7,892,398)
Equipment	(1,797,951)	(56,949)	0	(1,854,900)
Vehicles	(14,200)	0	0	(14,200)
Infrastructure	(395,656)	(41,572)	0	(437,228)
<b>Total Accumulated Depreciation</b>	<b>(10,210,795)</b>	<b>(174,296)</b>	<b>0</b>	<b>(10,385,091)</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>2,144,298</b>	<b>376,558</b>	<b>0</b>	<b>2,520,856</b>
 Business-Type Activities Capital Assets, Net	 <b>\$3,417,612</b>	 <b>\$376,558</b>	 <b>\$0</b>	 <b>\$3,794,170</b>

During 2007, business-type activities received capital assets from governmental funds with a fair value of \$550,854.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
General Government	
Legislative and Executive	\$272,946
Judicial	19,916
Public Safety	
Jail Operation	349,096
Other Public Safety	46,444
Public Works	1,552,198
Health	
Mental Retardation and Developmental Disabilities	74,850
Other Health	28,892
Human Services	
Child Welfare	26,534
County Home	31,524
Job and Family Services	78,809
Other Human Services	6,568
<b>Total Depreciation Expense-Governmental Activities</b>	<b>\$2,487,777</b>

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**Note 12 - Interfund Receivables/Payables**

Interfund balances at December 31, 2007, consisted of the following individual fund receivables and payables:

Due to General Fund from:	
Auto License and Gas Tax Fund	\$159,097
Jail Operation Levy Fund	29,000
Mental Retardation and Developmental Disabilities Fund	15,515
Other Governmental Funds	605,333
Sewer Fund	880
Total General Fund	\$809,825
Due to Auto License and Gas Tax Fund from:	
Jail Operation Levy Fund	\$181
Sewer Fund	218
Total Auto License and Gas Tax Fund	\$399
Due to Job and Family Services Fund from:	
Child Welfare Fund	\$72,254
Other Governmental Funds	13,476
Total Job and Family Services Fund	\$85,730
Due to Jail Operation Levy Fund from:	
County Home Fund	\$54
Job and Family Services Fund	98
Mental Retardation and Developmental Disabilities Fund	50
Total Jail Operation Levy Fund	\$202
Due to Sewer Fund from:	
Other Governmental Funds	\$15

The balance due to the General Fund included loans made to provide working capital for operations or projects; \$183,127 of the balance is not scheduled to be collected in the subsequent year.

The remaining interfund receivables/payables resulted from the time lag between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Note 13 - Risk Management**

**A. Property and Liability**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2007, the County contracted with Midland Service Agency, Inc. for property, general liability, auto liability, and physical damage insurance. Building and personal property liability insurance has a limit of \$44,957,473. The primary general liability limit is \$3,000,000. Primary auto liability insurance has a limit of \$1,000,000. Law enforcement professional liability insurance has a limit of \$1,000,000, subject to a \$2,500 retention.



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Liability insurance for the county home has a limit of \$1,000,000, health care facility professional liability is \$1,000,000, and umbrella liability coverage has a limit of \$2,000,000.

Settled claims have not exceeded commercial coverage in any of the past three years, and there has been no significant reduction in coverage from the prior year.

**B. Employee Health Benefits**

In 2002, the County established a Health Benefits self-insurance fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Health Benefits self-insurance fund provides coverage for up to a maximum of \$100,000 per year for each individual, with a maximum of a \$1,000,000 aggregate over the employee's life. The County purchased commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have exceeded the fund's coverage; however, these claims have not exceeded the stop loss coverage. Excess costs have been reimbursed by stop loss insurance coverage.

All funds of the County participate in the program and make payments to the Health Benefits self-insurance fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims. The liability for unpaid claims costs reported in the fund at December 31, 2007, is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability was based on a review of all claims paid after the balance sheet date. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability were as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year End
2006	\$340,254	\$2,250,014	\$2,355,434	\$234,834
2007	234,834	2,770,069	2,556,035	448,868

**C. Workers' Compensation**

For 2007, the County participated in the County Commissioners Association Service Corporation (Plan), a workers' compensation insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's executive committee calculates the total savings which accrued to the Plan through its formation.

This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants.

**Crawford County, Ohio**  
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Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program. The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

**Note 14 - Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

Plan Description - The County 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs, and township police) and public safety divisions exist only within the traditional pension plan.

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in the state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement members contributed 10.1 percent.

The County's contribution rate for 2007 was 13.85 percent of covered payroll, except for those plan members in law enforcement or public safety, for whom the County's contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, 2007, a portion of the County's contribution equal to 5 percent of covered payroll was allocated to fund the postemployment health care plan; for the period July 1 through December 31, 2007, this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the County of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

**Crawford County, Ohio**  
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The County's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 was \$1,097,725, \$1,161,766, and \$1,227,677, respectively; 92 percent has been contributed for 2007 and 100 percent has been contributed for 2006 and 2005. Contributions to the member-directed plan for 2007 were \$17,143 made by the County and \$11,759 made by plan members.

**B. State Teachers Retirement System**

Plan Description - Certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit Plan (DBP), a Defined Contribution Plan (DCP), and a Combined Plan (CP). The DBP plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service or an allowance based on member contributions and earned interest matched by STRS Ohio funds multiplied by an actuarially determined annuity factor. The DCP allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age fifty and termination of employment. The CP offers features of both the DBP and the DCP. In the CP, member contributions are invested by the member and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DBP. DCP and CP members will transfer to the DBP during their fifth year of membership unless they permanently select the DCP or CP. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DBP or CP member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits.

