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**WILLIAMS COUNTY**  
Financial Condition  
As of  
December 31, 1999  
Together With Auditor's Report



Kevin L.  
enn, Inc.

Certified Public Accountant

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**WILLIAMS COUNTY**  
Financial Condition  
As of  
December 31, 1999  
Together With Auditor's Report

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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Board of County Commissioners  
Williams County

We have reviewed the Independent Auditor's Report of Williams County, prepared by Kevin L. Penn, Inc. for the audit period January 1, 1999 through December 31, 1999. 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. Williams County is responsible for compliance with these laws and regulations.

  
JIM PETRO  
Auditor of State

June 14, 2000



Kevin L.  
Penn, Inc.

Certified Public Accountant  
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## **Independent Auditor's Report**

Board of County Commissioners  
Williams County, Ohio  
Bryan, Ohio

I have audited the accompanying general purpose financial statements of Williams County, as of and for the year ended December 31, 1999. These financial statements are the responsibility of the Williams County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Williams County, as of December 31, 1999, and the results of its operations and cash flows of its proprietary funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated April 28, 2000 on my consideration of the Williams County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of Williams County, taken as a whole. The accompanying schedule of expenditures of federal awards 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 my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*H. Z. Penn, Inc.*

April 28, 2000

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types		Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations			
<b>Assets and Other Debits</b>											
<b>Assets</b>											
Equity in Pooled Cash and Cash Equivalents	\$1,448,484	\$4,965,330	\$6,541,237	\$1,148,773	\$35,479	\$2,722,978	\$0	\$0	\$0	\$16,862,281	
Cash and Cash Equivalents in Segregated Accounts	2,263	0	0	0	0	420,069	0	0	0	422,332	
Receivables:											
Taxes	1,385,000	1,509,969	0	120,200	0	26,758,354	0	0	0	29,774,553	
Accounts	360	99,964	0	0	95,585	0	0	0	0	195,919	
Special Assessments	16,455	121,822	2,721,003	0	0	244,328	0	0	0	3,103,608	
Interfund	0	0	8,997	0	0	0	0	0	0	8,997	
Accrued Interest	44,650	0	3,295	0	0	1,228	0	0	0	49,173	
Due from Other Funds	70,199	79,989	0	0	0	0	0	0	0	150,188	
Materials and Supplies	606,089	335,957	0	207,829	0	301,801	0	0	0	1,451,676	
Inventory	31,410	173,072	0	0	61	0	0	0	0	204,543	
Notes Receivable	0	771,608	0	0	0	0	0	0	0	771,608	
Prepaid Items	6,921	6,082	0	0	0	0	0	0	0	13,003	
Restricted Assets:											
Equity in Pooled Cash and Cash Equivalents	0	0	0	0	94,070	0	0	0	0	94,070	
Construction in Progress	0	0	0	0	946,772	0	363,097	0	0	1,309,869	
Fixed Assets, (Net where applicable of Accumulated Depreciation)	0	0	0	0	4,824,518	0	21,603,646	0	0	26,428,164	
<b>Other Debits</b>											
Amount Available in Debt Service Fund for Retirement of General Long Term Obligations	0	0	0	0	0	0	0	58,800	0	58,800	
Amount Available in Debt Service Fund for Retirement of Special Assessment Bonds	0	0	0	0	0	0	0	212,339	0	212,339	
Amount Available in Debt Service Fund for Retirement of Revenue Bonds	0	0	0	0	0	0	0	413,266	0	413,266	
Amount to be Provided from General Government Resources	0	0	0	0	0	0	0	6,087,939	0	6,087,939	
Special Assessments	0	0	0	0	0	0	0	2,036,296	0	2,036,296	
<b>Total Assets and Other Debits</b>	<b>\$3,611,831</b>	<b>\$8,063,823</b>	<b>\$9,274,532</b>	<b>\$1,476,802</b>	<b>\$5,996,495</b>	<b>\$30,449,758</b>	<b>\$21,966,743</b>	<b>\$8,808,640</b>	<b>\$89,648,624</b>	<b>\$89,648,624</b>	

See accompanying notes to the general purpose financial statements

continued

Williams County, Ohio  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 December 31, 1999

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types		Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations				
<b>Liabilities</b>												
Accounts Payable	42,309	380,476	0	103,933	9,664	1,064	0	0	0	0	0	537,446
Contracts Payable	0	23,853	0	357,665	0	0	0	0	0	0	0	381,518
Accrued Wages and Benefits	90,756	217,725	0	0	3,727	0	0	0	0	0	0	312,208
Compensated Absences Payable	5,351	16,222	0	0	3,958	0	0	0	530,119	0	0	555,650
Retainage Payable	0	3,788	0	232,479	0	0	0	0	0	0	0	236,267
Due to Other Funds	16,438	132,357	0	0	1,393	0	0	0	0	0	0	150,188
Interfund Payable	0	0	0	0	8,997	0	0	0	0	0	0	8,997
Due to Other Governments	97,595	317,512	0	0	510	28,741,857	0	0	0	0	0	29,157,474
Deferred Revenue	1,401,455	1,631,822	2,721,003	120,200	0	0	0	0	0	0	0	5,874,480
Undistributed Monies	0	0	0	0	0	1,183,229	0	0	0	0	0	1,183,229
Deposits Held and Due to Others	0	0	0	0	0	268,688	0	0	0	0	0	268,688
Payroll Withholdings	0	0	0	0	0	76,604	0	0	0	0	0	76,604
Accrued Interest Payable	6,980	0	70,682	35,270	0	0	0	0	0	0	0	112,942
Notes Payable	300,000	0	0	1,475,000	0	0	0	0	0	0	0	1,775,000
Claims and Judgments Payable	230,848	0	0	0	0	0	0	0	0	0	0	230,848
Revenue Bonds Payable	0	0	0	0	294,500	0	0	0	0	0	0	294,500
Payable from Restricted Assets:												
Interest Payable	0	0	0	0	2,481	0	0	0	0	0	0	2,481
OWDA Loans Payable	0	0	0	0	0	0	0	1,392,516	0	0	0	1,392,516
Loans Payable	0	0	0	0	0	0	0	75,886	0	0	0	75,886
U.S. Rural Development Bonds Payab	0	0	5,954,000	0	0	0	0	5,954,000	0	0	0	11,908,000
Special Assessment Bonds Payable with Governmental Commitment												
Total Liabilities	2,191,732	2,723,755	8,745,695	2,324,547	325,230	30,271,442	0	8,808,640	0	0	0	55,391,041
<b>Fund Equity and Other Credits</b>												
Investment in General Fixed Assets	0	0	0	0	0	0	21,966,743	0	0	0	0	21,966,743
Contributed Capital	0	0	0	0	2,394,344	0	0	0	0	0	0	2,394,344
Retained Earnings	0	0	0	0	3,276,921	0	0	0	0	0	0	3,276,921
Fund Balance:	0											
Reserved for Encumbrances	100,647	391,255	0	727,170	0	740	0	0	0	0	0	1,219,812
Reserved for Inventory	31,410	173,072	0	0	0	0	0	0	0	0	0	204,482
Reserved for Notes Receivable	0	771,608	0	0	0	0	0	0	0	0	0	771,608
Undesignated	1,288,042	4,004,133	528,837	(1,574,915)	0	177,576	0	0	0	0	0	4,423,673
Total Fund Equity	1,420,099	5,340,068	528,837	(847,745)	5,671,265	178,316	21,966,743	0	0	0	0	34,257,583
Total Liabilities, Fund Equity and Other Credits	\$3,611,831	\$8,063,823	\$9,274,532	\$1,476,802	\$5,996,495	\$30,449,758	\$21,966,743	\$8,808,640	\$0	\$0	\$0	\$89,648,624

See accompanying notes to the general purpose financial statements

Williams County, Ohio  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Year December 31, 1999

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>Revenues:</b>			
Taxes	\$4,567,114	\$1,833,565	\$0
Charges for Services	2,032,705	3,959,046	0
Licenses and Permits	13,040	80	0
Fines and Forfeitures	149,305	78,692	0
Intergovernmental	1,021,633	9,212,495	0
Special Assessments	120,580	155,093	120,052
Investment Income	574,603	124,778	13,767
Rental Income	20,843	355,932	0
Other	113,114	173,001	0
<b>Total Revenue</b>	<b>8,612,937</b>	<b>15,892,682</b>	<b>133,819</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government:	2,028,449	669,507	0
Judicial	1,026,760	601,061	0
Public Safety	2,481,369	245,440	0
Public Works	287,966	3,727,704	0
Health	285,084	3,796,658	0
Human Services	244,394	5,484,354	0
Conservation and Recreation	0	0	0
Economic Development and Assistance	0	872,827	0
Hospitalization	1,664,059	0	0
Other	155,390	0	0
Capital Outlay	304,061	184,623	0
Intergovernmental	152,981	0	0
<b>Debt Service:</b>			
Principal Retirement	0	30,894	6,020,261
Interest and Fiscal Charges	6,980	2,489	447,228
<b>Total Expenditures</b>	<b>8,637,493</b>	<b>15,615,557</b>	<b>6,467,489</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(24,556)</b>	<b>277,125</b>	<b>(6,333,670)</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	0	0	5,954,000
Proceeds of Notes	0	62,341	0
Sale of Fixed Assets	6,395	22,192	0
Operating Transfers - In	2,531	559,974	185,449
Operating Transfers - Out	(204,062)	(816,400)	0
<b>Total Other Sources (Uses)</b>	<b>(195,136)</b>	<b>(171,893)</b>	<b>6,139,449</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>(219,692)</b>	<b>105,232</b>	<b>(194,221)</b>
<b>Fund Balances (Deficit) at Beginning of Year - Restated (Note 3)</b>	<b>1,643,623</b>	<b>5,256,166</b>	<b>723,058</b>
<b>Increase (Decrease) in Reserve for Inventory</b>	<b>(3,832)</b>	<b>(21,330)</b>	<b>0</b>
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$1,420,099</b>	<b>\$5,340,068</b>	<b>\$528,837</b>

