

**WYANDOT COUNTY, OHIO**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2001**





**Auditor of State  
Betty Montgomery**

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January 21, 2003

The attached audit was conducted and prepared for release prior to the commencement of my term of office on January 13, 2003. Thus, I am releasing this audit under the signature of my predecessor.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P. O. Box 1140  
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Board of County Commissioners  
Wyandot County  
109 South Front Street  
Upper Sandusky, Ohio 43351

We have reviewed the Independent Auditor's Report of the Wyandot County, prepared by Holbrook & Manter, for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

August 26, 2002

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WYANDOT COUNTY, OHIO  
GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2001

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WYANDOT COUNTY, OHIO  
LIST OF PRINCIPAL OFFICIALS  
DECEMBER 31, 2001

ELECTED OFFICIALS

Commissioner.....Edward F. Kuenzli  
Commissioner.....James Gilliland  
Commissioner.....Joyce Morehart  
Auditor .....Jeffrey McClain  
Treasurer .....Carolyn Frederick  
Prosecuting Attorney.....Michael Pfeifer  
Common Pleas/Probate/Juvenile Court Judge ..... Kathleen A. Aubry  
Clerk of Courts ..... Ann Dunbar  
Coroner .....Steven Farmer  
Sheriff..... Michael Hetzel  
Recorder .....Sally Stansbery  
Engineer ..... James Morris

WYANDOT COUNTY, OHIO  
LIST OF PRINCIPAL OFFICIALS  
DECEMBER 31, 2001

ADMINISTRATIVE PERSONNEL

BOARD OF ELECTIONS

Director ..... Deb Passet  
Deputy Director..... Ernest Hoover  
Board Member..... C. Allen Newell  
Board Member..... Thomas Thiel  
Board Member..... Dan Debolt  
Board Member..... Sherman Stansbery

BOARD OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

Superintendent..... Bryan Miller  
Board Member..... Dick Krider  
Board Member..... Carl Dilts  
Board Member..... Gene Kirby  
Board Member..... Philip Case  
Board Member..... Barbara Swartz  
Board Member..... John Vogel  
Board Member..... Steve Walton

COUNTY HOME

Administrator ..... Joseph Jolliff

DEPARTMENT OF HUMAN SERVICES

Director ..... Thomas Bennett

DOG WARDEN..... Andy Niederkohr

VETERANS SERVICE COMMISSION

Service Director ..... Bernard Lodge  
Board Member..... Scott Hensel  
Board Member..... Jack Mick  
Board Member..... Glenn Niederkohr  
Board Member..... Clyde Shull  
Board Member..... Darrell Swinehart

WYANDOT COUNTY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2001

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES:

General Fund Type:

General Fund

Special Revenue Fund Type:

Board of Mental Retardation and Developmental Disabilities Fund

Chapter 1 Fund

Chapter 2 Fund

Child Support Enforcement Agency Fund

Children Services Fund

Common Pleas Computer Fund

Common Pleas Miscellaneous Fund

Community Corrections Fund

Community Reinvestment Area Fund

Computerized Legal Research Fund

Court Security Fund

Delinquent Real Estate Tax and Assessment Collection Fund

Ditch Master Maintenance Fund

Dog and Kennel Fund

Early Childhood Fund

Early Start Fund

Elections Commission Fund

Electronic Home Monitor Fund

Emergency Preparedness Fund

Enforcement and Education Fund

Family and Children First Fund

Family Resource Fund

Family Stability Fund

Family Mediation Fund

Felony Delinquent Care & Custody Fund

Foster Care Placement Fund

FRC Emergency Fund

Help Me Grow Fund

Indigent Drivers Alcohol Treatment Fund

Indigent Guardianship Fund

Individual Ditches Fund

Jobs & Family Services Fund

Litter Control Solid Waste Fund

Litter Control Trust Fund

Mandatory Drug Fund

Marriage Licenses Special Fund

Motor Vehicle and Gasoline Tax Fund

Ohio Youth Commission Fund

Offender Supervision Fund

Placement Services Program Fund

Real Estate Assessment Fund

Recycle Ohio Fund

Recycle Ohio Special Projects Fund

WYANDOT COUNTY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2001

INDEX OF FUNDS

(continued)

Special Revenue Fund Type:

Recycling Operations Fund  
Regional Planning Fund  
Rental Property Fund  
Retarded Children Fund  
Saturday School Fund  
Sheriff Vehicle Forfeiture Fund  
Sheriff Vehicle Impound Fund  
Sheriff's Mandatory Drug Fund  
Sheriff's Policing Rotary Fund  
Small Cities Block Grant  
Solid Waste Fund  
Solid Waste Henry Grant Fund  
Solid Waste Operations Fund  
Solid Waste Tires Fund  
Special Emergency Planning Fund  
Supported Living Fund  
Title Administration Fund  
Tobacco Fund  
Victim Assistance Program Fund  
Victims of Crime Assistance Fund  
Wyandot County Emergency Management Fund  
Youth to Youth Fund  
Youth Service Subsidy Grant Fund

Debt Service Fund Type:

Bond Retirement Fund

Capital Projects Fund Type:

Airport Construction Fund  
Capital Improvement Fund  
Communitied Housing Improvement Program (CHIP) Fund  
CHIP Proceeds Fund  
County Capital Improvement  
County Home Sewer Line Fund  
Issue II Fund  
MRF Construction Fund  
Retarded School Construction Fund  
Solid Waste Capital Improvement Fund

PROPRIETARY FUND TYPES:

Enterprise Fund Type:

County Home Fund

Internal Service Fund Type:

Wyandot County Health Insurance Fund

WYANDOT COUNTY  
FINANCIAL STATEMENTS  
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INDEX OF FUNDS

(continued)

FIDUCIARY FUND TYPES:

Expendable Trust Fund Type:

Ambulance Trust Fund  
Angeline School Gifts and Donations Fund  
Emergency Medical Service Equipment Fund  
Forfeited Land Sales Fund  
Law Enforcement Trust Fund  
Ohio Local Law Enforcement Trust Fund  
Penn Central Fund  
Recorders Equipment Fund  
Sheriff's Equipment Trust Fund  
Treasurer's Surplus Money Fund  
Unclaimed Money Fund

Agency Fund Type:

Child & Family Health Fund  
Corporation Fund  
District Board of Health Fund  
Food Service Fund  
Home Health Trust Fund  
Immunization Action Plan Fund  
Infectious Waste Fund  
Library Assistance Fund  
Local Government Revenue Assistance Fund  
Mobile Home Tax Fund  
Paywork Fund  
Preventative Health Fund  
Public Nursing Fund  
Sanitary Landfill Fund  
School Fund  
School Nursing Fund  
Soil & Water Conservation Fund  
Solid Waste Health District Fund  
Swimming Pool Fund  
Township Gas Tax Fund  
Township Fund  
Trailer Park  
Undivided Cigarette Tax Fund  
Undivided General Property Tax Fund  
Undivided Inheritance Tax Fund  
Undivided Local Government Fund  
Undivided Tangible Personal Property Tax Fund  
Water Supply  
Welcome Home Fund  
Women, Infants and Children  
Court of Common Pleas Fund  
Juvenile Court Fund  
Probate Court Fund  
Sheriffs Fund



## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Wyandot County  
109 S. Sandusky St.  
Upper Sandusky, OH 43351

We have audited the accompanying general purpose financial statements of Wyandot County, Ohio (the County), as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Wyandot County, Ohio, as of December 31, 2001, and the results of its operations and cash flows of its proprietary funds and its discretely presented component unit for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated June 14, 2002, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Wyandot County, Ohio, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards (Non GAAP/Cash Basis) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.