Funding Policy - For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contribution for pension obligations to the DBP for the years ended December 31, 2007, 2006, and 2005 were \$52,621, \$48,247, and \$52,644, respectively; 100 percent has been contributed all three years. Contributions for the DCP and CP for the year ended December 31, 2007, were \$3,761 made by the County and \$3,582 made by plan members.

**Crawford County, Ohio**  
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**Note 15 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The amount of the employer contributions which was allocated to fund postemployment health care was 5 percent of covered payroll from January 1 through June 30, 2007, and 6 percent from July 1 to December 31, 2007.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The County's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2007, 2006, and 2005 was \$718,013, \$564,490, and \$510,809, respectively; 92 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which 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.

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**B. State Teachers Retirement System**

Plan Description - Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan to eligible retirees who participated in the Defined Benefit Plan or the Combined Plan and their eligible family members. Coverage includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligation to contribute are established by STRS Ohio based on authority granted by State statute.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio.

STRS Ohio issues a financial report that includes financial information for the health care plan. Interested parties can view the most recent report at [www.strsoh.org](http://www.strsoh.org) or obtain a copy by calling (888) 227-7877.

Funding Policy - Under Ohio law, funding for postemployment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to postemployment health care for the years ended June 30, 2007, 2006, and 2005. The 14 percent contribution is the maximum rate allowed under Ohio law.

All benefit recipients pay a portion of the health care cost in the form of a monthly premium. The County's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2007, 2006, and 2005 were \$4,337, \$3,986, and \$4,315, respectively; 100 percent has been contributed for all three years.

**Note 16 - Other Employee Benefits**

**A. Health Insurance**

The County is self-insured for employee health benefits. The employees share the cost of the monthly premium with the County. The premium varies among employees depending on the terms of union agreements or County policies.

**B. Compensated Absences**

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated unused vacation time, not to exceed vacation earned in three years, is paid upon separation if the employee has at least one year of service with the County. Sick leave benefits, not to exceed thirty days, are paid upon retirement if the employee has at least ten years of service with the County.

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**Note 17 - Long-Term Liabilities**

Changes in the County's long-term obligations during 2007 were as follows:

	Balance at December 31, 2006	Additions	Reductions	Balance at December 31, 2007	Amount Due in One Year
Governmental Activities					
General Obligation Bonds					
1999 New Jail Facility Refunding 3.15-5.80%					
Serial Bonds	\$755,000	\$0	\$405,000	\$350,000	\$170,000
Term Bonds	1,820,000	0	585,000	1,235,000	0
Capital Appreciation Bonds	134,407	0	42,860	91,547	0
Capital Appreciation Accretion	696,974	26,125	222,319	500,780	0
Total 1999 New Jail Facility Bonds	<u>3,406,381</u>	<u>26,125</u>	<u>1,255,179</u>	<u>2,177,327</u>	<u>170,000</u>
2002 Various Purpose Bonds 2.25-5.25%					
Serial Bonds	1,270,000	0	495,000	775,000	145,000
Term Bonds	4,510,000	0	4,510,000	0	0
Premium	106,683	0	83,424	23,259	0
Total 2002 Various Purpose Bonds	<u>5,886,683</u>	<u>0</u>	<u>5,088,424</u>	<u>798,259</u>	<u>145,000</u>
2005 Various Purpose Bonds 3.25-5.00%					
Serial Bonds	345,000	0	35,000	310,000	35,000
Term Bonds	555,000	0	0	555,000	0
Premium	19,837	0	1,102	18,735	0
Total 2005 Various Purpose Bonds	<u>919,837</u>	<u>0</u>	<u>36,102</u>	<u>883,735</u>	<u>35,000</u>
1992 Job and Family Services Building 6.25-6.60%	360,000	0	50,000	310,000	55,000
2005 Administrative Building Term Bonds 5.25-6.00%	2,000,000	0	60,000	1,940,000	65,000
Premium	45,711	0	2,539	43,172	0
Total 2005 Administrative Building Bonds	<u>2,045,711</u>	<u>0</u>	<u>62,539</u>	<u>1,983,172</u>	<u>65,000</u>

(continued)