See accompanying notes to the general purpose financial statements

Capital Projects	Fiduciary Fund Type		Totals (Memorandum Only)
	Expendable Trust		
\$121,530	\$0		\$6,522,209
0	0		5,991,751
0	0		13,120
0	0		227,997
17,217	0		10,251,345
0	0		395,725
209,867	2,626		925,641
18,972	0		395,747
12,141	17,232		315,488
379,727	19,858		25,039,023
0	0		2,697,956
0	0		1,627,821
0	0		2,726,809
0	0		4,015,670
0	9,649		4,091,391
0	2,860		5,731,608
0	0		0
0	0		872,827
0	0		1,664,059
0	500		155,890
3,407,685	0		3,896,369
0	0		152,981
0			6,051,155
66,487	0		523,184
3,474,172	13,009		34,207,720
(3,094,445)	6,849		(9,168,697)
207,829	0		6,161,829
341,690	0		404,031
0	0		28,587
250,039	25,000		1,022,993
0	(2,531)		(1,022,993)
799,558	22,469		6,594,447
(2,294,887)	29,318		(2,574,250)
1,447,142	148,998		9,218,987
0	0		(25,162)
(\$847,745)	\$178,316		\$6,619,575

Williams County  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Year Ended December 31, 1999

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$4,477,500	\$4,542,638	\$65,138
Charges for Services	1,884,581	2,037,444	152,863
Licenses and Permits	11,910	13,040	1,130
Fines and Forfeitures	144,000	154,516	10,516
Intergovernmental	999,800	1,017,595	17,795
Special Assessments	118,800	120,580	1,780
Investment Income	489,000	550,029	61,029
Rental Income	20,400	20,668	268
Other	66,200	99,004	32,804
<b>Total Revenue</b>	<b>8,212,191</b>	<b>8,555,514</b>	<b>343,323</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>General Government:</b>			
Legislative and Executive	2,337,300	2,178,549	158,751
Judicial	1,129,694	1,051,031	78,663
Public Safety	2,730,086	2,571,852	158,234
Public Works	351,267	297,997	53,270
Health	287,272	285,084	2,188
Human Services	341,296	251,660	89,636
Conservation and Recreation	0	0	0
Economic Development and Assistance	0	0	0
Hospitalization	1,625,000	1,589,204	35,796
Other	181,439	157,981	23,458
Capital Outlay	304,061	304,061	0
Intergovernmental	152,981	152,981	0
<b>Debt Service:</b>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>9,440,396</b>	<b>8,840,400</b>	<b>599,996</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,228,205)</b>	<b>(284,886)</b>	<b>943,319</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	0	0	0
Proceeds of Notes	300,000	300,000	0
Sale of Fixed Assets	5,000	6,395	(1,395)
Operating Transfers - In	0	2,531	2,531
Operating Transfers - Out	(207,747)	(204,058)	3,689
<b>Total Other Sources (Uses)</b>	<b>97,253</b>	<b>104,868</b>	<b>4,825</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>(1,130,952)</b>	<b>(180,018)</b>	<b>950,934</b>
<b>Fund Balances (Deficit) Beginning of Year</b>	<b>1,292,787</b>	<b>1,292,787</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>106,430</b>	<b>106,430</b>	<b>0</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$268,265</b>	<b>\$1,219,199</b>	<b>\$950,934</b>

See accompanying notes to the general purpose financial statements

Williams County  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Year Ended December 31, 1999

Special Revenue Funds

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$1,698,600	\$1,833,565	\$134,965
Charges for Services	4,202,590	3,931,535	(271,055)
Licenses and Permits	100	80	(20)
Fines and Forfeitures	90,400	80,039	(10,361)
Intergovernmental	9,720,070	9,368,762	(351,308)
Special Assessments	136,500	133,228	(3,272)
Investment Income	20,800	750	(20,050)
Rental Income	341,100	355,932	14,832
Other	189,881	307,726	117,845
<b>Total Revenue</b>	<b>16,400,041</b>	<b>16,011,617</b>	<b>(388,424)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>General Government:</b>			
Legislative and Executive	913,130	823,681	89,449
Judicial	790,039	603,997	186,042
Public Safety	304,806	242,135	62,671
Public Works	4,136,998	3,817,629	319,369
Health	4,531,699	4,003,700	527,999
Human Services	6,589,023	5,698,087	890,936
Conservation and Recreation	0	0	0
Economic Development and Assistance	1,405,445	1,367,556	37,889
Hospitalization	0	0	0
Other	0	0	0
Capital Outlay	191,420	184,598	6,822
Intergovernmental	0	0	0
<b>Debt Service:</b>			
Principal Retirement	16,881	16,881	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>18,879,441</b>	<b>16,758,264</b>	<b>2,121,177</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,479,400)</b>	<b>(746,647)</b>	<b>1,732,753</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	0	0	0
Proceeds of Notes	62,341	62,341	0
Sale of Fixed Assets	7,307	22,192	(14,885)
Operating Transfers - In	429,051	438,304	9,253
Operating Transfers - Out	(715,730)	(694,730)	21,000
<b>Total Other Sources (Uses)</b>	<b>(217,031)</b>	<b>(171,893)</b>	<b>15,368</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>(2,696,431)</b>	<b>(918,540)</b>	<b>1,777,891</b>
<b>Fund Balances (Deficit) Beginning of Year</b>	<b>5,011,857</b>	<b>4,737,974</b>	<b>273,883</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>433,917</b>	<b>433,917</b>	<b>0</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$2,749,343</b>	<b>\$4,253,351</b>	<b>\$2,051,774</b>

See accompanying notes to the general purpose financial statements

continued

Williams County  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Year Ended December 31, 1999

Debt Service Fund			
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$0	\$25,031	\$25,031
Charges for Services	40,000	0	(40,000)
Licenses and Permits	0	0	0
Fines and Forfeitures	0	0	0
Intergovernmental	0	120,052	120,052
Special Assessments	122,000	17,040	(104,960)
Investment Income	0	0	0
Rental Income	0	0	0
Other	0	0	0
<b>Total Revenue</b>	<b>162,000</b>	<b>162,123</b>	<b>123</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>General Government:</b>			
Legislative and Executive	0	0	0
Judicial	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health	0	0	0
Human Services	0	0	0
Conservation and Recreation	0	0	0
Economic Development and Assistance	0	0	0
Hospitalization	0	0	0
Other	70,525	525	70,000
Capital Outlay	0	0	0
Intergovernmental	0	0	0
<b>Debt Service:</b>			
Principal Retirement	1,653,942	1,653,942	0
Interest and Fiscal Charges	465,219	465,035	184
<b>Total Expenditures</b>	<b>2,189,686</b>	<b>2,119,502</b>	<b>70,184</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,027,686)</b>	<b>(1,957,379)</b>	<b>70,307</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	0	5,954,000	5,954,000
Proceeds of Notes	1,480,400	1,475,000	(5,400)
Sale of Fixed Assets	0	0	0
Operating Transfers - In	247,759	378,484	130,725
Operating Transfers - Out	0	0	0
<b>Total Other Sources (Uses)</b>	<b>1,728,159</b>	<b>7,807,484</b>	<b>6,079,325</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>(299,527)</b>	<b>5,850,105</b>	<b>6,149,632</b>
Fund Balances (Deficit) Beginning of Year	814,568	814,568	0
Prior Year Encumbrances Appropriated	0	0	0
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$515,041</b>	<b>\$6,664,673</b>	<b>\$6,149,632</b>

See accompanying notes to the general purpose financial statements

continued

Williams County  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Year Ended December 31, 1999

Capital Projects Funds			
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$114,000	\$121,530	\$7,530
Charges for Services	0	0	0
Licenses and Permits	0	0	0
Fines and Forfeitures	0	0	0
Intergovernmental	31,000	17,217	(13,783)
Special Assessments	0	0	0
Investment Income	258,200	0	(258,200)
Rental Income	25,000	18,972	(6,028)
Other	25,800	222,010	196,210
<b>Total Revenue</b>	<b>454,000</b>	<b>379,729</b>	<b>(74,271)</b>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>General Government:</i>			
Legislative and Executive	0	0	0
Judicial	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health	0	0	0
Human Services	0	0	0
Conservation and Recreation	0	0	0
Economic Development and Assistance	0	0	0
Hospitalization	0	0	0
Other	3,450,466	3,401,182	49,284
Capital Outlay	1,170,700	515,217	655,483
Intergovernmental	0	0	0
<i>Debt Service:</i>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>4,621,166</b>	<b>3,916,399</b>	<b>704,767</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(4,167,166)</b>	<b>(3,536,670)</b>	<b>630,496</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	400,000	347,039	52,961
Proceeds of Notes	0	0	0
Sale of Fixed Assets	0	0	0
Operating Transfers - In	449,000	57,000	(392,000)
Operating Transfers - Out	0	0	0
<b>Total Other Sources (Uses)</b>	<b>849,000</b>	<b>404,039</b>	<b>(339,039)</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>(3,318,166)</b>	<b>(3,132,631)</b>	<b>185,535</b>
Beginning of Year	2,017,923	2,017,923	0
Prior Year Encumbrances Appropriated	1,485,693	1,485,693	0
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$185,450</b>	<b>\$370,985</b>	<b>\$185,535</b>