Certified Public Accountants

Marion, Ohio  
June 14, 2002

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**WYANDOT COUNTY, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES, ACCOUNT GROUPS**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**DECEMBER 31, 2001 - PRIMARY GOVERNMENT**  
**JUNE 30, 2001 - COMPONENT UNIT**

	<u>GOVERNMENTAL FUND TYPES</u>				<u>PROPRIETARY FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
ASSETS AND OTHER DEBITS:-						
ASSETS:-						
Equity in pooled cash and cash equivalent	\$ 265,225	\$ 1,297,925	\$ 6,145	\$ 92,568	\$ 200,447	\$ 22,792
Equity in pooled investments	1,627,520	7,967,161	37,709	568,008	1,229,985	139,859
Cash and cash equivalents in segregated accounts	0	17,658	0	0	0	0
Receivables:-						
Taxes	1,085,000	975,000	0	0	0	0
Accounts	33,547	50,327	0	0	0	0
Intergovernmental receivable	281,662	166,518	0	0	0	0
Materials and supplies inventory	30,503	245,677	0	0	28,270	0
Prepaid items	38,449	0	0	0	0	0
Funds on deposit with self-insurance	0	0	0	0	0	84,600
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0	806,385	0
OTHER DEBITS:-						
Amount available in Debt Service Fund for retirement of general obligation bonds	0	0	0	0	0	0
Amount to be provided for the Retirement of General Long-Term Obligations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets and other debits	<u>\$ 3,361,906</u>	<u>\$ 10,720,266</u>	<u>\$ 43,854</u>	<u>\$ 660,576</u>	<u>\$ 2,265,087</u>	<u>\$ 247,251</u>

See Accompanying Notes to the General Purpose Financial Statements.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL REPORTING ENTITY
	GENERAL FIXED ASSETS	GENERAL LONG TERM DEBT	(MEMORANDUM ONLY)		(MEMORANDUM ONLY)
\$ 249,061	\$ 0	\$ 0	\$ 2,134,163	\$ 0	\$ 2,134,163
1,528,283	0	0	13,098,525	0	13,098,525
250,330	0	0	267,988	52,213	320,201
11,231,567	0	0	13,291,567	0	13,291,567
0	0	0	83,874	20,954	104,828
0	0	0	448,180	0	448,180
0	0	0	304,450	0	304,450
0	0	0	38,449	1,000	39,449
0	0	0	84,600	0	84,600
0	12,790,656	0	13,597,041	90,427	13,687,468
0	0	43,854	43,854	0	43,854
<u>0</u>	<u>0</u>	<u>492,567</u>	<u>492,567</u>	<u>0</u>	<u>492,567</u>
<u>\$ 13,259,241</u>	<u>\$ 12,790,656</u>	<u>\$ 536,421</u>	<u>\$ 43,885,258</u>	<u>\$ 164,594</u>	<u>\$ 44,049,852</u>

**WYANDOT COUNTY, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES, ACCOUNT GROUPS**  
**AND DISCRETELY PRESENTED COMPONENT UNIT**  
**PRIMARY GOVERNMENT - DECEMBER 31, 2001**  
**COMPONENT UNIT - JUNE 30, 2001**

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS:-</b>						
<b>LIABILITIES:-</b>						
Accounts payable	\$ 113,875	\$ 113,530	\$ 0	\$ 0	\$ 20,948	\$ 0
Accrued wages payable	59,254	79,287	0	0	52,978	0
Compensated absences payable	4,987	12,957	0	0	113,587	0
Due to other governments	104,982	114,589	0	0	76,629	0
Deferred revenue	1,085,000	975,000	0	0	0	0
Claims payable	0	0	0	0	0	46,712
Undistributed assets	0	0	0	0	0	0
Bond anticipation notes payable	400,000	0	0	0	0	0
General obligation bonds payable	0	0	0	0	0	0
OPWC loan payable	0	0	0	0	0	0
Total liabilities	<u>1,768,098</u>	<u>1,295,363</u>	<u>0</u>	<u>0</u>	<u>264,142</u>	<u>46,712</u>
Bond anticipation notes payable						
<b>FUND EQUITY AND OTHER CREDITS:-</b>						
Investment in General Fixed Assets	0	0	0	0	0	0
Retained earnings (deficit)	0	0	0	0	2,000,945	200,539
<b>Fund balance:-</b>						
Reserved for encumbrances	54,959	382,363	0	0	0	0
Reserved for inventory	30,502	245,676	0	0	0	0
Unreserved, undesignated	<u>1,508,347</u>	<u>8,796,864</u>	<u>43,854</u>	<u>660,576</u>	<u>0</u>	<u>0</u>
Total fund equity and other credits	<u>1,593,808</u>	<u>9,424,903</u>	<u>43,854</u>	<u>660,576</u>	<u>2,000,945</u>	<u>200,539</u>
Total liabilities, fund equity and other credits	<u>\$ 3,361,906</u>	<u>\$ 10,720,266</u>	<u>\$ 43,854</u>	<u>\$ 660,576</u>	<u>\$ 2,265,087</u>	<u>\$ 247,251</u>

See Accompanying Notes to the General Purpose Financial Statements.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL REPORTING ENTITY
	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG TERM DEBT		(MEMORANDUM ONLY)
\$ 0	\$ 0	\$ 0	\$ 248,353	\$ 0	\$ 248,353
23,043	0	0	214,562	12,435	226,997
45,695	0	416,421	593,647	0	593,647
36,773	0	0	332,973	681	333,654
0	0	0	2,060,000	0	2,060,000
0	0	0	46,712	0	46,712
12,689,869	0	0	12,689,869	0	12,689,869
0	0	0	400,000	0	400,000
0	0	75,000	75,000	0	75,000
0	0	45,000	45,000	0	45,000
<u>12,795,380</u>	<u>0</u>	<u>536,421</u>	<u>16,706,116</u>	<u>13,116</u>	<u>16,719,232</u>
0	12,790,656	0	12,790,656	0	12,790,656
0	0	0	2,201,484	0	2,201,484
0	0	0	437,322	0	437,322
0	0	0	276,178	0	276,178
<u>463,861</u>	<u>0</u>	<u>0</u>	<u>11,473,502</u>	<u>151,478</u>	<u>11,624,980</u>
<u>463,861</u>	<u>12,790,656</u>	<u>0</u>	<u>27,179,142</u>	<u>151,478</u>	<u>27,330,620</u>
<u>\$ 13,259,241</u>	<u>\$ 12,790,656</u>	<u>\$ 536,421</u>	<u>\$ 43,885,258</u>	<u>\$ 164,594</u>	<u>\$ 44,049,852</u>

**WYANDOT COUNTY, OHIO**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**YEAR ENDED DECEMBER 31, 2001**

	GOVERNMENTAL FUND TYPES				FIDUCIARY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST
REVENUES:-					
Taxes	\$ 2,670,801	\$ 782,477	\$ 0	\$ 0	\$ 0
Charges for services	629,901	1,752,055	0	0	0
License and permits	1,756	0	0	0	0
Fines and forfeitures	150,457	125	0	0	0
Intergovernmental	482,125	4,760,947	0	769,187	0
Special assessments	0	66,270	0	0	0
All other revenue	<u>754,482</u>	<u>987,639</u>	<u>19,048</u>	<u>20,603</u>	<u>77,860</u>
Total revenues	4,689,522	8,349,513	19,048	789,790	77,860
EXPENDITURES:-					
General government:-					
Executive and legislative	1,689,464	349,582	0	0	27,786
Judicial	861,647	87,938	0	0	0
Public safety	1,567,125	160,235	0	0	0
Public works	364,147	1,967,621	0	948,719	0
Health	31,023	1,780,914	0	0	627
Human services	111,335	2,694,755	0	3,652	0
Conservation-recreation	0	567,518	0	11,706	0
Miscellaneous	233,992	5,532	0	0	0
Capital outlay	0	46,378	0	0	0
Debt service:-					
OPWC principal payment	0	5,000	0	0	0
Interest and fiscal charges	<u>41,405</u>	<u>0</u>	<u>5,737</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>4,900,138</u>	<u>7,665,473</u>	<u>5,737</u>	<u>964,077</u>	<u>28,413</u>
Excess of revenues over (under) expenditures	( 210,616)	684,040	13,311	( 174,287)	49,447
Other financing sources (uses):-					
Operating transfers-in	17,483	1,093,276	0	195,027	0
Operating transfers-out	( 571,423)	( 861,120)	0	( 2,927)	( 10,732)
Other financing sources	341,968	105,057	0	0	0
Other financing uses	<u>( 155,600)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>( 367,572)</u>	<u>337,213</u>	<u>0</u>	<u>192,100</u>	<u>( 10,732)</u>
Excess of revenue and other financing sources over (under) expenditures and other financing uses	( 578,188)	1,021,253	13,311	17,813	38,715
Fund balance at beginning of year	2,174,036	8,398,063	30,543	642,763	174,816
Increase(decrease) in reserve for inventory	<u>( 2,040)</u>	<u>5,587</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances at end of year	<u>\$ 1,593,808</u>	<u>\$ 9,424,903</u>	<u>\$ 43,854</u>	<u>\$ 660,576</u>	<u>\$ 213,531</u>

See Accompanying Notes to the General Purpose Financial Statements.