**Crawford County, Ohio**  
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	Balance at December 31, 2006	Additions	Reductions	Balance at December 31, 2007	Amount Due in One Year
2007 Various Purpose Refunding Bonds 4.00-4.20%					
Serial Bonds	\$0	\$5,220,000	\$120,000	\$5,100,000	\$95,000
Term Bonds	0	1,315,000	0	1,315,000	0
Premium	0	86,323	4,957	81,366	0
Accounting Loss	0	(510,124)	(23,314)	(486,810)	0
Total 2007 Various Purpose Refunding Bonds	<u>0</u>	<u>6,111,199</u>	<u>101,643</u>	<u>6,009,556</u>	<u>95,000</u>
Total General Obligation Bonds	12,618,612	6,137,324	6,593,887	12,162,049	565,000
Compensated Absences	<u>1,002,214</u>	<u>27,792</u>	<u>29,047</u>	<u>1,000,959</u>	<u>0</u>
Total Governmental Activities	<u>\$13,620,826</u>	<u>\$6,165,116</u>	<u>\$6,622,934</u>	<u>\$13,163,008</u>	<u>\$565,000</u>
Business-Type Activities					
General Obligation Bonds					
1999 Waterline Improvement 3.15-4.80%					
Serial Bonds	\$160,000	\$0	\$50,000	\$110,000	\$55,000
Term Bonds	395,000	0	395,000	0	0
Capital Appreciation Bonds	28,518	0	0	28,518	0
Capital Appreciation Accretion	69,824	16,682	0	86,506	0
Premium	51,774	0	39,828	11,946	0
Total 1999 Waterline Improvement Bonds	<u>705,116</u>	<u>16,682</u>	<u>484,828</u>	<u>236,970</u>	<u>55,000</u>
2007 Waterline Improvement Refunding Various Purpose Bonds 4.00-4.20%					
Serial Bonds	0	405,000	10,000	395,000	0
Premium	0	18,662	1,436	17,226	0
Accounting Gain	0	8,963	689	8,274	0
Total 2007 Waterline Improvement Refunding Various Purpose Bonds	<u>0</u>	<u>432,625</u>	<u>12,125</u>	<u>420,500</u>	<u>0</u>

(continued)

**Crawford County, Ohio**  
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	Balance at December 31, 2006	Additions	Reductions	Balance at December 31, 2007	Amount Due in One Year
1999 Landfill Improvements 3.15-4.80%					
Serial Bonds	\$975,000	\$0	\$635,000	\$340,000	\$165,000
Term Bonds	1,255,000	0	0	1,255,000	0
Capital Appreciation Bonds	91,547	0	0	91,547	0
Capital Appreciation Accretion	224,143	53,554	0	277,697	0
Premium	166,980	0	12,845	154,135	0
Accounting Loss	(194,102)	14,931	0	(179,171)	0
<b>Total 1999 Landfill Improvements Bonds</b>	<b>2,518,568</b>	<b>68,485</b>	<b>647,845</b>	<b>1,939,208</b>	<b>165,000</b>
2002 Various Purpose Bonds 2.25-3.95%					
Serial Bonds	700,000	0	700,000	0	0
Premium	7,445	0	7,445	0	0
<b>Total 2002 Various Purpose Bonds</b>	<b>707,445</b>	<b>0</b>	<b>707,445</b>	<b>0</b>	<b>0</b>
2005 Various Purpose Bonds 3.25-5.00%					
Serial Bonds	390,000	0	10,000	380,000	40,000
Term Bonds	710,000	0	0	710,000	0
Premium	24,245	0	1,347	22,898	0
<b>Total 2005 Various Purpose Bonds</b>	<b>1,124,245</b>	<b>0</b>	<b>11,347</b>	<b>1,112,898</b>	<b>40,000</b>
2007 Various Purpose Refunding Bonds 4.00-4.20%					
Serial Bonds	0	720,000	0	720,000	230,000
Premium	0	6,356	1,589	4,767	0
Accounting Loss	0	(10,401)	(5,201)	(5,200)	0
<b>Total 2007 Various Purpose Refunding Bonds</b>	<b>0</b>	<b>715,955</b>	<b>(3,612)</b>	<b>719,567</b>	<b>230,000</b>
2007 Landfill Improvement Refunding Bonds 4.50-4.75%					
Serial Bonds	0	475,000	175,000	300,000	100,000
Premium	0	6,343	6,343	0	0
<b>Total 2007 Landfill Refunding Bond</b>	<b>0</b>	<b>481,343</b>	<b>181,343</b>	<b>300,000</b>	<b>100,000</b>
<b>Total General Obligation Bonds</b>	<b>5,055,374</b>	<b>1,715,090</b>	<b>2,041,321</b>	<b>4,729,143</b>	<b>590,000</b>
OPWC Loans	49,578	0	2,479	47,099	2,479
Compensated Absences	744	162	0	906	0
<b>Total Business-Type Activities</b>	<b>\$5,105,696</b>	<b>\$1,715,252</b>	<b>\$2,043,800</b>	<b>\$4,777,148</b>	<b>\$592,479</b>



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1999 New Jail Facility General Obligation Refunding Bonds - On February 1, 1999, the County issued \$3,839,407 in unvoted general obligation bonds with an average interest rate of 4.28 percent to advance refund \$2,360,000 of outstanding 1994 Series bonds with an average interest rate of 5.84 percent and to retire \$1,500,000 in notes. The bond issue included serial, term, and capital appreciation bonds, in the amount of \$1,885,000, \$1,820,000, and \$134,407, respectively. On May 17, 2007, the County refunded a portion of the serial, term, and capital appreciation bonds, in the amount of \$240,000, \$585,000, and \$42,860, respectively. The serial bonds will be paid from 1999 through 2009; the term bonds will be paid during 2019; and the capital appreciation bonds will be paid from 2010 through 2013. The bonds will be retired from the voted sales tax levy for jail improvements approved in May 1994.

The term bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory redemption is to occur on December 1 from 2014 through 2018 (with the balance of \$230,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2014	\$180,000
2015	190,000
2016	200,000
2017	210,000
2018	225,000

Current serial bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement.