See accompanying notes to the general purpose financial statements

continued

Williams County  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Year Ended December 31, 1999

	Expendable Trust Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Charges for Services	0	0	0
Licenses and Permits	0	0	0
Fines and Forfeitures	0	0	0
Intergovernmental	0	0	0
Special Assessments	0	0	0
Investment Income	2,700	1,609	(1,091)
Rental Income	0	0	0
Other	15,400	17,106	1,706
<b>Total Revenue</b>	<b>18,100</b>	<b>18,715</b>	<b>615</b>
Expenditures:			
Current:			
General Government:			
Legislative and Executive	0	0	0
Judicial	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health	10,500	9,220	1,280
Human Services	15,168	1,795	13,373
Conservation and Recreation	0	0	0
Economic Development and Assistance	0	0	0
Hospitalization	25,000	0	25,000
Other	10,500	500	10,000
Capital Outlay	0	0	0
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>61,168</b>	<b>11,515</b>	<b>49,653</b>
Excess of Revenues Over (Under) Expenditures	(43,068)	7,200	50,268
Other Financing Sources (Uses):			
Proceeds of Bonds	0	0	0
Proceeds of Notes	0	0	0
Sale of Fixed Assets	0	0	0
Operating Transfers - In	25,100	25,000	(100)
Operating Transfers - Out	(2,531)	(2,531)	0
<b>Total Other Sources (Uses)</b>	<b>22,569</b>	<b>22,469</b>	<b>(100)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(20,499)	29,669	50,168
Beginning of Year	167,456	142,456	25,000
Prior Year Encumbrances Appropriated	463	463	0
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$147,420</b>	<b>\$172,588</b>	<b>\$75,168</b>

See accompanying notes to the general purpose financial statements

continued

Williams County  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Year Ended December 31, 1999

Total (Memorandum Only)			
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$6,290,100	\$6,522,764	\$232,664
Charges for Services	6,127,171	5,968,979	(158,192)
Licenses and Permits	12,010	13,120	1,110
Fines and Forfeitures	234,400	234,555	155
Intergovernmental	10,750,870	10,523,626	(227,244)
Special Assessments	377,300	270,848	(106,452)
Investment Income	770,700	552,388	(218,312)
Rental Income	386,500	395,572	9,072
Other	297,281	645,846	348,565
<b>Total Revenue</b>	<b>25,246,332</b>	<b>25,127,698</b>	<b>(118,634)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>General Government:</b>			
Legislative and Executive	3,250,430	3,002,230	248,200
Judicial	1,919,733	1,655,028	264,705
Public Safety	3,034,892	2,813,987	220,905
Public Works	4,488,265	4,115,626	372,639
Health	4,829,471	4,298,004	531,467
Human Services	6,945,487	5,951,542	993,945
Conservation and Recreation	0	0	0
Economic Development and Assistance	1,405,445	1,367,556	37,889
Hospitalization	1,650,000	1,589,204	60,796
Other	3,712,930	3,560,188	152,742
Capital Outlay	1,666,181	1,003,876	662,305
Intergovernmental	152,981	152,981	0
<b>Debt Service:</b>			
Principal Retirement	1,670,823	1,670,823	0
Interest and Fiscal Charges	465,219	465,035	184
<b>Total Expenditures</b>	<b>35,191,857</b>	<b>31,646,080</b>	<b>3,545,777</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(9,945,525)</b>	<b>(6,518,382)</b>	<b>3,427,143</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	400,000	6,301,039	(5,901,039)
Proceeds of Notes	1,842,741	1,837,341	5,400
Sale of Fixed Assets	12,307	28,587	(16,280)
Operating Transfers - In	1,150,910	901,319	(249,591)
Operating Transfers - Out	(926,008)	(901,319)	24,689
<b>Total Other Sources (Uses)</b>	<b>2,479,950</b>	<b>8,166,967</b>	<b>(6,136,821)</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>(7,465,575)</b>	<b>1,648,585</b>	<b>9,114,160</b>
Beginning of Year	9,304,591	9,005,708	298,883
Prior Year Encumbrances Appropriated	2,026,503	2,026,503	0
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$3,865,519</b>	<b>\$12,680,796</b>	<b>\$9,413,043</b>

See accompanying notes to the general purpose financial statements

Williams County  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Equity  
All Enterprise Funds  
For the Year Ended December 31, 1999

	Enterprise
Operating Revenues:	
Charges for Services	\$317,691
Other Revenue	1,036
Total Operating Revenues	<u>318,727</u>
Operating Expenses:	
Personal Services	109,385
Contractual Services	100,691
Materials and Supplies	18,777
Other	6,703
Depreciation	150,267
Total Operating Expenses	<u>385,823</u>
Operating Income	(67,096)
Non-Operating Revenues (Expenses):	
Interest Income	0
Interest and Fiscal charges	(15,208)
Total Non-Operating Revenues (Expenses)	<u>(15,208)</u>
Income Before Operating Transfers	(82,304)
Operating Transfers in	0
Net Income	(82,304)
Depreciation on Fixed Assets Acquired by Contributed Capital	35,326
Retained Earnings at Beginning of Year	3,323,899
Retained Earnings at End of Year	<u>3,276,921</u>
Contributed Capital at Beginning of Year	1,740,085
Other Contributions:	
Governmental Funds	689,585
Depreciation on Fixed Assets Acquired by Contributed Capital	(35,326)
Contributed Capital at End of Year	<u>2,394,344</u>
Total Fund Equity at End of Year	<u><u>\$5,671,265</u></u>

See accompanying notes to the general purpose financial statements

Williams County, Ohio  
 Combined Statement of Cash Flows  
 All Enterprise Fund Types  
 For the Year Ended December 31, 1999

	Enterprise
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Customers	\$307,315
Cash Received from Other Sources	\$10,033
Cash Payments to Employees for Personal Services	(122,641)
Cash Payments to Vendors for Supplies and Materials	(21,380)
Cash Payments for Contractual Services	(104,030)
Cash Payments for Other Expenses	(6,703)
Net Cash Provided by Operating Activities	62,594
Cash Flows from Non-Capital Activities:	0
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(8,736)
Principal Paid on Revenue Bonds	(2,681)
Interest Paid on Revenue Bonds	(15,231)
Net Cash Used for Capital and Related Financing Activities	(26,648)
Net (Decrease) in Cash and Cash Equivalents	35,946
Cash and Cash Equivalents at Beginning of Year	93,603
Cash and Cash Equivalents at End of Year	\$129,549
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	(\$67,096)
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:	
Depreciation Expense	150,267
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(11,146)
Decrease in Inventories	128
Decrease in Accounts Payable	(6,069)
Increase in Accrued Wages	(2,908)
Decrease in Compensated Absences Payable	(4,216)
Decrease in Due to Other Funds	(11)
Increase in Interfund Payable	8,997
Decrease in Due From Other Funds	770
Decrease in Intergovernmental Payable	(6,122)
Net Cash Provided by (Used for) Operating Activities	\$62,594

See accompanying notes to the general purpose financial statements

Williams County  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Equity - Budget and Actual (Budget Basis)  
 All Enterprise Funds  
 For the Year Ended December 31, 1999

	Enterprise		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$290,000	\$284,464	(\$5,536)
Proceeds of Bonds	100	156	56
Other Revenues	500	525	25
<b>Total Revenue</b>	<b>290,600</b>	<b>285,145</b>	<b>(5,455)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Personal Services	133,362	122,641	10,721
Contractual Services	122,638	104,030	18,608
Materials and Supplies	16,054	11,679	4,375
Other	6,200	6,178	22
Capital Outlay	19,150	18,437	713
<b>Debt Service:</b>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>297,404</b>	<b>262,965</b>	<b>34,439</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(6,804)</b>	<b>22,180</b>	<b>28,984</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Notes	0	0	0
Sale of Fixed Assets	0	0	0
Operating Transfers - In	0	0	0
Operating Transfers - Out	0	0	0
<b>Total Other Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>(6,804)</b>	<b>22,180</b>	<b>28,984</b>
Fund Equity (Deficit) Beginning of Year	12,365	12,365	0
Prior Year Encumbrances Appropriated	0	0	0
<b>Fund Equity (Deficit) at End of Year</b>	<b>\$5,561</b>	<b>\$34,545</b>	<b>\$28,984</b>

See accompanying notes to the general purpose financial statements

**NOTE 1 - DESCRIPTION OF WILLIAMS COUNTY AND REPORTING ENTITY**

**A. The County**

Williams County, Ohio (The County), was created in 1840. 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 County Auditor, County Treasurer, County Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, two Common Pleas Court Judges, a Probate Court Judge, and a Domestic Relations/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 County, including each of these departments.

**B. Reporting Entity**

A primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. The primary government of Williams County consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Williams County, this includes the Childrens' Services Board, the Human Services Department, the Williams County Solid Waste Management Board, the Williams County Emergency Management Agency, and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County issues debt, levies taxes or determines the budget. The County has no blended or discretely presented component units.