**WYANDOT COUNTY, OHIO**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**YEAR ENDED DECEMBER 31, 2001**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	REVISED		VARIANCE	REVISED		VARIANCE
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES:-						
Taxes	\$ 960,000	\$ 2,665,435	\$ 1,705,435	\$ 875,000	\$ 782,477	\$ ( 92,523)
Intergovernmental	0	0	0	0	0	0
Special assessments	0	0	0	22,000	66,270	44,270
All other revenue	4,500,000	2,067,281	( 2,432,719)	9,374,039	7,509,630	( 1,864,409)
Total revenues	<u>5,460,000</u>	<u>4,732,716</u>	<u>( 727,284)</u>	<u>10,271,039</u>	<u>8,358,377</u>	<u>( 1,912,662)</u>
EXPENDITURES:-						
General government:-						
Executive and legislative	1,838,430	1,803,395	35,035	479,082	350,097	128,985
Judicial	810,051	780,106	29,945	164,772	88,041	76,731
Public safety	1,702,564	1,555,909	146,655	378,864	160,441	218,423
Public works	484,683	386,484	98,199	3,169,184	2,078,063	1,091,121
Health	31,100	30,875	225	2,295,373	1,804,770	490,603
Human services	139,816	113,363	26,453	3,087,555	2,650,802	436,753
Conservation-recreation	0	0	0	860,238	565,195	295,043
Miscellaneous	334,879	269,685	65,194	12,000	5,532	6,468
Capital outlay	0	0	0	141,481	46,378	95,103
Debt service:-						
OPWC principal payment				0	5,000	( 5,000)
Bond principal payment	0	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0	0
Total expenditures	<u>5,341,523</u>	<u>4,939,817</u>	<u>401,706</u>	<u>10,588,549</u>	<u>7,754,319</u>	<u>2,834,230</u>
Excess of revenues over (under) expenditures	<u>118,477</u>	<u>( 207,101)</u>	<u>( 325,578)</u>	<u>( 317,510)</u>	<u>604,058</u>	<u>921,568</u>
Other financing sources (uses):-						
Bond anticipation note proceeds	0	400,000	400,000	0	0	0
Operating transfers-in	0	17,483	17,483	0	1,093,276	1,093,276
Operating transfers-out	( 1,412,828)	( 1,412,828)	0	( 816,071)	( 861,120)	( 45,049)
Other financing sources	0	341,968	341,968	0	105,057	105,057
Other financing uses	( 179,630)	( 155,600)	24,030	0	0	0
Total other financing sources (uses)	<u>( 1,592,458)</u>	<u>( 808,977)</u>	<u>783,481</u>	<u>( 816,071)</u>	<u>337,213</u>	<u>1,153,284</u>
Excess of revenue and other financing sources over (under) expenditures and other financing uses	<u>( 1,473,981)</u>	<u>( 1,016,078)</u>	<u>457,903</u>	<u>( 1,133,581)</u>	<u>941,271</u>	<u>2,074,852</u>
Fund balances at beginning of year	2,356,416	2,356,416	0	8,226,937	8,226,937	0
Prior year encumbrances appropriated	<u>115,710</u>	<u>115,710</u>	<u>0</u>	<u>96,876</u>	<u>96,876</u>	<u>0</u>
Fund balances at end of year	<u>\$ 998,145</u>	<u>\$ 1,456,048</u>	<u>\$ 457,903</u>	<u>\$ 7,190,232</u>	<u>\$ 9,265,084</u>	<u>\$ 2,074,852</u>

(Continued)

See Accompanying Notes to the General Purpose Financial Statements.

**WYANDOT COUNTY, OHIO**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**YEAR ENDED DECEMBER 31, 2001**

	DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES:-</b>						
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	0	175,000	769,187	594,187
Special assessments	0	0	0	0	0	0
All other revenue	424,500	19,048	( 405,452)	0	20,603	20,603
Total revenues	<u>424,500</u>	<u>19,048</u>	<u>( 405,452)</u>	<u>175,000</u>	<u>789,790</u>	<u>614,790</u>
<b>EXPENDITURES:-</b>						
General government:-						
Executive and legislative	0	0	0	0	0	0
Judicial	0	0	0	0	0	0
Public safety	0	0	0	0	0	0
Public works	0	0	0	1,366,280	1,194,833	171,447
Health	0	0	0	0	0	0
Human services	0	0	0	0	3,652	( 3,652)
Conservation-recreation	0	0	0	101,003	11,706	89,297
Miscellaneous	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0
Debt service:-						
OPWC principal payment	0	0	0	0	0	0
Bond principal payment	800,000	800,000	0	0	0	0
Interest and fiscal charges	69,405	47,142	22,263	0	0	0
Total expenditures	<u>869,405</u>	<u>847,142</u>	<u>22,263</u>	<u>1,467,283</u>	<u>1,210,191</u>	<u>257,092</u>
Excess of revenues over (under) expenditures	<u>( 444,905)</u>	<u>( 828,094)</u>	<u>( 383,189)</u>	<u>( 1,292,283)</u>	<u>( 420,401)</u>	<u>871,882</u>
Other financing sources (uses):-						
Bond anticipation note proceeds	0	0	0	0	0	0
Operating transfers-in	0	841,405	841,405	0	195,027	195,027
Operating transfers-out	0	0	0	0	( 2,927)	( 2,927)
Other financing sources	0	0	0	0	0	0
Other financing uses	0	0	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>841,405</u>	<u>841,405</u>	<u>0</u>	<u>192,100</u>	<u>192,100</u>
Excess of revenue and other financing sources over (under) expenditures and other financing uses	<u>( 444,905)</u>	<u>13,311</u>	<u>458,216</u>	<u>( 1,292,283)</u>	<u>( 228,301)</u>	<u>1,063,982</u>
Fund balances at beginning of year	30,543	30,543	0	684,533	684,533	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>204,343</u>	<u>204,343</u>	<u>0</u>
Fund balances at end of year	<u>\$ ( 414,362)</u>	<u>\$ 43,854</u>	<u>\$ 458,216</u>	<u>\$ ( 403,407)</u>	<u>\$ 660,575</u>	<u>\$ 1,063,982</u>

(Continued)

See Accompanying Notes to the General Purpose Financial Statements.

**WYANDOT COUNTY, OHIO**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**YEAR ENDED DECEMBER 31, 2001**

	EXPENDABLE TRUST FUND			TOTALS (MEMORANDUM ONLY)		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES:-</b>						
Taxes	\$ 0	\$ 0	\$ 0	\$ 1,835,000	\$ 3,447,912	\$ 1,612,912
Intergovernmental	0	0	0	175,000	769,187	594,187
Special assessments	0	0	0	22,000	66,270	44,270
All other revenue	15,000	77,860	62,860	14,313,539	9,694,422	( 4,619,117)
Total revenues	<u>15,000</u>	<u>77,860</u>	<u>62,860</u>	<u>16,345,539</u>	<u>13,977,791</u>	<u>( 2,367,748)</u>
<b>EXPENDITURES:-</b>						
General government:-						
Executive and legislative	25,000	27,786	( 2,786)	2,342,512	2,181,278	161,234
Judicial	0	0	0	974,823	868,147	106,676
Public safety	0	0	0	2,081,428	1,716,350	365,078
Public works	0	0	0	5,020,147	3,659,380	1,360,767
Health	8,000	627	7,373	2,334,473	1,836,272	498,201
Human services	0	0	0	3,227,371	2,767,817	459,554
Conservation-recreation	0	0	0	961,241	576,901	384,340
Miscellaneous	0	0	0	346,879	275,217	71,662
Capital outlay	0	0	0	141,481	46,378	95,103
Debt service:-						
OPWC principal payment	0	0	0	0	5,000	( 5,000)
Bond principal payment	0	0	0	800,000	800,000	0
Interest and fiscal charges	0	0	0	69,405	47,142	22,263
Total expenditures	<u>33,000</u>	<u>28,413</u>	<u>4,587</u>	<u>18,299,760</u>	<u>14,779,882</u>	<u>3,519,878</u>
Excess of revenues over (under) expenditures	<u>( 18,000)</u>	<u>49,447</u>	<u>67,447</u>	<u>( 1,954,221)</u>	<u>( 802,091)</u>	<u>1,152,130</u>
Other financing sources (uses):-						
Bond anticipation note proceeds	0	0	0	0	400,000	400,000
Operating transfers-in	0	0	0	0	2,147,191	2,147,191
Operating transfers-out	0	( 10,732)	( 10,732)	( 2,228,899)	( 2,287,607)	( 58,708)
Other financing sources	0	0	0	0	447,025	447,025
Other financing uses	0	0	0	( 179,630)	( 155,600)	24,030
Total other financing sources (uses)	<u>0</u>	<u>( 10,732)</u>	<u>( 10,732)</u>	<u>( 2,408,529)</u>	<u>551,009</u>	<u>2,959,538</u>
Excess of revenue and other financing sources over (under) expenditures and other financing uses	<u>( 18,000)</u>	<u>38,715</u>	<u>56,715</u>	<u>( 4,362,750)</u>	<u>( 251,082)</u>	<u>4,111,668</u>
Fund balances at beginning of year	174,816	174,816	0	11,473,245	11,473,245	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>416,929</u>	<u>416,929</u>	<u>0</u>
Fund balances at end of year	<u>\$ 156,816</u>	<u>\$ 213,531</u>	<u>\$ 56,715</u>	<u>\$ 7,527,424</u>	<u>\$ 11,639,092</u>	<u>\$ 4,111,668</u>

See Accompanying Notes to the General Purpose Financial Statements.