The term bonds maturing on December 1, 2019, are subject to optional redemption by and at the sole option of the County, either in whole or in part (as selected by the County), on any date commencing after December 1, 2009, and in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

Redemption dates (Dates Inclusive)	Redemption Prices
December 1, 2009 through November 30, 2010	101%
December 1, 2010 and thereafter	100

The capital appreciation bonds will mature in the years 2010 through 2013. The maturity amount of the bonds is \$725,000. For 2007, \$26,125 was accreted for a total bond value of \$592,327.

2002 Various Purpose General Obligation Bonds - On April 1, 2002, general obligation bonds were issued for the retirement of bond anticipation notes that were used for renovating the courthouse, constructing an addition to the courthouse, constructing an addition to the Job and Family Services building, and constructing improvements to the Sanitary Landfill, in the amount of \$3,000,000, \$1,835,000, \$1,660,000, and \$1,500,000, respectively.

**Crawford County, Ohio**  
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On May 17, 2007, the County refunded a portion of the following general obligation bonds:

	Serial Bonds	Term Bonds	Total Bonds Refunded
Courthouse Addition	\$150,000	\$2,180,000	\$2,330,000
Administrative Addition	130,000	1,125,000	1,255,000
Job and Family Services	80,000	1,205,000	1,285,000
Sanitary Landfill	700,000	0	700,000
Total	\$1,060,000	\$4,510,000	\$5,570,000

The bonds issued for the courthouse renovation and addition to the courthouse will be paid from the General Fund. The bonds issued for the addition to the Job and Family Services building will be paid from rental charges from the Job and Family Services department and other tenants who occupy the facility. The landfill improvements will be paid from the Sanitary Landfill enterprise fund.

2005 Various Purpose General Obligation Bonds - On May 25, 2005, general obligation bonds were issued for the retirement of bond anticipation notes that were used for paying the cost of improvements to the County Landfill and renovating and remodeling the county courthouse, in the amount of \$1,100,000 and \$900,000 respectively. The bonds issued for renovating and remodeling the courthouse will be paid from the General Fund. The bonds issued for landfill improvements will be paid from the Sanitary Landfill enterprise fund.

The term bonds maturing on December 1, 2017, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory redemption is to occur on December 1, 2016 (with the balance of \$110,000 to be paid at stated maturity on December 1, 2017), at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2016	\$100,000

The term bonds maturing on December 1, 2020, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory redemption is to occur on December 1, 2018, through 2019 (with the balance of \$125,000 to be paid at stated maturity on December 1, 2020) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2018	\$110,000
2019	115,000

**Crawford County, Ohio**  
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The term bonds maturing on December 1, 2023, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory redemption is to occur on December 1, 2021, through 2022 (with the balance of \$140,000 to be paid at stated maturity on December 1, 2023) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2021	\$130,000
2022	135,000

The term bonds maturing on December 1, 2025, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory redemption is to occur on December 1, 2024 (with the balance of \$150,000 to be paid at stated maturity on December 1, 2025), at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2024	\$150,000

The term bonds maturing on December 1, 2017, and thereafter, are subject to optional redemption by and at the sole option of the County, in whole or in part (as selected by the County), on any date commencing after December 1, 2015, and in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

Redemption dates	Redemption Prices
December 1, 2015 and thereafter	100%

1992 Job and Family Services Building General Obligation Bonds - On December 1, 1991, the County issued general obligation bonds for constructing the Job and Family Services building, in the amount of \$800,000. The bonds will be paid from rental charges from the Job and Family Services department and other tenants who occupy the facility.

2005 Administrative Building General Obligation Bonds - On May 25, 2005, general obligation bonds were issued for the retirement of bond anticipation notes that were used for paying part of the cost of constructing an administration building, in the amount of \$2,000,000. The bonds will be paid with transfers from the General Fund.

**Crawford County, Ohio**  
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The term bonds maturing on December 1, 2010, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory redemption occurred on December 1, from 2007 through 2009 (with the balance of \$70,000 to be paid at stated maturity on December 1, 2010), at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2008	\$65,000
2009	65,000

The term bonds maturing on December 1, 2015, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory redemption is to occur on December 1, 2011 through 2014 (with the balance of \$100,000 to be paid at stated maturity on December 1, 2015), at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2011	\$75,000
2012	80,000
2013	85,000
2014	95,000

The term bonds maturing December 1, 2025, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory redemption is to occur on December 1, 2016 through 2024 (with the balance of \$160,000 to be paid at stated maturity on December 1, 2025), at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2016	\$105,000
2017	110,000
2018	115,000
2019	120,000
2020	125,000
2021	130,000
2022	140,000
2023	145,000
2024	155,000

**Crawford County, Ohio**  
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The term bonds maturing on December 1, 2025, are subject to optional redemption by and at the sole option of the County, in whole or in part (as selected by the County), on any date commencing after December 1, 2015, and in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

Redemption dates	Redemption Prices
December 1, 2015 and thereafter	100%

2007 Various Purpose General Obligation Refunding Bonds - On May 17, 2007, the County issued general obligation bonds to refund bonds previously issued for constructing, equipping, and furnishing a new jail, offices for the courthouse, an administration building, the Job and Family Services building, constructing waterlines, and constructing improvements for the Sanitary Landfill, in the amount of \$1,125,000, \$2,590,000, 1,390,000, \$1,430,000, \$405,000, and \$720,000, respectively.