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. In case of the separate agencies, boards and commissioners listed below, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly the activity of the following entities are presented as agency funds within the general purpose financial statements:

County General Health District  
Soil and Water Conservation District

The County is associated with certain organizations which are defined as Joint Ventures or Jointly Governed Organizations. These organizations are presented in Notes 18 and 19 to the general purpose financial statements. These organizations are:

Regional Planning Commission  
Four County Solid Waste District  
Maumee Valley Planning Organization (MVPO)  
Quadco Rehabilitation Center  
Four County Board of Alcohol, Drug Addiction and Mental Health Services (ADAMH Board)  
Northwest Ohio Correctional Center (CCNO)  
Northwest Ohio Juvenile Detention, Training and Rehabilitation District

**NOTE 1 - DESCRIPTION OF WILLIAMS COUNTY AND REPORTING ENTITY (continued)**

B. Reporting Entity (continued)

The County is involved with two group insurance pools which are presented in Note 20 to the general purpose financial statements.

County Risk Sharing Authority (CORSA)  
County Commissioners' Association Workers' Compensation Group Rating Plan

The County is involved with one related organization which is presented in Note 21 to the general purpose financial statements.

The following potential component units have been excluded from the County's 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.

Williams County Board of Education  
Williams County Historical Society  
Northwest Ohio Community Action Program  
Williams County Humane Society  
Williams County Agricultural Society  
Williams County Law Library  
Williams County Farm Bureau  
Williams County Genealogical Society  
Williams County Community Hospital

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Williams County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements 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. Fund Accounting

The County uses funds and account groups to report on its 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 County functions or activities.

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 regulations, restrictions or limitations. An account group is a financial reporting devise designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

A. Fund Accounting (continued)

For financial statement presentation, the funds of the County are grouped into the following generic fund types under the broad fund categories of 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 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. This fund is used to account for all financial resources of the County except those required to be accounted for in another fund. The general fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds. These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds. These funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal and interest and related costs.

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

Proprietary Fund Type

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

Enterprise Fund. This fund is used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing 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 revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Fund Types

These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following are the County's fiduciary fund types:

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

A. Fund Accounting (continued)

Expendable Trust Funds. These funds are accounted for in essentially the same manner as governmental funds.

Agency Funds. These funds are purely custodial (assets equal liabilities) and thus 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. The general fixed assets account group is used to account for all fixed assets of the County, other than those fixed assets accounted for in the proprietary funds.

General Long-Term Obligations Account Group. The general long-term obligations account group is used to account for all long-term debt of the County, except that accounted for in the proprietary fund.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The enterprise fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund 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.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurement means the amount of the transaction can be determined. Available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the County is sixty days after year-end.

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

**B. Measurement Focus and Basis of Accounting** (continued)

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, sales tax (see Note 7), grants and shared revenues, and charges for services. Major revenue sources not susceptible to accrual include licenses and permits, and fines and forfeitures, which are not considered measurable until received. Entitlements are recognized in the year intended to finance.

The County reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, 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, 1999 and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2000 operations, have also been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The enterprise funds are reported using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. Unbilled service charges receivable are recognized as revenue at year end.

**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 appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, legally are required to be budgeted and appropriated.

The legal level of budgetary control is at the object level within each department. Although statutory law requires that all funds be budgeted, it is not necessary to do so if the County Commissioners do not anticipate expending the available funds. Segregated cash accounts are not included in the budgetary presentation because they are not controlled by the County Commissioners and separate budgets are not adopted. Budgetary modifications may only be made by resolution of the County Commissioners.

**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<sup>th</sup> of each year, for the period January 1 to December 31 of the following year.

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

**C. Budgetary Process (continued)**

**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 projected resources of each fund. Prior to December 31, the County must revise its budget so that 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 resource. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered 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 statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

**Appropriations**

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, program, department, and object level. The appropriation 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 objects within a fund and department may be modified during the year only by a resolution of the County Commissioners. Several supplemental appropriation 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. Appropriated funds may not be expended for the purpose other than those designated in the appropriation resolution of the Commissioners. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation. Commissioners' appropriations are made to fund, department and object level (i.e. General Fund - Commissioner - salaries, supplies, equipment, contract repairs, travel expense, maintenance, other expenses etc.)

**Encumbrances**

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and 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.

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

C. Budgetary Process (continued)

On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances 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 encumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not reappropriated.

D. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During 1999, investments were limited to repurchase agreements, non-negotiable certificates of deposits, mutual funds, commercial paper and U.S. Treasury bills.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

Following State statutes, the County Commissioners has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during year 1999 amounted to \$574,603, which includes approximately \$391,000 assigned from other County funds.

For purposes of the Combined Statement of Cash Flows and for presentation of the Combined Balance Sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Materials and Supplies Inventory

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. The costs of inventory items are recorded as expenditures in the governmental fund typed when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

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

**F. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 1999, are recorded as prepaid item 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. Restricted Assets**

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

**H. Interfund Assets and Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet.

**I. Fixed Assets and Depreciation**

Fixed asset values initially were determined at December 31, 1991, assigning original acquisition costs when such information was available. In cases when original costs were not available, estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized. Improvements are depreciated over the remaining useful life of the related assets.

**General Fixed Assets**

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 at cost. Assets in the general fixed assets group are not depreciated.

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 government.

**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.

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

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

**I. Fixed Assets and Depreciation (continued)**

Depreciation is provided on a straight-line basis over the following estimated useful lives:

Description	Estimated Lives
Buildings	15 - 50 years
Infrastructure	70 years
Furniture and Equipment	5 - 15 years

**J. Accrued and Long-Term Liabilities**

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 are reported as a liability in the general long-term obligation account group to the extent that they will not be paid with current expendable financial resources. Payments made more than sixty days after year end are generally considered not to have been paid with current available financial resources. Bonds and loans are recognized as a liability of the general long-term obligations account group. Long-term debt and other obligations financed by enterprise funds are reported as liabilities in the appropriate funds.

Under Ohio law, a debt retirement fund may 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. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. The liability is based on an estimate of the amount of accumulated sick leave that will probably be paid as termination benefits.

The current portion of unpaid compensated absences is the amount expected to be paid using expendable available 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 obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**L. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, 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.

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

**L. Intergovernmental Revenues (continued)**

Grants received for enterprise fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. Grants restricted for the construction of capital assets are recorded as contributed capital.

**M. Contributed Capital**

Contributed capital represents donations by developers, resources from other funds, capital grants and private sources provided to enterprise funds that are not subject to repayment. Donated assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to retained earnings at year end.

Because the County had not prepared financial statements in accordance with generally accepted accounting principles prior to 1991, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the enterprise funds have been classified as retained earnings.

**N. Reserves of Fund Equity**

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, inventory, and notes receivable for community development block grant monies loaned to local businesses.

**O. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, and 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 a reduction of expenditures/expenses in the fund that is reimbursed.

Nonrecurring and nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as operating transfers.

**P. Use of Estimates**

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

**Q. Total Columns on General Purpose Financial Statements**

Total Columns on the general purpose financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis.

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

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

**Q. Total Columns on General Purpose Financial Statements (continued)**

Data in these columns do not present financial position or results of operations 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.

**NOTE 3 - CORRECTION OF ERROR**

The funds associated with the Family and Children First Council was erroneously recorded as special revenue funds in prior years. These funds were moved to agency funds in 1999.

The effect of correcting the reporting of funds on excess of revenues and other financing sources over expenditures and other uses in prior years is as follows:

	<u>Special Revenue</u>
Excess of revenues and other financing sources	
Over expenditures and other uses as previously reported	\$1,026,868
Movement of special revenue funds to agency funds	<u>(12,350)</u>
Restated amounts for the year ended December 31, 1998	<u>\$1,014,518</u>

The correction of reporting of funds had the following effect on fund balance as it was previously reported as of December 31, 1998.

	<u>Special Revenue</u>
Fund balance as previously reported	\$5,312,370
Movement of special revenue funds to agency funds	<u>(56,204)</u>
Restated fund balance as of December 31, 1998	<u>\$5,256,166</u>

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis), All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses and Change in Fund Equity - Budget and Actual (Budget Basis), Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget and the GAAP basis are that:

1. Revenues are recorded when received 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).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget) rather than as a reservation of fund for governmental fund types and note disclosure for enterprise funds. (GAAP)
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).
5. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)**

6. Cash accounts which are held separately by the various departments of the County are not budgeted for by the County but are recorded on the GAAP basis as Cash and Cash Equivalents in Segregated Accounts.