**WYANDOT COUNTY, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND EQUITY**  
**ALL PROPRIETARY FUND TYPES - PRIMARY GOVERNMENT**  
**YEAR ENDED DECEMBER 31, 2001**

	<u>ENTERPRISE</u> <u>FUNDS</u>	<u>INTERNAL</u> <u>SERVICE</u>	<u>TOTALS</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
OPERATING REVENUES:-			
Charges for services	\$ 2,721,624	\$ 1,268,755	\$ 3,990,379
Interest	0	0	0
Gifts	0	0	0
Other operating revenue	0	0	0
Total revenues	<u>2,721,624</u>	<u>1,268,755</u>	<u>3,990,379</u>
OPERATING EXPENSES:-			
Personal services	2,296,306	0	2,296,306
Contracted services	262,638	1,076,001	1,338,639
Supplies and materials	248,727	0	248,727
Capital outlay	0	0	0
Depreciation and amortization	35,107	0	35,107
Total operating expenses	<u>2,842,778</u>	<u>1,076,001</u>	<u>3,918,779</u>
Operating income (loss)	( 121,154)	192,754	71,600
NON-OPERATING REVENUES (EXPENSES):-			
Interest	0	13,825	13,825
Other non-operating revenue	0	0	0
Other non-operating expense	0	0	0
Total non-operating revenue and expenses	<u>0</u>	<u>13,825</u>	<u>13,825</u>
Income (loss) before operating transfers	( 121,154)	206,579	85,425
Operating transfers-in	0	0	0
Operating transfers-out	<u>0</u>	<u>0</u>	<u>0</u>
NET INCOME	( 121,154)	206,579	85,425
Retained earnings (deficit) at beginning of year	<u>2,122,099</u>	<u>( 6,040)</u>	<u>2,116,059</u>
Retained earnings (deficit) at end of year	2,000,945	200,539	2,201,484
Contributed capital at end of year	<u>0</u>	<u>0</u>	<u>0</u>
Total retained earnings (deficit) at end of year	<u>\$ 2,000,945</u>	<u>\$ 200,539</u>	<u>\$ 2,201,484</u>

See Accompanying Notes to the General Purpose Financial Statements.

**WYANDOT COUNTY, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCE**  
**COMPONENT UNIT**  
**YEAR ENDED JUNE 30, 2001**

	<u>ANGELINE INDUSTRIES</u>
<b>SUPPORT AND REVENUES:-</b>	
Sales:-	
Corporate/public at large	\$ 332,490
Food services	25,488
Total sales	357,978
Other Income:-	
Contributed services	117,249
Recycling	19,629
Fundraisers	2,625
Interest income	580
Total revenues	498,061
<b>EXPENSES:-</b>	
Salaries and benefits	284,207
Contributed services	117,249
Shop and program supplies	6,645
Other direct costs	36,122
	444,223
General & administrative	42,081
	486,304
Net income	11,757
Fund balance at beginning of year	139,721
Fund balance at end of year	\$ 151,478

See Accompanying Notes to the General Purpose Financial Statements.

**WYANDOT COUNTY, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**ALL PROPRIETARY FUND TYPES - PRIMARY GOVERNMENT**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2001**

	ENTERPRISE			INTERNAL SERVICE FUNDS			TOTALS MEMO ONLY		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES:-									
Charges for services	\$ 2,700,000	\$ 2,721,624	\$ 21,624	\$ 0	\$ 0	\$ 0	\$ 2,700,000	\$ 2,721,624	\$ 21,624
Other operating revenue	0	0	0	0	0	0	0	0	0
Total operating revenues	<u>2,700,000</u>	<u>2,721,624</u>	<u>21,624</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,700,000</u>	<u>2,721,624</u>	<u>21,624</u>
OPERATING EXPENSES:-									
Personal services	2,482,321	2,330,118	152,203	0	0	0	2,482,321	2,330,118	152,203
Contracted services	357,494	262,637	94,857	0	0	0	357,494	262,637	94,857
Supplies and materials	288,365	243,974	44,391	0	0	0	288,365	243,974	44,391
Capital outlay	45,000	10,541	34,459	0	0	0	45,000	10,541	34,459
Total expenses	<u>3,173,180</u>	<u>2,847,270</u>	<u>325,910</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,173,180</u>	<u>2,847,270</u>	<u>325,910</u>
Operating income	( 473,180)	( 125,646)	347,534	0	0	0	( 473,180)	( 125,646)	347,534
NON-OPERATING INCOME (EXPENSES):-									
Grants	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	13,825	13,825	0	13,825	13,825
Other non-operating revenue	0	0	0	1,250,000	1,338,655	88,655	1,250,000	1,338,655	88,655
Other non-operating expenses	0	0	0	( 1,551,016)	( 1,210,789)	340,227	( 1,551,016)	( 1,210,789)	340,227
Total non-operating revenue and (expenses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>( 301,016)</u>	<u>141,691</u>	<u>442,707</u>	<u>( 301,016)</u>	<u>141,691</u>	<u>442,707</u>
Income before operating transfers	( 473,180)	( 125,646)	347,534	( 301,016)	141,691	442,707	( 774,196)	16,045	790,241
OTHER FINANCING SOURCES (USES):-									
Operating transfers-in	0	0	0	0	0	0	0	0	0
Operating transfers-out	0	0	0	0	0	0	0	0	0
Advances-in not repaid	0	0	0	0	0	0	0	0	0
Advances-out not repaid	0	0	0	0	0	0	0	0	0
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net income	( 473,180)	( 125,646)	347,534	( 301,016)	141,691	442,707	( 774,196)	16,045	790,241
Fund equity beginning of year	1,531,635	1,531,635	0	20,960	20,960	0	1,552,595	1,552,595	0
Prior year encumbrances appropriated	<u>24,443</u>	<u>24,443</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,443</u>	<u>24,443</u>	<u>0</u>
Fund equity end of year	<u>\$ 1,082,898</u>	<u>\$ 1,430,432</u>	<u>\$ 347,534</u>	<u>\$ ( 280,056)</u>	<u>\$ 162,651</u>	<u>\$ 442,707</u>	<u>\$ 802,842</u>	<u>\$ 1,593,083</u>	<u>\$ 790,241</u>

See Accompanying Notes to the General Purpose Financial Statements.

**WYANDOT COUNTY, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES - PRIMARY GOVERNMENT**  
**YEAR ENDED DECEMBER 31, 2001**

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE FUNDS</u>	<u>INTERNAL SERVICE</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:-</b>			
Cash received from customers	\$ 2,721,624	\$ 0	\$ 2,721,624
Other cash received	0	1,338,655	1,338,655
Cash payments for personal services	( 2,286,459)	0	( 2,286,459)
Cash payments for suppliers for goods and services	<u>( 525,827)</u>	<u>( 1,210,789)</u>	<u>( 1,736,616)</u>
Net cash provided by operating activities	( 90,662)	127,866	37,204
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:-</b>			
Acquisition of capital assets	<u>( 10,541)</u>	<u>0</u>	<u>( 10,541)</u>
Net cash used from capital and related financing activities	( 10,541)	0	( 10,541)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:-</b>			
Interest	<u>0</u>	<u>13,825</u>	<u>13,825</u>
Net cash provided by investing activities	<u>0</u>	<u>13,825</u>	<u>13,825</u>
Net increase in cash and cash equivalents	( 101,203)	141,691	40,488
Cash and cash equivalents at beginning of year	<u>1,531,635</u>	<u>20,960</u>	<u>1,552,595</u>
Cash and cash equivalents at end of year	<u>\$ 1,430,432</u>	<u>\$ 162,651</u>	<u>\$ 1,593,083</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED FOR OPERATING ACTIVITIES:-</b>			
Operating income (loss)	\$ ( 121,154)	\$ 192,754	\$ 71,600
Adjustments to reconcile operating income (loss) to net cash used for operating activities:-			
Depreciation	35,107	0	35,107
Operating transfers in	0	0	0
Operating transfers out	0	0	0
Increase in materials and supplies inventory	( 12,269)	0	( 12,269)
Decrease in funds on deposit with self-insurance	0	69,900	69,900
Increase (decrease) in liabilities:-			
Accounts payable	17,023	0	17,023
Claims payable	0	( 134,788)	( 134,788)
Accrued wages and benefits	7,054	0	7,054
Compensated absences payable	2,793	0	2,793
Intergovernmental payable	<u>( 19,216)</u>	<u>0</u>	<u>( 19,216)</u>
Net cash provided by operating activities	<u>\$ ( 90,662)</u>	<u>\$ 127,866</u>	<u>\$ 37,204</u>

See Accompanying Notes to the General Purpose Financial Statements.