The refunding bonds have interest rates ranging from 4 to 5 percent and refunded a portion of the 1999 general obligation bonds and a portion of the 2002 general obligation bonds. The refunding bond issue includes serial and term bonds, in the amount of \$6,345,000 and \$1,315,000, respectively. The net proceeds of \$7,604,331 (after payments of \$55,669 in underwriter fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded general obligation bonds.

As a result, \$6,832,860 of the 1999 New Jail Facility, 2002 Various Purpose (including \$700,000 for landfill improvements), and 1999 Waterline Improvement general obligation bonds are considered to be defeased and the liability for those bonds has been removed from the County's long-term obligations.

Although the refunding resulted in the recognition of an accounting loss of \$520,525 (\$510,124 for governmental activities and \$10,401 for business-type activities) for the year ended December 31, 2007, the County in effect lowered its aggregated debt service payments by \$1,332,662 for governmental activities and increased its aggregated debt service payments by \$37,309 for business-type activities over the next twenty-four years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$813,104 (\$811,650 for governmental activities and \$1,454 for business-type activities).

The term bonds maturing on December 31, 2031, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory sinking fund redemption is to occur on December 1, 2027, and on each December 1 thereafter, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2027	\$240,000
2028	250,000
2029	265,000
2030	275,000
2031	285,000

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The term bonds maturing on December 1, 2017, are subject to optional redemption by and at the sole option of the County, in whole or in part (as selected by the County), on any date commencing after June 1, 2017, and in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

Redemption dates	Redemption Prices
June 1, 2017 and thereafter	100%

At December 31, 2007, \$6,482,860 of the refunded bonds was still outstanding.

1999 Waterline Improvement General Obligation Bonds - On February 1, 1999, the County issued \$933,518 in unvoted general obligation bonds with an average interest rate of 4.28 percent for constructing a water line and water tower. The bond issue included serial, term, and capital appreciation bonds, in the amount of \$510,000, \$395,000, and \$28,518, respectively. On May 17, 2007, the County refunded the term bonds, in the amount of \$395,000. The serial bonds will be paid from 1999 through 2009, and the capital appreciation bonds will be paid from 2010 through 2013. The bonds will be retired from the operating revenues of the Sewer enterprise fund.

The capital appreciation bonds will mature in the years 2010 through 2013. The maturity amount of the bonds is \$225,000. For 2007, \$16,682 was accreted for a total bond value of \$115,024.

1999 Landfill Improvements General Obligation Refunding Bonds - On February 1, 1999, the County issued \$6,151,547 in unvoted general obligation bonds with an average interest rate of 4.28 percent to advance refund \$2,370,000 of outstanding 1994 Series bonds with an average interest rate of 5.83 percent and to retire \$3,500,000 in bond anticipation notes. The bond issue included serial, term, and capital appreciation bonds, in the amount of \$4,805,000, \$1,255,000, and \$91,547, respectively. A portion of the bond proceeds was used to finance the closure of the original cell of the landfill which was not capitalized. On September 25, 2007, the County refunded a portion of the serial bonds, in the amount of \$475,000. The remaining serial bonds will be paid from 1999 through 2009; the term bonds will be paid during 2019; and the capital appreciation bonds will be paid from 2010 through 2013. The bonds will be retired from operating revenues of the Sanitary Landfill enterprise fund.

The term bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the County. The mandatory redemption is to occur on December 1 from 2014 through 2018 (with the balance of \$235,000 to be paid at stated maturity on December 1, 2019), at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2014	\$190,000
2015	195,000
2016	200,000
2017	215,000
2018	220,000

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Current serial bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement.

The term bonds maturing on December 1, 2019, are subject to optional redemption by and at the sole option of the County, either in whole or in part (as selected by the County), on any date commencing after December 1, 2009, and in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

Redemption dates (Dates Inclusive)	Redemption Prices
December 1, 2009 through November 30, 2010	101%
December 1, 2010 and thereafter	100

The capital appreciation bonds will mature in the years 2010 through 2013. The maturity amount of the bonds is \$725,000. For 2007, \$53,554 was accreted for a total bond value of \$369,244.

2007 Landfill Improvement Current Refunding Bonds - On September 25, 2007, the County issued \$475,000 in general obligation current refunding bonds, consisting of serial bonds, with interest rates ranging from 4.5 percent to 4.75 percent, to refund \$475,000 of the 1999 Landfill Improvements general obligation bonds. The net proceeds, in the amount of \$481,244 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to retire the bonds on December 1, 2007. As a result, \$475,000 of the 1999 Landfill Improvements general obligation bonds was paid off in 2007 and the liability for those bonds was removed from the County's long-term obligations.

A portion of the landfill improvement general obligation refunding bonds was used to close the original cell. The remaining balance of the bonds relating to the closure is \$899,690 and is not included in the computation of invested in capital assets, net of related debt.

All general obligation bonds are supported by the full faith and credit of the County.

The County Commissioners obtained an interest-free loan from the Ohio Public Works Commission for improvements to the Morton Sewer Treatment facility, in the amount of \$49,578. The loan is payable from the Sewer enterprise fund.

Compensated absences will be paid from the General Fund, the Auto License and Gas Tax, Child Welfare, County Home, Job and Family Services, Jail Operation Levy, Mental Retardation and Developmental Disabilities, Clerk of Courts Title, Child Support Enforcement Agency, Dog and Kennel, Delinquent Real Estate Tax Collection, Felony Delinquent Care, Municipal Court Probation Officer, Real Estate Assessment, and Victims of Crime special revenue funds, and the Sanitary Landfill enterprise fund.