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses All Governmental Fund Types and Expendable Trust Funds</b>					
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	(\$219,692)	105,232	(\$194,221)	(\$2,294,887)	\$29,318
Net Adjustment for Revenue Accruals	(57,640)	(113,787)	(3,398)	(212,247)	(966)
Net Adjustment for Prepaid Items	185	4,645	0	0	0
Net Adjustment for Notes Receivable	0	(428,454)	0	0	0
Note Proceeds	300,000	0	1,475,000	0	0
Note Principal Retirement	0	0	(1,585,000)	0	0
Net Adjustment for Expenditure Accruals	(75,421)	127,878	6,024,692	232,924	733
Transfer of Debt Activity	0	0	133,032	(110,000)	0
Net NonBudgeted Funds	3,362	49,358	0	0	1,330
Encumbrances at Year End	<u>(130,812)</u>	<u>(663,412)</u>	<u>0</u>	<u>(748,421)</u>	<u>(746)</u>
Budget Basis	<u>(\$180,018)</u>	<u>(\$918,540)</u>	<u>\$5,850,105</u>	<u>(\$3,132,631)</u>	<u>\$29,669</u>

**Net Loss/Excess of Revenues and Other Financing Sources  
Under Expenses and Operating Transfers  
All Enterprise Funds**

	<u>Enterprise</u>
GAAP Basis	(82,304)
Net Adjustment for Revenue Accruals	(3,202)
Net Adjustment for Inventory	128
Net Adjustment for Expense Accruals	(10,352)
Depreciation	150,267
Acquisition of Capital Assets	(8,736)
Transfer of Debt Activity	<u>(23,621)</u>
Budget Basis	<u>\$22,180</u>

**NOTE 5 - ACCOUNTABILITY**

The following funds had a deficit fund balance as of December 31, 1999:

	<u>Deficit Fund Balance</u>
<u>Capital Projects Funds</u>	
Capital Projects	\$529,032
Hillside Country Living	837,921
Oak Meadows/Krohns Acres	75,487
Hallock's Addition	17,278

The deficits in the Capital Projects and Hillside Country Living capital projects fund arose from the requirement to report the liability for bond anticipation notes in the fund which received the note proceeds. The deficits will be alleviated when the bonds are issued or when the notes are paid.

**NOTE 5 – ACCOUNTABILITY (continued)**

The Oak Meadows/Krohns Acres and Hallock's Addition Capital Project Fund had deficit fund balances that were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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.

Inactive deposits are public deposits that the County has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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 moneys deposited with the institution.

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

1. United States treasury notes, bills, bonds, or any other obligations 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;

**NOTE 6 - DEPOSITS AND INVESTMENTS (continued)**

6. No-load 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; and
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.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purchase of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Cash on Hand.** The County had \$399,269 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".

The following information classifies deposits and investments by categories of risk as defined in GASB No. 3, "Deposits With Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements."

**Deposits.** At year-end, the carrying amount of the County's deposits was \$8,045,285 and the bank balance was \$9,536,264. Of the bank balance, \$1,012,549 was insured or collateralized with securities held by the County or by its agent in the County's name. The remainder was uninsured and uncollateralized. Although the collateral was held by the pledging financial institutions' trust department in the County's name and all statutory requirements for the deposit of money had been followed, non compliance with federal requirement would potentially subject the County to a successful claim by the FDIC.

**Investments.** The County's investments are categorized to give an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its 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. Mutual funds are an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

**NOTE 6 - DEPOSITS AND INVESTMENTS (continued)**

	Category 1	Category 3	Fair Value
Repurchase Agreements	\$0	\$8,763,034	\$8,763,034
Mutual Funds	0	0	95
Commercial Paper	171,000	0	171,000
Total	\$171,000	\$8,763,034	\$8,934,129

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 Governmental Entities That Use Proprietary Fund Accounting". Cash and cash equivalents are defined to include investments with original maturities of three months or less and funds included within the County's cash management pool.

A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$17,378,683	\$0
Cash on Hand	(399,269)	0
Investments of the Cash Management Pool:		
Repurchase Agreements	(8,763,034)	8,763,034
Mutual Funds	(95)	95
Commercial Paper	(171,000)	171,000
GASB Statement 3	\$8,045,285	\$8,934,129

**NOTE 7 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Taxes collected on real property (other than public utility property) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 1994. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. In 1999, the first payment was due February 15, with the remainder payable by July 20.

Taxes collected on tangible personal property in the current year are levied after October 1, of the prior year on the values as of December 31 of the prior year. Tangible personal property used in business (except for public utilities) is assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. In 1999, the annual payment was due April 30, if paid semiannually, the first payment was due April 30, with the remainder payable October 10.

Public utility real, and tangible personal property taxes collected in the current are levied in the preceding calendar year on assessed values determined as of December 31, the lien date. Certain public utility tangible personal property is assessed at eighty-eight percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

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**NOTE 7 - PROPERTY TAXES (continued)**

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to itself its share of the taxes collected. The County records receipt of these taxes in various funds.

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, 1999. 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 1999 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, 1999 was \$8.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

Real Property	\$414,663,500
Public Utility	45,859,140
Tangible Personal Property	<u>115,976,760</u>
Total Assessed Value	<u>\$576,499,400</u>

**NOTE 8 - PERMISSIVE SALES AND USE TAX**

In 1988, the County Commissioners by resolution imposed a one percent tax on all retail sales, except sales of motor vehicles, made in the County, or on the storage, use, or consumption in the County of tangible personal property, including automobiles. 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 have been collected by the State and are to be received within the available period are accrued as revenue. Sales and Use tax revenue for 1999 amounted to \$3,128,190.

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 1999, consisted of taxes, interest, special assessments, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants. All receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Any underpayment of benefits due the public assistance and child support enforcement agency special revenue funds from the state are not reflected on the financial statements. These amounts were not available at the time of the preparation of these statements.

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

**NOTE 9 - RECEIVABLES (continued)**

A summary of the principal items of due from other governments follows:

	<u>Amount</u>
General Fund	<u>\$606,089</u>
 <b><u>SPECIAL REVENUE FUNDS</u></b>	
Road and Bridge	5,187
Hillside Country Living	100,050
Auto and Gasoline Tax	160,762
Felony Delinquent Care and Custody	18,467
EMS Training	5,138
Enrichment Center	26,683
Senior Center	14,798
State Child Welfare	<u>4,872</u>
Total Special Revenue	<u>335,957</u>
 <b><u>Capital Projects</u></b>	
Oak Meadows/Krohns Acres	<u>\$207,829</u>
 <b><u>Agency Funds</u></b>	
Permissive Road & Bridge	6,851
Township Motor Vehicle License	9,217
Township Gas	49,073
Auto License Tax	15,762
Library & Local Government	113,603
Law Library	6,279
Local Government	87,751
Local Government Revenue Assistance	<u>13,259</u>
Total Agency Funds	<u>301,801</u>
 Total	 <u>\$1,451,676</u>

**NOTE 10 - FEDERAL FOOD STAMP PROGRAM**

The County's Department of Human Services distributed through contracting issuance centers, federal food stamps to entitled recipients with Williams 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. Therefore, 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 stamps activity for the year is as follows:

Balance at beginning of year	\$125,889
Amount received for distribution	495,396
Amount distributed to entitled recipients	<u>600,442</u>
Balance at end of year	<u>\$20,843</u>

**NOTE 11 - FIXED ASSETS**

A summary of the enterprise funds' fixed assets at December 31, 1999, follows:

Land	\$315,000
Buildings	2,170,806
Infrastructure	3,215,264
Furniture and Equipment	42,628
Construction in Progress	<u>946,772</u>
Total	<u>6,690,470</u>
Accumulated Depreciation - Buildings	657,006
Accumulated Depreciation - Infrastructure	247,422
Accumulated Depreciation - Equipment	<u>14,752</u>
Total Depreciation	<u>919,180</u>
Net Fixed Assets	<u>\$5,771,290</u>

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
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**NOTE 11 - FIXED ASSETS (continued)**

Construction in progress is comprised of engineering cost for the anticipated construction of the Oak Meadows wastewater facility.

A summary of the changes in general fixed assets during 1999 follows:

	Balance <u>December 31, 1998</u>	Additions	Reductions	Balance <u>December 31, 1999</u>
Land	\$434,965	\$0	\$0	\$434,965
Land Improvements	0	227,301	0	227,301
Buildings	8,351,624	4,671,482	1,078	13,022,028
Machinery & Equipment	3,607,289	861,594	129,505	4,339,378
Vehicles	3,138,099	493,751	51,876	3,579,974
Construction in Progress	<u>2,879,457</u>	<u>2,729,471</u>	<u>5,245,831</u>	<u>353,097</u>
Total	<u>\$18,411,434</u>	<u>\$8,983,599</u>	<u>\$5,428,290</u>	<u>\$21,966,743</u>

**NOTE 12 - RISK MANAGEMENT**

**A. Property and Liability**

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1999, the County contracted with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The CORSA program has a \$2,500 deductible. Coverages provided by CORSA are as follows:

General Liability	\$2,000,000
Employee Benefit Liability	2,000,000
Law Enforcement Professional Liability	2,000,000
Public Official Errors and Omissions Liability	2,000,000
Automobile Liability	2,000,000
Uninsured Motorists Liability	1,000,000
Ohio Stop Gap (Additional Workers' Compensation Coverage)	150,000
Building and Contents - Replacement Cost	35,046,433
Other Property Insurance:	
Extra Expense	1,000,000
Miscellaneous Floater	1,261,618
Contractor Equipment	701,724
Valuable Paper and Records	1,000,000
Automobile Physical Damage	Actual Cash Value
Flood and Earthquake	100,000,000 Pool Limit
Motor Truck Cargo	100,000
Comprehensive Boiler and Machinery	1,000,000
Crime Insurance:	
Faithful Performance	1,000,000
Money and Securities	1,000,000
Food Stamp Coverage	1,000,000

With the exceptions of health insurance, life insurance, and workers' compensation, all insurance is held with CORSA (See Note 20). The County pays all elected officials' bonds by statute. There were no significant changes in commercial coverage in 1999. Settled claims have not exceeded this commercial coverage in the past three years.