**WYANDOT COUNTY, OHIO**  
**STATEMENT OF CASH FLOWS**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**YEAR ENDED JUNE 30, 2001**

CASH FLOWS FROM OPERATING ACTIVITIES:-

Cash received from clients	\$ 391,182
Cash received from fundraisers	2,625
Cash payments for personal services	( 289,088)
Cash payments for fringe benefits	( 13,179)
Cash payments to suppliers for goods and services	<u>( 63,505)</u>
Net cash provided by operating activities	28,035

CASH FLOWS FROM INVESTING ACTIVITIES:-

Interest income	580
Purchase of equipment	<u>( 2,176)</u>
Net cash used by investing activities	<u>( 1,596)</u>

Net decrease in cash and cash equivalents 26,439

Cash and cash equivalents at beginning of year 25,774

Cash and cash equivalents at end of year \$ 52,213

RECONCILIATION OF OPERATING INCOME TO NET

CASH USED FOR OPERATING ACTIVITIES:-

Operating income	\$ 11,757
Adjustments to reconcile operating income to net cash provided by operating activities:-	
Depreciation	9,376
Interest income	( 580)
Increase in accounts receivable	14,275
Decrease in accounts payable	( 3,835)
Decrease in accrued liabilities	<u>( 2,958)</u>
Net cash provided by operating activities	<u>\$ 28,035</u>

See Accompanying Notes to the General Purpose Financial Statements.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY:-

Wyandot County, Ohio (the County), was created in 1845. 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, a Common Pleas Court Judge and a Probate/Juvenile 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 budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

Reporting Entity

The reporting entity is composed of the primary government, components units, and other organizations that are included to insure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Wyandot County, this includes the Wyandot County Board of Mental Retardation and Development Disabilities (MRDD); Children's Services Board; and 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 that are fiscally dependent on the County in that the County approves the budget, the issuance of debt, or the levying of taxes.

Discretely Presented Component Unit

The component unit columns in the combined financial statements identify the financial data of the County's component unit, Angeline Industries, Inc.(Angeline). It is reported separately to emphasize that it is legally separate from the County. Angeline Industries' financial information has been reported as of the date of its last fiscal year ended June 30, 2001.

Angeline Industries, Inc. is a legally separate, not-for-profit corporation, served by a board of trustees appointed by the Wyandot County Board of MRDD. Angeline, under a contractual agreement with the Wyandot County Board of MRDD, provides sheltered employment for mentally retarded or handicapped adults in Wyandot County. The Wyandot County Board of MRDD provides the Industries with staff to administer and supervise training programs, facilities, transportation, supplies, equipment and other funds as necessary for operation of Angeline. Based on the significant services and resources provided by the County to Angeline, Angeline is presented as a component unit of Wyandot County.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY:- (continued)

As custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate agencies and districts listed below, the County serves as fiscal agent but the organizations are not considered part of Wyandot County. Accordingly, the activity of the following organizations are presented as agency funds within the combined financial statements:

- Wyandot County Soil and Water Conservation District
- Wyandot County General Health District.
- Wyandot County Local Emergency Planning Commission
- Wyandot County Regional Planning Commission
- Wyandot County Disaster Services Board
- County Park District

The following potential component units have been excluded from the accompanying financial statements because the County is not financially accountable for these organizations nor are these entities for which the county approves the budget, the issuance of debt or the levying of taxes.

- Wyandot County Law Library
- Wyandot County Agricultural Society

The County is associated with certain organizations which are defined as jointly governed organizations. These organizations are presented in Note 18 and 20 of the combined financial statements. The organizations are:

- Wyandot County Regional Planning Commission.
- Wyandot County Disaster Services Board
- County Risk Sharing Authority, Inc. (CORSA)
- County Commissioner's Association of Ohio Workers' Compensation Program

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

The financial statements of Wyandot County, Ohio (the County) and Angeline have been prepared in conformity with accounting principles generally accepted in the United States of America (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 applied Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to the proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the County's accounting policies are described below.

A. Basis of Presentation - Fund Accounting

The County and Angeline use funds and account groups to report on their respective financial position and the results of their operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the County are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related current liabilities (except those required to be accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the County's governmental fund types:

General Fund - The General Fund is the operating fund of the County and is used to account 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 the State of Ohio.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Fund Types

Proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. The following are the County's proprietary fund types:

Enterprise Funds - The Enterprise Funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Internal Service Fund - This fund is used to account for the financing of goods and services provided by one department or agency to other department or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include expendable trust, nonexpendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. The County does not have any nonexpendable trust funds. Agency funds are custodial in nature (assets equal liabilities ) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the County, other than those accounted for in proprietary funds or trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the County except those accounted for in the proprietary funds or trust funds.

B. Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust 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. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

The modified accrual basis of accounting is followed for all Governmental Fund Types, Expendable Trust and Agency Funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the County is thirty-one days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available; permissive sales and use tax (see Note 8), charges for current services, fines and forfeitures, federal and state grants and entitlements, and earnings on investments. Major revenue sources not susceptible to accrual include licenses and permits which are not considered measurable until received.

The County reports deferred revenues on its combined balance sheet. Deferred revenues also arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Special assessments are recorded as deferred revenue because they do not meet the availability criteria. Property taxes measurable as of December 31, 2001, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2002 operations, have been recorded as deferred revenue.

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.

Principal and interest on general long-term obligations are recorded as fund liabilities when due, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with current available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and Angeline. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendments through the year with legal restriction that appropriations cannot exceed estimated resources, as certified.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Commissioners.

Budgetary information for Angeline Industries (component unit) is not reported because they are not included in the entity for which the "appropriated budget" is adopted and they do not maintain separate budgetary records.

Tax Budget - A budget of estimated revenues and expenditures is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1, to December 31 of the following year. The budget includes proposed expenditures and the means of financing for all funds. The express purpose of this budget document is to reflect the need for existing or increased tax rates.

Estimated Resources - The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the estimated beginning of year fund balance and projected revenue of each fund. Prior to December 31, the County must revise its budget so the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include the actual unencumbered fund balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs either to be increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2001.

Appropriations - A temporary appropriations resolution to control expenditures may be passed on or about January 1 of each year for the period January 1, to March 31. An annual appropriations resolution must be passed by April 1 of each year for the period January 1, to December 31. The appropriations resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the County Commissioners. Several supplemental appropriations resolutions were legally enacted by the County Commissioners during the year. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Budgeted Level of Expenditures - Administrative control is maintained through the establishment of detailed line-item budgets. The legal level of budgetary control is at the object level within each department. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation. Appropriations are made to fund, department and object level (i.e., General Fund - Commissioners - salaries, supplies, equipment, contract repairs, travel expenses, maintenance and other expenses). Advances in and advances-out are not required to be budgeted since they represent a short-term cash flow resource and are intended to be repaid.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Encumbrances - As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

D. Cash and Investments

To improve cash management, all cash received by the County is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet. Investments are stated at cost which approximates market value.

The County has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2001. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2001.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with original maturity of greater than three months are presented as "equity in pooled investments" on the balance sheet.

Cash and cash equivalents that are held separately within departments of the County and not held with the County Treasurer are recorded on the balance sheet as "Cash and Cash Equivalents in Segregated Accounts".

Cash and cash equivalents of Angeline Industries (component unit) are held by the component unit and are recorded on the balance sheet as "Cash and Cash Equivalents in Segregated Accounts".

Interest is distributed by the County Treasurer to the General fund and the Health Fund. Interest earned by these funds during 2001 amounted to \$985,472.

E. Interfund Assets and Liabilities

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet. Short-term interfund loans or the short-term portion of advances are classified as "interfund receivables/payables".

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Long-term interfund loans are reported as advances to/from other funds and are equally offset by a fund balance reserve account which indicates that they do not constitute "available expendable resources" since they are not a component of net current assets.

The County did not have any short or long-term interfund loans in 2001.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001 are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

G. Inventories

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

Inventory for Angeline Industries (component unit) is recorded as stated above for proprietary funds.

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized or reported, as these assets are immovable and of value only to the County.