The County's legal debt margin as of December 31, 2007, was \$9,110,270.

**Crawford County, Ohio**  
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Principal and interest requirements to retire the general obligation debt outstanding at December 31, 2007, were as follows:

Governmental Activities				
General Obligation Bonds				
		Serial	Term	
Year Ending	Principal	Interest	Principal	Interest
2008	\$500,000	\$290,252	\$65,000	\$244,443
2009	520,000	268,957	65,000	241,030
2010	355,000	246,610	70,000	237,618
2011	360,000	230,507	75,000	233,943
2012	395,000	219,565	80,000	229,443
2013-2017	1,760,000	831,814	1,370,000	1,012,752
2018-2022	1,625,000	451,400	1,355,000	614,238
2023-2027	1,330,000	135,800	890,000	343,526
2028-2031	0	0	1,075,000	115,290
Totals	\$6,845,000	\$2,674,905	\$5,045,000	\$3,272,283

Capital Appreciation Bonds		
Year Ending	Principal	Interest
2008	\$0	\$0
2009	0	0
2010	29,053	155,947
2011	24,167	155,833
2012	20,662	159,338
2013	17,665	162,335
Totals	\$91,547	\$633,453

The interest on the capital appreciation bonds represents the accretion of the deep-discounted bonds from the initial value at the time of issuance to their value at final maturity.

Business-Type Activities - Sewer Enterprise Fund		
General Obligation Bonds		
Serial		
Year Ending	Principal	Interest
2008	\$55,000	\$22,243
2009	55,000	19,960
2010	0	17,650
2011	0	17,650
2012	0	17,650
2013-2017	250,000	70,000
2018-2019	145,000	8,800
Totals	\$505,000	\$173,953



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Year Ending	Capital Appreciation Bonds		OPWC Loans
	Principal	Interest	Principal
2008	\$0	\$0	\$2,479
2009	0	0	2,479
2010	9,422	50,578	2,479
2011	7,384	47,616	2,479
2012	6,313	48,687	2,479
2013-2017	5,399	49,601	12,395
2018-2022	0	0	12,395
2023-2026	0	0	9,914
Totals	<u>\$28,518</u>	<u>\$196,482</u>	<u>\$47,099</u>

Business-Type Activities - Sanitary Landfill Enterprise Fund

Year Ending	General Obligation Bonds			
	Serial		Term	
	Principal	Interest	Principal	Interest
2008	\$535,000	\$70,535	\$0	\$92,162
2009	560,000	48,438	0	92,162
2010	395,000	25,275	0	92,162
2011	45,000	8,950	0	92,162
2012	50,000	7,375	0	92,162
2013-2017	155,000	11,563	915,000	402,963
2018-2022	0	0	800,000	140,214
2023-2025		0	250,000	23,988
Totals	<u>\$1,740,000</u>	<u>\$172,136</u>	<u>\$1,965,000</u>	<u>\$1,027,975</u>

Year Ending	Capital Appreciation Bonds	
	Principal	Interest
2008	\$0	\$0
2009	0	0
2010	29,053	155,947
2011	24,167	155,833
2012	20,662	159,338
2013	17,665	162,335
Totals	<u>\$91,547</u>	<u>\$633,453</u>

The interest on the capital appreciation bonds represents the accretion of the deep-discounted bonds from the initial value at the time of issuance to their value at final maturity.

**Crawford County, Ohio**  
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**Note 18 - Conduit Debt**

On August 28, 2001, the County issued \$1,400,000 in Health Care Facilities Revenue Bonds on behalf of Community Counseling Services, Inc. The proceeds were used to acquire, construct, install, and equip property. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities on the accompanying financial statements. As of December 31, 2007, \$1,151,528 in Health Care Facilities Revenue Bonds was still outstanding.

On September 30, 2003, the County issued \$9,525,000 in Hospital Facilities Revenue Refunding and Improvement Bonds on behalf of Galion Community Hospital. The proceeds were used to acquire, construct, install, and equip property. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities on the accompanying financial statements. As of December 31, 2007, \$7,882,500 in Hospital Facilities Revenue Refunding and Improvement Bonds was still outstanding.

On June 17, 2004, the County issued \$360,000 in Health Care Facilities Revenue Bonds on behalf of Waycraft, Inc. The proceeds were used to acquire, construct, equip, renovate, and install a development facility. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities on the accompanying financial statements. As of December 31, 2007, \$316,935 in Health Care Facilities Revenue Bonds was still outstanding.

On April 20, 2006, the County issued \$1,200,000 in Health Care Facilities Revenue Bonds on behalf of HomeCare Matters Home Health and Hospice Project. The proceeds were used to acquire, construct, install, and equip an administrative building. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities on the accompanying financial statements. As of December 31, 2007, \$1,180,321 in Health Care Facilities Revenue Bonds was still outstanding.

On November 7, 2006, the County issued \$5,000,000 in Hospital Facilities Revenue Bonds on behalf of Galion Community Hospital. The proceeds were used to acquire, construct, improve, furnish, and equip hospital facilities. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities on the accompanying financial statements. As of December 31, 2007, \$4,870,000 in Hospital Facilities Revenue Bonds was still outstanding.