**B. Workers Compensation Group Rating Program**

For 1999, the County participated in the County Commissioners' Association Organization Workers' Compensation Group Rating Program (the Program), an insurance purchasing pool (Note 21).

**NOTE 12 - RISK MANAGEMENT (continued)**

**B. Workers Compensation Group Rating Program (continued)**

The program is intended to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Program.

Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate. In order to allocate the savings derived by formation of the Program, and to maximize the number of participants in the Program, annually the Program's executive committee calculates the total savings which accrued to the Program through its formation. This savings is then compared to the overall savings percentage of the Program. The Program's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Program is limited to counties that can meet the Program's selection criteria. The firm of Comp. Management, Inc. provided administrative, cost control and actuarial services to the Program. Each year, the County pays an enrollment fee to the Program to cover the costs of administering the Program.

The County may withdraw from the Program if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, prior to withdrawal and any participant leaving the Program allows representatives of the Program to access loss experience for three years following the last year of participation.

**C. Employee Medical Benefits**

The County accounts for and finances employee health benefits through the General Fund. Under this program, the General Fund provides coverage for claims up to a maximum of \$50,000 for each individual, per year. The County purchased commercial insurance for claims in excess of coverage provided by the General Fund and all other risks of loss. Settled claims have not exceeded this commercial coverage in past three years.

All funds of the County participate in the program and make payments to the General Fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims. The liability for unpaid claims costs of \$230,848 reported in the General Fund at December 31, 1999 is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicate that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. No incremental claim adjustment expense are included in the estimate. The liability was based on an estimate using past experience adjusted for current trends. Changes in the Fund's claims liability amount in 1998 and 1999 were:

	Beginning of Year <u>Liability</u>	Current-Year Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	Balance at <u>Year End</u>
1998	\$121,987	\$1,186,793	\$1,152,787	\$155,993
1999	155,993	1,664,059	1,589,204	230,848

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

**A. Public Employees Retirement System**

All County full-time employees, other than teachers, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system 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 stand alone financial report which 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 9.35 percent. For law enforcement employees, the employee contribution is 9 percent and the employer contribution is 12.5 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially.

The County's contributions to PERS for the years ended December 31, 1999, 1998, and 1997 were \$897,895, \$842,913, and \$772,357, respectively, equal to the required contributions for each year. The full amount has been contributed for 1998 and 1997. Seventy-five percent has been contributed in 1999 with the remainder being reported as a fund liability.

**B. State Teachers Retirement System**

The County participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, 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. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43512-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the County is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. 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 contributions for pension obligations to STRS for the year ended December 31, 1999, 1998, and 1997 were \$7,092, \$11,761, and \$10,744, respectively; ninety percent has been contributed for 1999 and 100 percent for 1998 and 1997.

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

**A. Public Employees Retirement System**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service and to primary survivor recipients of such retirees.

**NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)**

**A. Public Employees Retirement System (continued)**

Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPENB as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for funding of postretirement health care based on authority granted by State statute.

The 1999 employer contribution rate was 13.55 percent of covered payroll for employees not engaged in law enforcement; 4.2 percent was the portion that was used to fund health care for the year 1999. The law enforcement employer rate for 1999 was 16.70 percent and 4.2 percent was used to fund health care.

For 1999, benefits are funded on a pay-as-you go basis.

OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, expenditures made by PERS were \$523,599,349.

As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The County's actual contributions for 1999 which were used to fund OPEB were \$392,571.

Employer contributions applied to member covered payroll, are used to fund health care expenses.

**B. State Teachers Retirement System**

The County provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the STRS based on authority granted by State statute. The system is funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care costs 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. In 1999, the board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$9,455 during 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,156 million at June 30, 1998. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000. There was 91,999 eligible benefit recipients.

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

**NOTE 15 - 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 is paid upon separation if the employee has at least one year of service with the County.

Accumulated, unused sick leave is paid, up to a maximum of 120 days, depending on length of service of the employee who retires. As of December 31, 1999, the liability for compensated absences was \$555,650 for the entire County.

**NOTE 16 - LONG-TERM DEBT**

The County's long-term obligations at year end consist of the following:

	<u>Interest Rate</u>	<u>Outstanding 12/31/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/99</u>
<b><u>General Long-Term Obligations:</u></b>					
OWDA Loans	3.20%	\$869,464	\$581,519	(58,467)	\$1,392,516
Special Assessment Bonds	5.125%	863,913	0	(7,794)	856,119
Loans Payable	5.60%	44,439	62,341	(30,894)	75,886
U S Rural Development Bonds	2.37%	5,954,000	5,954,000	5,954,000	5,954,000
Compensated Absences		478,415	51,704	0	530,119
Intergovernmental Payable		<u>35,977</u>	<u>0</u>	<u>(35,977)</u>	<u>0</u>
Total General Long Term Obligations		8,246,208	6,649,564	(6,087,132)	8,808,640
Enterprise Fund:					
Revenue Bonds	5.125%	297,181	0	(2,681)	294,500
Total		<u>\$8,543,389</u>	<u>\$6,649,564</u>	<u>(\$6,089,813)</u>	<u>\$9,103,140</u>

The Ohio Water Development Loans were obtained for wastewater improvement projects and are to be retired with general governmental revenues or special assessments.

The special assessment bonds are backed by the full face and credit of the County. In the event that an assessed property owners fails to make payments, the County will be required to pay the related debt.

The County has issued revenue bonds which pledge sewer fund income derived from the acquired and constructed assets to pay debt service. The bond indentures have certain restrictive covenants and principally require that debt reserves be maintained and charges for services to customers be sufficient to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal and maintenance of properties.

Fund assets whose use are restricted under the bond indenture to renewal and replacement, reserves, and debt service requirements are presented as restricted assets on the balance sheet. There are no assets held by a trustee. Restricted assets relating to the revenue bond issue consisted of cash held by the County at December 31, 1999 for \$94,070.

The revenue bonds are prepayable at any time in whole or in part at the sole option of the County at a price of par plus interest accrued to the date of prepayment.

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

**NOTE 16 - LONG-TERM DEBT (continued)**

The County issued U. S. Rural Development bonds for the construction of a nursing home facility and renovating the old nursing home facility to an independent living facility. The County has issued bonds which pledge the revenues from the Hillside County Living special revenue fund derived from the acquired and constructed assets to pay debt service. The bond indentures have certain restrictive covenants and principally require that debt reserves be maintained and charges to services to customers be sufficient to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal and maintenance of properties.

The compensated absences liability and the intergovernmental payable will be paid from the fund from which the employees' salaries are paid.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt should not exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

The effects of the debt limitations described above at December 31, 1999, are an overall debt margin of \$17,991,170 and an unvoted debt margin of \$3,931,194.

The following is a summary of the County's future annual debt service requirements or long-term obligations:

	OWDA	Revenue Bonds	Special Assessments Bonds	(HCL) Revenue Bonds	Loans Payable	Total
2000	\$76,463	\$17,911	\$52,071	\$6,423,764	\$33,383	\$6,603,592
2001	76,464	17,912	52,070	394,300	33,383	574,129
2002	76,463	17,911	52,071	394,250	16,881	557,576
2003	76,464	17,912	52,070	393,950	0	540,396
2004	76,463	17,911	52,071	394,160	0	540,605
2005-2009	382,317	89,557	260,347	1,575,241	0	2,307,462
2010-2014	191,158	89,558	260,347	1,969,908	0	2,510,971
2015-2037	0	394,054	1,145,526	5,510,323	0	7,049,903
Totals	<u>\$955,792</u>	<u>\$662,726</u>	<u>\$1,926,573</u>	<u>\$17,055,896</u>	<u>\$83,647</u>	<u>\$20,684,634</u>

Certain construction projects are ongoing that are financed by OWDA loans. Upon completion of the projects, future annual debt service requirements will be determined. The above table does not account for these ongoing projects.

**Authorized but Unissued Loans.** The County has entered into an agreement with the Ohio Water Development Authority for the construction of a sewer collection system and lagoon for the Oak Meadows/Krohns Acres sewer project. The loans have been approved for \$3,225,000 and \$1,525,000, respectively, however, only \$567,520 has been received as of December 31, 1999.

Currently, there are two series of Industrial Development and Economic Development Revenue Bonds and two series of Hospital Facility Revenue Bonds for facilities used by private corporations or other entities with the aggregate original issue amount of \$3,200,000 and \$3,850,000, respectively.

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

**NOTE 16 - LONG-TERM DEBT (continued)**

The County is not obligated in any way to pay debt charges on the bonds from any of its funds and therefore the debt has been excluded entirely from the County's debt presentation.

The outstanding balance of the Industrial Development and Economic Development Revenues Bonds balance is \$2,177,943. The County cannot reasonably estimate the outstanding balance of the Hospital Facility Revenue Bonds.

**NOTE 17 - NOTES PAYABLE**

A summary of the note transactions for the year ended December 31, 1999, follows:

		Outstanding <u>12/31/98</u>	<u>Issued</u>	<u>Retired</u>	Outstanding <u>12/31/99</u>
<u>General Fund</u>	4.40%	\$0	\$300,000	(\$0)	\$300,000
<u>Capital Projects Funds:</u>					
Hillside Country Living	4.15%	920,000	845,000	(920,000)	845,000
Annex North	4.45%	<u>665,000</u>	<u>630,000</u>	<u>(665,000)</u>	<u>630,000</u>
Total Capital Projects		<u>1,585,000</u>	<u>1,475,000</u>	<u>(1,585,000)</u>	<u>1,475,000</u>
Total Notes Payable		<u>\$1,585,000</u>	<u>\$1,775,000</u>	<u>(\$1,585,000)</u>	<u>\$1,775,000</u>

All of the notes are bond anticipation notes and are backed by the full faith and credit of Williams County. The note liability is reflected in the fund which received the proceeds. The Hillside Country Living notes will be paid from operating revenues of Hillside. The Annex North notes will be paid by the general fund.