The costs of normal maintenance and repairs, that do not add to the value of the asset or materially extend assets lives, are not capitalized. Improvements which extend the useful or increase the capacity or operating efficiency of the asset are capitalized at cost. Improvements to proprietary fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation in the proprietary funds is computed using the straight-line method over their estimated useful lives.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Enterprise Fund Fixed Assets - Property, plant and equipment reflected in the enterprise funds are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation is provided on a straight-line basis over the following estimated useful lives:

<u>DESCRIPTION</u>	<u>PRIMARY GOVERNMENT ESTIMATED LIVES</u>	<u>COMPONENT UNIT ESTIMATED LIVES</u>
Land improvements	10-20 years	N/A
Buildings and improvements	40 years	40 years
Equipment	5-7 years	5 years
Furniture/Fixtures	7 years	N/A

I. 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 that the County will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits for all County Departments are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments. The liability includes the employees who are currently eligible to receive termination benefits and those employees who have been identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term debt obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

J. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than thirty-one days after year end are considered not to have been paid with current available financial resources. Bonds and long-term loans are reported as a liability of the general long-term obligations account group until due.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Under Ohio law, a debt retirement fund must be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the capital projects and enterprise funds, and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the County's debt retirement fund has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

K. Contributed Capital

Contributed capital represents resources from other funds, other governments and private sources provided to proprietary funds that is not subject to repayment. The County's proprietary funds had no contributed capital.

L. Fund Balance Reserves

The County records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriations or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances and inventories of material and supplies.

M. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis and entitlements, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

O. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Totals - Memo only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE:-

For the year ended December 31, 2001, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and Statement No. 36 "Recipient Reporting for Certain Shared Nonexchange Revenues". These statements established accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or modified accrual basis of accounting is required. However, for revenue recognition to occur on the modified accrual basis, the criteria established for accrual basis revenue recognition must be met and the revenues must be available.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE:-

Accountability - The following funds had a deficit fund balance/retained earnings as of December 31, 2001:-

	<u>DEFICIT FUND BALANCE</u>
Agency Fund:-	
Undivided Tangible Personal Property Tax Fund	\$ 7,471
Special Revenue Fund:-	
Help Me Grow Fund	\$ 17,432
Victims of Crime Assistance Fund	\$ 2,911

The deficit in the undivided tangible personal property tax fund resulted from accumulated expenditures over revenues. Management is analyzing the undivided tangible personal property tax fund to determine the appropriate action to take to eliminate the deficits.

The deficits in the help me grow fund and victims of crime assistance fund resulted from accumulated expenditures over revenues. Management is analyzing these funds to determine the appropriate action to take to eliminate the deficits.

Compliance - According to State laws, all obligations for the expenditures of monies are required to be encumbered upon certification by the Auditor that resources are available or in the process of collection free from any previous encumbrance. During the fiscal year 2001, the County made expenditures which were not certified and encumbered.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING:-

While the County is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (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 Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and the Combined Statement of Revenues, Expenses 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 GAAP basis are that:

1. Revenues are recorded when paid in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING:- (continued)

3. Encumbrances are treated as expenditures/expenses for all funds (budget) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund type (GAAP).
4. Proceeds from and principal payments on bond notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types and Expendable Trust Funds

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>EXPENDABLE TRUST</u>
Budget basis	\$ (1,016,078)	\$ 941,271	\$ 13,311	\$ ( 228,301)	\$ 38,715
Net adjustment for revenue accrual	(443,194)	( 8,864)	0	0	0
Net adjustment for expenditure accruals	39,679	88,846	( 841,405)	246,114	0
Net adjustment for sources/(uses) accruals	<u>841,405</u>	<u>0</u>	<u>841,405</u>	<u>0</u>	<u>0</u>
GAAP Basis	<u>\$ ( 578,188)</u>	<u>\$ 1,021,253</u>	<u>\$ 13,311</u>	<u>\$ 17,813</u>	<u>\$ 38,715</u>

Net Income (Loss)/Excess of Revenues Over Expenses  
All Proprietary Funds

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Budget basis	\$ ( 125,646)	\$ 141,691
Net adjustment for revenue accrual	0	(69,900)
Net adjustment for expenditure accruals	4,492	134,788
Net adjustment for sources/(uses) accruals	<u>0</u>	<u>0</u>
GAAP Basis	<u>\$ ( 121,154)</u>	<u>\$ 206,579</u>

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 6 - DEPOSITS AND INVESTMENTS:-

State statutes classify monies held by the County into two categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies 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.

Monies held by the County which are not considered active are classified as inactive. Inactive monies can be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes debentures or any other obligations or securities 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 provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond 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-loan money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
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 either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio;
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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NOTE 6 - DEPOSITS AND INVESTMENTS:- (continued)

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.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, 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 monies deposited with the institution.

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the County had \$75,364 in undeposited cash on hand which is included on the balance sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits - At fiscal year end, the carrying amount of the County's deposits were \$15,158,008 and the bank balance was \$17,086,838. Of the bank balance, \$640,206 was covered by federal depository insurance and \$16,446,632 was covered by collateral held by third party transfers pursuant to Section 135.181, Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions. Although the securities serving as collateral were held by the pledging financial institution's trust department in the County's name and all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

Investments - GASB Statement No. 3, "*Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements*" requires that local governments disclose the carrying amounts and market value of investments, classified by risk. Category 1 includes investments that are insured or registered for which the securities are held by the County or the County's agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. STAR Ohio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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NOTE 6 - DEPOSITS AND INVESTMENTS:- (continued)

The following information classified deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

<u>CATEGORY 1</u>	<u>CARRYING VALUE</u>	<u>MARKET VALUE</u>
STAR Ohio	\$ 267,304	\$ 267,304
Self-insured health insurance	<u>84,600</u>	<u>84,600</u>
	\$ <u>351,904</u>	\$ <u>351,904</u>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That use Proprietary Fund Accounting". A reconciliation between the classifications of deposits and investments presented above according to GASB Statement No. 3 and the classifications of cash and investments on the combined financial statements is as follows:

	<u>CASH AND CASH EQUIVALENTS/DEPOSITS</u>	<u>INVESTMENTS</u>
GASB Statement 3	\$15,158,008	\$ 351,904
Investments:-		
STAR Ohio	267,304	(267,304)
Cash on hand	<u>75,364</u>	<u>0</u>
GASB Statement 9	<u>\$15,500,676</u>	<u>\$ 84,600</u>

COMPONENT UNITS – At year end, the carrying amount of Angeline Industries deposits was \$52,213, and the bank balance was \$61,382, of which all was covered by federal depository insurance. There are no significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.

NOTE 7 - PROPERTY TAX:-

Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the County. Real property taxes, collected in 2001 are levied after October 1, 2000, on the assessed value listed as of January 1, 2000, the lien date. Public utility property taxes attached as a lien on December 31, 2000, are levied after October 1, 2000, and are collected in 2001 with real property taxes. Assessed values for real property are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after October 1, 2000 on the value listed as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 24 percent of true value.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 7 - PROPERTY TAX:- (continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collected property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County.

The collection and distribution of taxes for the County and for all subdivisions within the County is accounted for through agency funds. The amount of the County's tax collections which will flow through an agency fund is reported as "Taxes Receivable" on the combined balance sheet in both the agency fund and the governmental fund which will receive the tax distributions.

Accrued property taxes receivable represents delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2001. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2001 operations. The receivable is therefore offset by a credit to deferred revenue.

The full tax rate for all County operations for the year ended December 31, 2001 was \$6.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

Real property:	
Residential and agriculture	\$256,934,510
Commercial/Industrial/Mineral	45,098,350
Tangible Personal Property	60,097,240
Public Utility:	
Real	381,820
Personal	<u>14,856,910</u>
Total assessed value	<u>\$377,368,830</u>

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 8 - PERMISSIVE SALES AND USE TAX:-

The County Commissioners by resolution imposed a 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 in the County, including motor vehicles not subject to the sales tax. 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 to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General fund. Amounts that are measurable and available at year-end are accrued as revenue. Sales and Use tax revenue for 2001 amounted to \$1,624,219.

NOTE 9 - RECEIVABLES:-

Receivables at December 31, 2001 consisted of taxes and accounts (billings for user charged services), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

<u>FUND TYPE/FUND</u>	<u>AMOUNTS</u>
<b>GENERAL FUND:</b>	
Permissive sales tax	\$ 275,361
Law library	<u>6,301</u>
	<u>281,662</u>
 <b>SPECIAL REVENUE FUNDS:</b>	
Motor Vehicle Gasoline Tax Fund:-	
Motor vehicle license tax	55,165
9% County equalization	24,546
5% County ratio	13,571
Other	<u>73,236</u>
	<u>166,518</u>
 Total intergovernmental receivables	 \$ <u>448,180</u>

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 10 - FIXED ASSETS:-

A summary of the enterprise fund's and Angeline Industries (component unit) fixed assets at December 31, 2001, follows:

	<u>ENTERPRISE FUND</u>	<u>COMPONENT UNIT</u>
Land, building and improvements	\$ 1,099,580	\$ 104,614
Furniture and equipment	399,754	82,714
Less accumulated depreciation	( 692,949)	( 96,901)
Net fixed assets	<u>\$ 806,385</u>	<u>\$ 90,427</u>

A summary of changes in general fixed assets during the fiscal year 2001 follows:

	<u>GENERAL FIXED ASSETS DECEMBER 31,2000</u>	<u>ADDITIONS</u>	<u>GENERAL FIXED ASSETS DELETIONS</u>	<u>DECEMBER 31, 2001</u>
Land and improvements	\$ 960,230	\$ 0	\$ 0	\$ 960,230
Buildings and improvements	4,335,951	122,768	0	4,458,719
Furniture, fixtures equipment, and vehicles	<u>6,302,567</u>	<u>1,078,534</u>	<u>9,394</u>	<u>7,371,707</u>
Total fixed assets	<u>\$ 11,598,748</u>	<u>\$ 2,791,164</u>	<u>\$ 351,433</u>	<u>\$ 12,790,656</u>

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 11 - RISK MANAGEMENT:-

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 2001, the County contracted with County Risk Sharing Authority (CORSA) for all property and general liability insurance.