**Crawford County, Ohio**  
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**Note 19 - Interfund Transfers**

During 2007, the following transfers were made:

	Transfers Out				Total
	General	County Home	Mental Retardation and Developmental Disabilities	Other Governmental	
General	\$0	\$0	\$0	\$35,098	\$35,098
Child Welfare	215,000	0	0	0	215,000
Job and Family Services	191,084	0	0	0	191,084
Jail Operation Levy	520,303	0	0	0	520,303
Debt Service	554,123	0	0	0	554,123
Other Governmental	387,099	15,000	70,000	0	472,099
Total Governmental Funds	1,867,609	15,000	70,000	35,098	1,987,707
Business-Type Activities					
Sewer	18,000	0	0	0	18,000
Sanitary Landfill	1,497	0	0	0	1,497
Total Business-Type Activities	19,497	0	0	0	19,497
Total	\$1,887,106	\$15,000	\$70,000	\$35,098	\$2,007,204

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 20 - Closure and Postclosure Care Costs and Landfill Lease Agreement**

The County entered into a lease agreement with Santek Environmental on September 1, 2005, to operate the Sanitary Landfill facility. As part of this agreement, Santek Environmental has agreed to assume certain responsibilities as outlined below while the County will retain ownership.

**Crawford County, Ohio**  
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A. Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on the landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the Santek lease agreement stipulates that Santek Environmental will assume the financial responsibility for final closure of the landfill. The agreement further stipulates that upon the termination and final closure of the landfill, Santek Environmental will remit to the County an amount equal to the present value of the remaining postclosure care costs.

However, in the event of default by Santek Environmental, the County would be contingently liable for closure and postclosure care costs due to the County's responsibility for financial assurance. The liability for closure and postclosure care costs for 2007 was \$3,237,270.

The County is required by state and federal laws and regulations to either make annual contributions to an EPA controlled trust fund or demonstrate financial assurance through the "Local Government Financial Test". For 2007, the County met the Local Government Financial Test requirements. The lease agreement with Santek Environmental stipulates that the County will continue to meet the annual financial assurance obligations with Ohio EPA.

For financial assurance purposes, Ohio EPA requires closure and postclosure costs to be reported based on the worst-case scenario of when closure will occur. For 2007, these costs were \$4,632,414. The County expects to close the landfill in 2039. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

B. Landfill Lease Agreement

The terms of the Santek Environmental lease agreement also stipulate that Santek Environmental will pay the County a monthly waste fee based on an agreed upon formula that utilizes actual gate collections, the Consumer Price Index, and the rates as established by Santek Environmental but controlled by the County Commissioners. The monthly waste fees being paid to the County will be utilized to retire the general obligation debt issued on behalf of the sanitary landfill.

The agreement further stipulates that the County be paid an annual base rent for use of the sanitary landfill by Santek Environmental. The term of this provision is five years. In addition to the annual base rent, the agreement states that the County be paid monthly capacity rental fees for utilization of airspace at the sanitary landfill. The monthly capacity rental fees are based on a formula utilizing the tonnage of solid waste received and a percentage of net revenues.

**Note 21 - Waycraft Workshop, Inc.**

The financial statements of Waycraft Workshop, Inc. (Workshop) are prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time the liabilities are incurred. The measurement focus is on the flow of economic resources basis. With this measurement focus, all assets and all liabilities associated with the operation of the Workshop are included on the statement of net assets.

Cash and Cash Equivalents - At year end, the carrying amount (book balance) of the Workshop's deposits and cash on hand was \$105,400 and the unadjusted bank balance (before outstanding checks were deducted) was \$82,631, which was covered by federal depository insurance.

**Crawford County, Ohio**  
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Depository	Description	2007	2006
United Bank	Operating and Payroll	\$97,598	\$82,610
First Merit	Maintenance Accounts	0	58,837
First Federal Community Bank	Donation Checking	7,802	5,336
		\$105,400	\$146,783

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value. Unrealized gains and losses are included on the statement of activities. The Workshop's investments as of December 31, 2007, consisted of a mutual fund, government securities, and certificates of deposit, in the amount of \$180,959, reported at fair value. The net unrealized loss for 2007 was \$967.

Accounts Receivable - Accounts receivable represent sales to companies and are considered fully collectable.

Capital Assets - Additions and improvements to property and equipment are recorded at cost when purchased and at fair market value when donated. A summary of the Workshop's capital assets at December 31, 2007, follows:

	Balance at December 31, 2006	Additions	Reductions	Balance at December 31, 2007
Nondepreciable Capital Assets				
Land	\$39,440	\$0	\$0	\$39,440
Depreciable Capital Assets				
Buildings	442,504	9,534	0	452,038
Improvements Other Than Buildings	45,499	350	0	45,849
Vehicles	14,745	0	(14,745)	0
Trucks	24,875	0	0	24,875
Tools and Equipment	105,270	9,133	0	114,403
Leasehold Improvements	450	31,993	0	32,443
Office Equipment	36,394	0	0	36,394
Total Depreciable Capital Assets	669,737	51,010	(14,745)	706,002
Total Capital Assets	709,177	51,010	(14,745)	745,442
Accumulated Depreciation	(158,829)	(27,319)	14,745	(171,403)
Net Capital Assets	\$550,348	\$23,691	0	\$574,039

Capital assets are depreciated on a straight-line basis using an estimated useful life of three to ten years for equipment and five to seven years for vehicles.