**NOTE 18 - INTERFUND TRANSACTIONS**

Receivables and payables for services between funds December 31, 1999, consist of the following:

<u>Fund Type/Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	<u>\$70,199</u>	<u>\$16,438</u>
<u>Special Revenue Funds:</u>		
Dog and Kennel	0	152
Sheriff's Block Grant	0	15
Prosecutor's DETAC	0	1,217
COPS FAST Grant	0	110
Deputy Suspension	0	18
Certificate of Title Administration	0	248
Public Assistance	57,559	11,909
Child Support Enforcement Agency	0	46,562
Hillside Country Living	0	5,533
Hillside Assisted Living	0	166
Real Estate Assessment	0	320
Permanent Maintenance Equipment	3,576	0
Auto and Gasoline Tax	8,765	10,071
Felony Delinquent Care and Custody	0	4,728
Permanent Maintenance	3,358	8,048
Emergency Medical Service	0	937
Enrichment Center	0	19,398
Senior Center	0	6,223
Victims Assistance	0	259
State Child Welfare	<u>6,730</u>	<u>16,443</u>
Total Special Revenue Funds	<u>79,989</u>	<u>132,357</u>

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

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**NOTE 18 - INTERFUND TRANSACTIONS (continued)**

<u>Fund Type/Fund</u>	<u>Due From</u>	<u>Due To</u>
Enterprise Funds:		
Sewer	<u>    \$0</u>	<u>  \$1,393</u>
Total	<u>\$150,188</u>	<u>\$150,188</u>

An interfund receivable and payable exist between the Nettle Lake Special Assessment Debt Service Fund and the Sewer Enterprise Fund for \$8,997.

**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS**

Regional Planning Commission

The County participates in the Williams County Regional Planning Commission which is a statutorily created political subdivision of the State. The Commission is jointly governed among thirty-four members comprised of the board of county commissioners, county auditor, county engineer, member of the health department, a member of soil and water, three members appointed by the City of Bryan, representatives from eight villages, and representatives from eight townships within the County. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County.

Four County Solid Waste District

The Four County Solid Waste District (the District) is a jointly governed organization among Defiance, Fulton, Paulding, and Williams counties. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and landfilling. The District was created in 1989. The degree of control exercised by any participating County is limited to its representation on the Board. The Board of Directors consist of county commissioners of each of the four counties.

The District does not have any outstanding debt. The District is self-sufficient, operating entirely on collected fees.

Maumee Valley Planning Organization (MVPO)

The County is a member of the Maumee Valley Planning Organization, a jointly governed organization between Defiance, Fulton, Henry, Paulding and Williams counties. The purpose of the MVPO is to act as a joint regional planning commission to write and administer CDBG grants, and help with the housing rehabilitation in the area. The MVPO is governed by a Board consisting of sixteen members.

The members consist of one commissioner per County, township trustees, and representatives from the cities and villages in the five counties. The main source of revenues are the CDBG grants and a per capita amount from each county. The financial records are maintained by the Defiance County Auditor and Treasurer. In 1999 Williams County paid \$2,587 in dues and \$53,097 in loan administration fees which represents 12.3 percent of MVPO's total revenues.

Quadco Rehabilitation Center

Quadco Rehabilitation Center (Quadco), a nonprofit corporation, is a jointly governed organization between Williams, Defiance, Henry, and Fulton counties. Quadco provides services and facilities for training physically and mentally disabled persons and contracts with various agencies to obtain funding to operate the organization.

**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS (continued)**

**Quadco Rehabilitation Center (continued)**

Quadco is governed by an eight member board composed of two appointees from each of the four county's Board of Mental Retardation and Development Disabilities. Quadco in conjunction with the county Board's of MRDD assess the needs of adult mentally retarded and developmentally disabled residents in each County and set priorities based on the available funds. Each County pays Quadco based on units of service provided to the respective county. Quadco operates autonomously from the County Board's of MRDD and they have no financial responsibility for the operations of Quadco. Complete financial statements for Quadco can be obtained from Quadco's administrative office at 427 N. Defiance Street, Stryker, Ohio. In 1999, Williams County paid \$559,001, which represents 12.6 percent of Quadco's total revenues, for services provided to the Williams County Board of MRDD.

**Four County Board of Alcohol, Drug Addiction and Mental Health Services (ADAMH Board)**

The Four County Board of Alcohol, Drug Addiction and Mental Health Services is a four County political organization whose general purpose is to provide leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming, while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services. The Board of Trustees of ADAMH consist of eighteen members. Four members are appointed by the Ohio Director of Alcohol and Drug Addiction Services, four are appointed by the Ohio Director of Mental Health Services, three each are appointed by Defiance and Fulton Counties and two each are appointed by Henry and Williams Counties. Defiance County acts as the fiscal agent for the ADAMH Board. The Board receives tax revenue from the four Counties and receives federal and state funding through grant monies which are applied for and received by the board of trustees. Complete financial statements can be obtained from the ADAMH Board, Defiance, Ohio.

**Note 20 - Joint Ventures**

**Northwest Ohio Correctional Center**

Northwest Ohio Correctional Center (the Center) is a joint venture between Defiance, Fulton, Henry, Lucas, and Williams counties and the City of Toledo.

The Center provides additional jail space for convicted criminals in the five counties and the City of Toledo and a correctional center for the inmates. The Center was created in 1986 and construction was finished and occupancy was taken December 31, 1991. The Center is governed by a Commission Team made up of eighteen members. The continued existence of the Northwest Ohio Correctional Center is dependent upon the continued participation of Williams County.

The Center has not accumulated significant financial resources nor is the Center experiencing fiscal stress that may cause an additional financial benefit or burden on the County in the future. The Northwest Ohio Correctional Center has no outstanding debt as of December 31, 1999, and the County has no outstanding commitments for past construction. Complete financial statements can be obtained from Northwest Ohio Correctional Center, 03151 County Road 2425, Stryker, OH 43557.

**Note 20 - Joint Ventures (continued)**

**Northwest Ohio Juvenile Detention, Training and Rehabilitation District**

The Northwest Ohio Juvenile Detention, Training and Rehabilitation District (the District) is a joint venture between Defiance, Fulton, Henry, and Williams counties. The District provides a detention facility for juveniles in the four counties. The District was created in 1996 and money was placed with the fiscal agent for the purchase of property. The District is governed by a Board of Trustees made up of thirteen members. Continued existence of Northwest Ohio Juvenile Detention Training and Rehabilitation District is dependent upon the continued participation of Williams County. The District has not accumulated significant financial resources nor is the District experiencing fiscal stress that may cause an additional financial benefit or burden on the County in the future. The Northwest Ohio Juvenile Detention, Training and Rehabilitation District has no outstanding debt as of December 31, 1999. Construction has started in 1999 for the District. The address of the Defiance County Auditor is: 221 Clinton Street, Defiance, Ohio 43512.

**NOTE 21 - GROUP INSURANCE POOLS**

**County Risk Sharing Authority, Inc. (CORSA)**

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 on 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.

**County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan**

The County is participating in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan 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 the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services, and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of the CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year.

Williams County, Ohio  
Notes to the General Purpose Financial Statements  
December 31, 1999

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**NOTE 21 - GROUP INSURANCE POOLS (continued)**

County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan (continued)

No participant can have more than one member on the group executive committee in any year, and each elected member shall be a County Commissioner.

**NOTE 22 - RELATED ORGANIZATION**

*Williams County Public Library* - The Williams County Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the County Commissioners and the Common Pleas Judge. The Board of Trustees possess its own contracting and budgeting authority, hires and fires personnel and does not depend on the County for operational subsidies. Although the County does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Williams County Public Library, Kathy Whitman, Clerk-Treasurer, at 107 East High Street, Bryan, Ohio 43506.

**NOTE 23 - CONTRACTUAL COMMITMENTS**

As of December 31, 1999, the County had contractual purchase commitments as follows:

<u>Company</u>	<u>Original Contract</u>	<u>Amount Remaining on Contract</u>
Underground Utilities	\$2,551,272	\$2,551,272
Vernon Nagel	1,024,572	1,024,572

**NOTE 24 - CONTINGENT LIABILITIES**

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

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecuting Attorney, any potential liability would not have a material effect on the financial statements.



Kevin L.  
Penn, Inc.

Certified Public Accountant  
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Cleveland, Ohio 44120  
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Fax: (216) 283-5724

**Independent Auditor's 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  
Williams County, Ohio  
Bryan, Ohio

I have audited the general purpose financial statements of Williams County as of and for the year ended December 31, 1999, and have issued my report thereon dated April 28, 2000. I conducted my audit in accordance with generally accepted auditing standards 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 Williams County's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Williams County in a separate letter dated April 28, 2000.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Williams County's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that in my judgment, could adversely affect Williams 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 item 99-1.