CORSA, Thomas Young, agent, provides property, general liability, crime inland marine and boiler machinery insurance coverage. The property and inland marine coverages insure up to a blanket limit of \$40,164,367 with a \$2,500 deductible; generally liability coverage insurance up to \$6,000,000 each occurrence or general limit aggregate; commercial crime covers up to \$1,000,000 with a \$2,500 deductible for the Courthouse, the Juvenile Court and the Department of Human Services whose food stamps operation is insured with a \$500,000 maximum; boiler and machinery insures for up to \$100,000,000 with a \$2,500 deductible.

The component unit has property and liability insurance from insurance with a \$2,500 deductible and a \$6,000,000 each occurrence and \$6,000,000 aggregate.

County vehicles are insured by CORSA with a \$6,000,000 limit of liability each incident and deductible of \$2,500 for comprehensive coverage and \$2,500 deductible for collision coverage.

Police professional liability for the Jail is provided by CORSA with \$6,000,000 aggregate limit of liability.

There has been no change in this commercial coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

For 2001, the County participated in the County Commissioners Association of Ohio Worker's Compensation Group Rating Plan(Plan), an insurance purchasing pool. (See Note 20). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participant. 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 percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays equalization rebates to the various participants. 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 participation 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 participation.

Public officials bond insurance is provided by Ohio Farmers Insurance and Cincinnati Insurance Company.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 11 - RISK MANAGEMENT:- (continued)

The County has a self-insured health insurance plan. The liability for unpaid claims costs is determined by actuarial estimates of the amounts needed to pay prior and current year claims. The \$46,712 claims liability reported in internal service fund at December 31, 2001, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonable estimated. Changes in the County's claims liability amount in 2001 and 2000 were estimated as follows:

	CURRENT YEAR CLAIMS AND			
	<u>BEGINNING</u>	<u>CHANGES IN</u>	<u>CLAIMS</u>	<u>ENDING</u>
	<u>BALANCE</u>	<u>ESTIMATES</u>	<u>PAYMENT</u>	<u>BALANCE</u>
2001	\$ 181,500	\$ 1,043,804	\$ 1,178,592	\$ 46,712
2000	58,000	1,174,948	1,051,448	181,500

NOTE 12 - DEFINED BENEFIT PENSION PLANS:-

A. Public Employees Retirement System

All County employees, other than teachers, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the County is required to contribute 13.55 percent. For law enforcement employees, the employee contribution is 10 percent of their annual covered salary and the employer contribution is 19.5 percent. Contributions are authorized by state statute and are determined actuarially. The County's required contributions for pension obligations to PERS for the years ended December 31, 2001, 2000 and 1999 were \$1,045,095, \$695,661 and \$832,097, respectively; 75 percent has been contributed for 2001 and 100 percent has been contributed for 2000 and 1999. The unpaid contribution for 2001 is recorded as a liability in the respective funds.

B. State Teachers Retirement System

Certified teachers, employed by the school for the Mentally Retarded/ Developmentally Disabled, participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by State Teachers Retirement Board. STRS provides basic retirement benefits,

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 12 - DEFINED BENEFIT PENSION PLANS:- (continued)

disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

Plan members are required to contribute 9.3 percent of their annual covered salary and the County is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's required contributions for pension obligations to STRS for the fiscal years ended December 31, 2001, 2000 and 1999 were \$28,207, \$20,322 and \$19,812, respectively; 100 percent has been contributed for fiscal years 2001, 2000 and 1999.

NOTE 13 - POSTEMPLOYMENT BENEFITS:-

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employee's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.3 percent was the portion that was used to fund health care for 2001. For law enforcement employees, the employer contribution rate was 19.5 percent of which 7.5 percent was used to fund health care.

OPEB are advance-funded on an actuarially determined basis. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience becomes part of unfounded actuarial accrued liability. All investments are carried at market value. For actuarial purposes, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation. The investment assumption rate for 2000 was 7.75%. Individual base pay was assumed to increase 4.75% compounded annually with no change in the number of active employees. Health care costs were assumed to increase 4.75% annually.

The number of active contributing participants was 411,076 as of December 31, 2000, the date of the latest actuarial review was performed. The Funds actuarially determined accrued liability for OPEBs at December 31, 2000 are \$14,364.60 million with net assets available for OPEBs of \$11,735.90 million, leaving an unfounded actuarial liability of \$2,628.70 million.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 13 - POSTEMPLOYMENT BENEFITS:- (continued)

B. State Teachers Retirement System

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS.

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$11,613 during 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund at June 30, 2000 was \$3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and there were 99,011 eligible benefit recipients.

NOTE 14 - EMPLOYEE BENEFITS:-

A. 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. Vacation time may be accrued without limit. Accumulated, unused sick leave is paid at varying rates depending on length of service to employees who retire. As of December 31, 2001, the liability for compensated absences was \$593,647 for the entire County.

B. Employee Health Insurance

The County provides medical/surgical benefits through a self insurance program. For the self insured program, the County maintained a self insurance internal service fund to account for and finance its uninsured risks of loss under the program. A stop loss coverage of \$35,000 per employee was purchased from a private insurance provider. Managed Care of America, the third party administrator, administered the claims paid in 2001 which were outstanding from the prior year.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 15 - LONG-TERM OBLIGATIONS:-

The changes in the County's long-term obligations during 2001 were as follows:

	<u>BALANCE</u> <u>DECEMBER 31, 2000</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>DECEMBER 31, 2001</u>
<u>GENERAL LONG-TERM OBLIGATIONS:-</u>				
County Human Services Building				
1989 Variable interest rate	\$ 75,000	\$ 0	\$ 0	\$ 75,000
OPWC note payable				
1996 zero interest rate	50,000	0	5,000	45,000
Compensated absences	<u>390,741</u>	<u>25,680</u>	<u>0</u>	<u>416,421</u>
 Total general				
long-term obligations	\$ <u>515,741</u>	\$ <u>25,680</u>	\$ <u>5,000</u>	\$ <u>536,421</u>

1989 County Human Services Building - The County obtained a loan in the amount of \$270,000 for the purpose of building improvements. The loan was obtained for a fifteen year period, with final maturity in year 2004. The note bears an interest rate 7.25%.

1996 OPWC Note Payable - The OPWC loan represents money owed to the Ohio Public Works Commission for improvements made to County Road 4 for the benefit of the Solid Waste Fund. The OPWC loan is payable solely from the gross revenues of the Solid Waste Fund (Special Revenue Fund).

Compensated absences are paid from the fund from which the employees' salaries are paid.

Principal and interest requirements to retire general obligation and OPWC loan debt outstanding at December 31, 2001, are as follows:

<u>YEAR</u> <u>ENDING DECEMBER 31,</u>	<u>GENERAL</u> <u>OBLIGATION</u> <u>PRINCIPAL</u>	<u>OPWC BONDS</u> <u>LOAN</u>	<u>INTEREST</u>	<u>TOTAL</u>
2002	\$ 0	\$ 10,000	\$ 5,738	\$ 15,738
2003	0	10,000	5,738	15,738
2004	75,000	10,000	2,868	87,868
2005	0	10,000	0	10,000
2006	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
	\$ <u>75,000</u>	\$ <u>45,000</u>	\$ <u>14,344</u>	\$ <u>134,344</u>

The general obligation bond and OPWC loan are supported by the full faith and credit of Wyandot County.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 16 – BOND ANTICIPATION NOTES PAYABLE:-

During the year, the County issued bond anticipation notes in the amount of \$400,000 and used the proceeds for improvements made to the Courthouse. The notes bear an interest rate of 3.47% and matures on July 25, 2002.

NOTE 17 - FEDERAL FOOD STAMP PROGRAM:-

The County's Department of Human Services distributes federal food stamps through the department as well as through contracting issuance centers to entitled recipients within Wyandot County. The receipt and issuance of these stamps have the characteristics of federal "grants", however, the Department of Human Services merely acts in an intermediary capacity.

The inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. Federal food stamp activity for the year is as follows:

Balance at beginning of year	\$ 3,178
Amount received for distribution	334,622
Amount distributed to entitled recipients	<u>( 334,622)</u>
Balance at end of year	<u>\$ 3,178</u>

NOTE 18- JOINTLY GOVERNED ORGANIZATIONS:-

A. Wyandot County Regional Planning Commission

The County participates in the Wyandot County Regional Planning Commission which is a statutorily created political subdivision of the State. The Commission is jointly governed among Wyandot County, municipalities and townships. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions and services within the County. Information can be obtained from the Wyandot County Regional Planning Commission, Scott Park, 109 S. Sandusky Avenue, Upper Sandusky, Ohio 43351.

B. Wyandot County Disaster Services Board

Wyandot County Disaster Services Board is governed by the County and townships located within the County. Under the authority of the Ohio Revised Code Section 5915.06, the five members of the advisory council are appointed as follows: one County Commissioner, one Township Trustee appointed by all trustees, one member from the city, one Mayor appointed by all other villages, or their appointed designee, and one member appointed by the other four members. The Board does not have any outstanding debt. Information can be obtained from the Wyandot County Disaster Services Board, Rodger Brodman, 109 S. Sandusky Avenue, Upper Sandusky, Ohio 43351.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTES 19 - RELATED PARTY TRANSACTIONS:-

During 2001, Wyandot County provided facilities, certain equipment, transportation and salaries for administration, implementation and supervision of programs to Angeline, a discretely presented component unit of Wyandot County. Angeline reported \$117,249 for such contributions as note disclosure. The Workshop recorded operating revenues and expenses at cost or fair value as applicable, to the extent the contribution is related to the vocational purpose of the Workshop. Additional habilitative services provided directly to Angeline clients by the County amounted to \$438,000.

NOTE 20 - GROUP INSURANCE POOLS:-

A. County Risk Sharing Authority, Inc.

The County Risk Sharing Authority, Inc., is an Ohio nonprofit corporation established by forty-six counties for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by Corsa. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees.

Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

B. County Commissioners Association Service Corporation

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 Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving 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 and 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 representative of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a County Commissioner.

WYANDOT COUNTY, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 21 - CONTINGENT LIABILITIES:-

A. Grants

The County received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the County at December 31, 2001.

B. Litigations

The County is party to legal proceedings. The County is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the County.

NOTE 22 – PRIOR PERIOD ADJUSTMENTS:-

In 2001 certain funds were reclassified as follows:-

Court of Common Pleas was reclassified from the General Fund to Agency Fund (\$302,227).

Probate Court was reclassified from the General Fund to Agency Fund (\$8,487).

Juvenile Court was reclassified from the General Fund to Agency Fund (\$7,357).

Also in 2001, the Sheriff's Foreclosure Fund was recorded in the Agency Fund

	<u>Beginning Fund Balance</u>	<u>Reclass of Funds</u>	<u>Agency Fund Created</u>	<u>Restated Beginning Fund Balance</u>
General Fund;	\$ 2,492,107	(\$ 318,071)	\$ 0	\$ 2,174,036
Agency Fund;				
Court of Common Pleas	\$ 0	\$ 302,227	\$ 0	\$ 302,227
Probate Court	0	8,487	0	8,487
Juvenile Court	0	7,357	0	7,357
Sheriff's Fund	0	0	9,038	9,038

WYANDOT COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2001

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR</u>	<u>FEDERAL CFDA #</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed through Ohio Department of Development			
Small Cities Development Block Grant	14.228	\$ 217,556	\$ 165,257
Home Investment Partnership Program	14.239	<u>112,084</u>	<u>112,694</u>
Total U.S. Department of Housing and Urban Development		<u>329,640</u>	<u>277,951</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Ohio Dept. of MRDD			
Social Services Grant - Title XX	93.667	19,623	19,623
Habilitation Center (CAFS) and Targeted Case Management (TCM) - TITLE XIX	93.778	152,146	152,146
Passed through Ohio Dept. of Human Services			
Title IV-B	93.645	<u>35,622</u>	<u>35,622</u>
Total U.S. Dept. of Health and Human Services		<u>207,391</u>	<u>207,391</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through Ohio Dept. of Health			
Early Intervention Grant	84.181	47,150	49,539
Passed through Ohio Dept. of Education			
Special Education Cluster;- Education of Handicapped Act - Title VI-B	84.027	11,862	6,205
Preschool Grant	84.173	<u>8,576</u>	<u>17,200</u>
Total U.S. Dept of Education – Special Education Cluster		<u>20,438</u>	<u>23,405</u>
Total U.S. Dept. of Education		<u>67,588</u>	<u>72,944</u>
<u>U.S. DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT</u>			
Passed through Ohio Dept. Of Public Safety			
Emergency Management Assistance	83.534	11,704	19,871
Disaster Assistance	83.516	<u>12,816</u>	<u>12,816</u>
Total U.S. Dept. of Federal Emergency Management		<u>24,520</u>	<u>32,687</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Passed through the Office of Criminal Justice Services			
Victims of Crimes Act	16.575	<u>29,215</u>	<u>32,604</u>
<u>U.S. DEPARTMENT OF LABOR</u>			
Passed through State Department of Jobs & Family Services			
Workforce Investment Act	17.255	<u>36,312</u>	<u>36,312</u>
Total Federal Assistance		\$ <u>694,666</u>	\$ <u>659,889</u>

This schedule was prepared on a non-GAAP, cash basis of accounting.

WYANDOT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2001

**1. SUMMARY OF AUDITOR'S RESULTS**

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
Was there any reported noncompliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	Small Cities Development Block Grant CFDA 14.228
Dollar Threshold: Type A/B Programs	Type A > \$300,000 Type B: all others
Low Risk Auditee?	Yes

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

<i>Finding Number</i>	<b>01.1</b>
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**County Auditor - Segregation of Duties**

One individual performs the entire payroll process (payroll clerk) and one individual performs the entire disbursements process (budgetary clerk) in the Auditor's Office. This limits control over these procedures and increases the possibility of errors or irregularities occurring and not being detected within a timely period.

Payroll and disbursement procedures should be segregated among the employees of the Auditor's Office, or alternative procedures should be implemented to strengthen internal accounting controls.

The County Auditor has stated that the process will be reviewed to see if controls can be strengthened.

WYANDOT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2001

<i>Finding Number</i>	<b>01.2</b>
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**Juvenile Court - Segregation of Duties**

One individual performs the entire cash receipts and disbursements process in the Juvenile Court. This limits control over these transactions and increases the possibility of errors or irregularities occurring and not being detected in a timely period.

We recommend that cash receipts/disbursements journals or bank reconciliations should be reviewed periodically by the Judge in order to strengthen the internal accounting controls.

The County concurs with the recommendations.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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NONE

WYANDOT COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2001

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Comment</u>
00.1	Insufficient segregation of duties in County Auditor's Office	No	Cost versus benefit analysis has determined that corrective action will not be taken.
00.2	Insufficient segregation of duties in the Juvenile Court	No	Cost versus benefit analysis has determined that corrective action will not be taken.



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of County Commissioners  
Wyandot County  
109 S. Sandusky St.  
Upper Sandusky, OH 43351

We have audited the financial statements of Wyandot County, Ohio (the County) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 14, 2002. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming

to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01.1 to 01.2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are not material weaknesses.

We noted other matters involving compliance and internal control over financial reporting that we have reported to the management of the County in a separate letter dated June 14, 2002.

This report is intended for the information and use of the Board of Commissioners, management and federal awarding agencies and is not intended to be and should not be used by anyone other than the specified parties.

*Shelbrook & Manta*

Certified Public Accountants

June 14, 2002  
Marion, Ohio



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

Board of County Commissioners  
Wyandot County  
109 S. Sandusky St.  
Upper Sandusky, OH 43351

Compliance

We have audited the compliance of Wyandot County, Ohio (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weaknesses is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

  
Certified Public Accountants

June 14, 2002  
Marion, Ohio

WYANDOT COUNTY, OHIO  
FINANCIAL STATEMENTS  
DECEMBER 31, 2001

GENERAL COMMENTS

County personnel were cooperative and available for questions and assistance during regular working hours.

WYANDOT COUNTY, OHIO  
FINANCIAL STATEMENTS  
DECEMBER 31, 2001

The audit report, including citations and recommendations, was reviewed with and acknowledged by the following officials on June 24, 2002.

Joyce Morehart	Commissioner
James J. Gilliland	Commissioner
Edward F. Kuenzli	Commissioner
Jeffrey McClain	Auditor

These officials were informed that they had five working days from the date of the post-audit conference to respond to, or contest, in writing, the report contents. No written response was received.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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## WYANDOT COUNTY FINANCIAL CONDITION

### WYANDOT COUNTY

#### CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
OCTOBER 14, 2003