Long-Term Debt - A mortgage was issued through United Bank, N.A. during 2004. The monthly payments of \$2,233 commenced in July 2004 and will conclude in June 2024. Proceeds from the mortgage note were used to purchase the Workshop's facility located at 118 River Street.

	Balance at December 31, 2006	Additions	Reductions	Balance at December 31, 2007	Amount Due in One Year
Mortgage Payable	\$329,904	\$0	\$12,969	\$316,935	\$13,495

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The annual requirements to retire the mortgage debt as of December 31, 2007, are as follows:

Year Ending	Mortgage Payable	
	Principal	Interest
2008	\$13,495	\$13,302
2009	14,121	12,676
2010	14,735	12,062
2011	15,377	11,420
2012	16,015	10,782
2013-2017	91,305	42,680
2018-2022	112,994	20,991
2023-2024	38,893	1,340
Totals	\$316,935	\$125,253

Related Party Transaction - The County provides the management and staff personnel, at no charge, to the Workshop. In addition, management services and salaries, land and facilities, utilities, and certain other general and administrative costs are provided by the County to the Workshop. The Workshop's management has estimated the value of this support to be approximately \$27,000 for the year ended December 31, 2007. In addition, certain assets used exclusively by the Workshop are titled for insurance purposes in the name of the County. These assets are included in the capital assets of the County. Additional habilitative services provided directly to Workshop clients by the County were \$1,610,843.

**Note 22 - Related Organization**

The Crawford County Park District is a distinct political subdivision of the State of Ohio. The District is governed by a Board of Trustees appointed by the Crawford County Probate Judge. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the County for operational subsidies. Although the County serves as the taxing authority, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Crawford County Auditor, 112 East Mansfield Street, Suite 105, Bucyrus, Ohio 44820.

**Note 23 - Joint Ventures**

A. Northland Homes and Properties, Inc.

The Crawford County Board of Mental Retardation and Developmental Disabilities entered into a contract with two other local MRDD Boards to establish Northland Homes and Properties, Inc. (Corporation). The Corporation is a non-profit charitable corporation which is responsible for developing dwellings, providing affordable housing, and managing a range of residential alternatives and support services to persons with disabilities. Each County appoints two trustees to a board of six members.

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The local MRDD Boards make grants of state community capital assistance housing funds to the Corporation solely for the acquisition of housing for persons with disabilities receiving supported living services. Each MRDD Board maintains a legal interest in all properties acquired by the Corporation in an amount equal to that given by the Board to the Corporation. The Corporation executes promissory notes secured by mortgages on each property acquired. The notes are interest free. The term of each note and mortgage is one hundred eighty months, and for each month a property remains in the program one-one hundred eightieth of the principal amount is forgiven.

The MRDD Boards also fund the operational costs of the Corporation. For 2007, the Crawford County Board of Mental Retardation and Developmental Disabilities contributed \$42,773 for operational costs.

The Corporation is a joint venture among the counties because of the potential liability for the housing loans upon the Corporation's default on loans, or dissolution. Upon dissolution of the Corporation, the Board of Trustees shall distribute all remaining assets of the Corporation to the participating Mental Retardation and Developmental Disabilities Boards.

Northland Homes and Properties, Inc. is not accumulating any significant financial resources or experiencing any financial stress that may cause an additional financial benefit to or burden on the County.

Further financial information can be found in the Northland Homes and Properties, Inc.'s financial report as of December 31, 2007. Northland Homes and Properties, Inc. is located at 602-C South Corporate Drive, Fostoria, Ohio 44830.

**B. Crawford-Marion Alcohol, Drug Addiction, and Mental Health Services Board**

The Crawford County Board of Mental Health and the Marion County Board of Mental Health merged in 1996 to establish the Crawford-Marion Alcohol, Drug Addiction, and Mental Health Services Board. The purpose of this merger was to make services available to the respective communities while limiting administrative costs. The newly created Joint-County Board assumed the responsibilities, duties, assets, and liabilities of the merged boards. Each County appoints five members to a board of eighteen members. The other eight members (four from each County) are appointed by the Ohio Director of Mental Health and the Ohio Director of Alcohol and Drug Addiction.

Each County has a separate levy for mental health purposes. These monies are collected in a special revenue fund and sent to the Joint-County Board's fiscal agent to be used by the Joint-County District.

The Joint-County District is a joint venture among the counties because the ongoing funding from each County is necessary for the continued existence of the Joint-County District.

The Crawford-Marion Alcohol, Drug Addiction, and Mental Health Services Board is not accumulating any significant financial resources or experiencing any financial stress that may cause an additional financial benefit to or burden on the County.

Further financial information can be found in the Crawford-Marion Alcohol, Drug Addiction, and Mental Health Services Board's financial report as of December 31, 2007. The Crawford-Marion Alcohol, Drug Addiction, and Mental Health Services Board is located at 907 North Sandusky Avenue, Bucyrus, Ohio 44820.

**Crawford County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

**Note 24 - Insurance Purchasing Pool**

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as an insurance purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in December of each year. No participant can have more than one member on the group executive committee in any year, and each elected member shall be a County Commissioner.

**Note 25 - Contingent Liabilities**

**A. Grants**

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

**B. Housing Loans**

Crawford County is liable for the housing loans entered into by Northland Homes and Properties, Inc. upon the default on payment or dissolution of the not-for-profit corporation (See Note 23).

**C. Litigation**

The County is a party to several legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The County is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the County.