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in 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, of the reportable conditions described above, I consider items 99-1 to be material weaknesses. I also noted other matters involving the internal control over financial reporting that I have reported to management of Williams County in a separate letter dated April 28, 2000.

This report is intended solely for the information of the management, the Auditor of the State of Ohio, and applicable federal awarding agencies, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

*JL. Z. Penn, Inc.*

April 28, 2000



Kevin L.  
Penn, Inc.

Certified Public Accountant  
13212 Shaker Square, Suite 100  
Cleveland, Ohio 44120  
(216) 283-1535  
Fax: (216) 283-5724

**Independent Auditor's 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  
Williams County, Ohio  
Bryan, Ohio

Compliance

I have audited the compliance of Williams 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, 1999. Williams 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 Williams County's management. My responsibility is to express an opinion on Williams County's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; 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 I 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 Williams County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Williams County's compliance with those requirements.

In my opinion, Williams 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, 1999.

Internal Control Over Compliance

The management of Williams 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 my audit, I considered Williams 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 my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the management, the Auditor of the State of Ohio, and applicable federal awarding agencies, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

*H. Z. Penn, Inc.*

April 28, 2000

FINANCIAL CONDITION  
WILLIAMS COUNTY

SCHEDULE OF FEDERAL EXPENDITURE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999

Federal Grantor/SubGrantor/ Program	Federal CFDA Number	Project Number	Program or Award Amount	Fund Cash Balance 1/1/99	Receipts	Disbursements	Fund Cash Balance 12/31/99
U.S. Department of Justice. Passed through State Attorney General:							
Victims of Crime Assistance	16.575	98VAGENE129 99VAGENE129 00VAGENE129 98VAGENE120X 99VAGENE120X	\$48,953 \$48,411 \$49,931 \$19,024 \$19,024	\$169 6,164 0 3,552 0	35,805 8,812 10,711 4,756	\$169 41,969 8,166 14,263 3,400	\$0 0 646 0 1,356
				9,885	60,084	67,967	2,002
COPS FAST Grant	16.710	95CFWX3692	\$71,788	0	67,091	67,091	0
Passed through the office of Criminal Justice Services:							
Batterer Intervention	16.579	98-DG-F02-7040	\$18,507	0	18,507	18,065	442
Law Enforcement Block Grant	16.592	96-LE-LEB-3037 97-LE-LEB-3037 98-LE-LEB-3037	\$16,835 \$14,355 \$9,000	12,445 0 0	0 14,355 9,000	12,445 14,355 0	0 0 9,000
				12,445	41,862	44,865	9,442
Total Department of Justice				22,330	169,037	179,923	11,444

FINANCIAL CONDITION  
WILLIAMS COUNTY

SCHEDULE OF FEDERAL EXPENDITURE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1989

Federal Grantor/SubGrantor/ Program	Federal CFDA Number	Project Number	Program or Award Amount	Fund Cash Balance 1/1/89	Receipts	Disbursements	Fund Cash Balance 12/31/89
U.S. Department of Housing and Urban Development:							
Community Development Block Grant							
	14.228	B-D-99-079-1	\$250,000	0	250,000	250,000	0
	14.228	B-E-98-079-1	\$500,000	0	500,000	500,000	0
	14.228	B-I-97-079-1	\$164,000	4,000	73,100	77,100	0
	14.228	B-F-98-079-1	\$179,000	0	92,600	77,600	15,000
	14.228	B-E-99-079-1	\$310,000	0	310,000	310,000	0
	14.228	B-C-96-079-1	\$600,000	127,551	0	127,551	0
	14.228	B-M-98-079-1	\$50,000	0	20,000	20,000	0
Total Department of Housing and Urban Development:			131,551	1,245,700	1,362,251	15,000	
Department of Health and Human Services:							
County Board of MR/DD:							
Passed through the office of State of Ohio							
	93.8600011	Title XIX CAFS	0	44,440	44,440	0	0
	93.8600011	Title XIX Targeted Case Mgmt.	0	19,611	19,611	0	0
Total Department of Health and Human Services:			0	64,051	64,051	0	0
Area Office on Aging of NWO, Inc. - Title III-B							
	93.044		\$22,988	0	22,988	22,988	0
Total Federal Financial Assistance			\$153,881	\$1,501,776	\$1,629,213	\$26,444	

NOTE: The following program reported in the County's Schedule of Federal Expenditure Awards in prior years, is now reported by the State of Ohio: 1. Food Stamps (CFDA #10.551).

**SCHEDULE OF FEDERAL EXPENDITURE AWARDS  
COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 1999**

Loan Recipient	Original Loan	Beginning Loan Balance	Disbursed in 1999	Principal Payment Received	Interest Payment Received	Ending Loan Balance
Conversion Technologies	\$25,000	\$20,712	\$0	\$4,605	\$412	\$16,107
Conversion Technologies	\$10,000	9,605	0	995	209	8,610
Pioneer Custom Molding	\$50,000	50,000	0	5,598	2,176	44,402
Trinity Specialty Compounding	\$30,000	0	30,000	2,675	721	27,325
Fulton Fabrication	\$40,000	17,229	0	7,049	738	10,180
Fulton Fabrication & Fastners	\$50,000	21,536	0	8,812	921	12,724
Hollaytek, Inc.	\$48,000	9,208	0	9,208	290	0
Northwest Cutting Tools	\$68,000	36,374	0	9,878	1,276	26,496
Clarion Plastics Tech.	\$490,000	0	490,000	19,314	8,851	470,686
PTC Enterprise, Inc.	\$40,000	29,217	0	5,426	1,471	23,791
RYM, Inc.	\$60,000	50,480	0	2,548	1,359	47,932
Ron Snyder - Pool Palace	\$15,000	13,413	0	858	522	12,555
S & M Productions	\$25,000	13,726	0	3,907	536	9,819
Westar Plastics	\$10,000	6,031	0	2,012	307	4,019
Ployquest, Inc.	\$67,155	65,622	0	8,660	2,829	56,962
<b>TOTAL</b>	<b>\$1,028,155</b>	<b>\$343,163</b>	<b>\$520,000</b>	<b>\$91,545</b>	<b>\$22,618</b>	<b>\$771,608</b>

**REVOLVING LOAN FUND**

Balance, January 1, 1999	\$49,357
Return of Principal - Conv. Tech.	4,605
Interest - Conversion Tech.	412
Return of Principal - Conv. Tech	995
Interest - Conversion Tech.	208
Return of Principal - Pioneer	5,598
Interest - Pioneer	2,176
Return of Principal - Trinity Specialty	2,675
Interest - Trinity Specialty	722
Return of Principal - Fulton Fabricating	7,049
Interest - Fulton Fabricating	736
Return of Principal - Fulton Fabricating	8,811
Interest - Fulton Fabricating	921
Return of Principal - Hollaytek	9,208
Interest - Hollaytek	290
Return of Principal - Northwest	9,879
Interest - Northwest	1,276
Return of Principal - Poly.	8,660
Interest - Poly.	2,829
Return of Principal - PTC	5,426
Interest - PTC	1,471
Return of Principal - RYM	2,548
Interest - RYM	1,359
Return of Principal - Ron Snyder	858
Interest - Ron Snyder	522
Return of Principal - S&M Productions	3,908
Interest - S&M Productions	536
Return of Principal - Westar	2,013
Interest - Westar	307
Return of Principal - Clarion	19,314
Interest - Clarion	8,851
Interest - Saving Account	1,317
Interest - Saving Account Dec. 99	182
<b>Total Receipts</b>	<b>115,661</b>
Total Disbursements	30,000
Interest - Saving Account Dec. 98	82
<b>Balance, December 31, 1999</b>	<b>\$134,936</b>

Williams County  
Schedule of Findings and Questioned Costs  
December 31, 1999

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None Reported

Type of auditor's report issued on compliance for major program:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No
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Identification of major programs:

14.219	Community Development Block Grant
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Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000 (Type A)
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Auditee qualified as low-risk auditee?	Yes
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**Section II - Financial Statement Findings**

99-1

**Inventory Log for Fixed Assets**

Condition:

A fixed assets inventory log is not maintained by the County.

Williams County  
Schedule of Findings and Questioned Costs  
December 31, 1999

**Inventory Log for Fixed Assets (continued)**

**Criteria:**

A fixed assets inventory log should be maintained by the County, indicating the tag number, description and location.

**Effect:**

Fixed assets are not adequately safeguarded.

**Cause:**

Industrial Appraisal Company conducted an inventory of fixed assets for Williams County in October, 1999. Due to new construction at Hillside Country Living, Industrial Appraisal did not conduct the inventory process at Hillside.

As a result of the above circumstances, Williams County did not have in its possession a complete inventory listing at 12/31/99. The Williams County Auditor's office will maintain a computerized fixed asset system which will provide all required information in the future. This system will be operational in 2000. A complete listing of county assets will be available for the year ended 12/31/2000.

**Recommendation:**

In order to improve the system of internal controls, I recommend that an inventory log of fixed assets be prepared by each department, and a separate identification number should be assigned to each fixed asset. In addition, annual inventory of fixed assets should be performed by each department at the end of the calendar year, and compared for updating with the master file. By performing this procedure, the risk of not properly safeguarding the County fixed assets will be significantly reduced.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.

Williams County  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 1999

98-1

**Inventory Log for Fixed Assets**

Condition:

A fixed assets inventory log is not maintained by the County.

Recommendation:

In order to improve the system of internal controls, I recommend that an inventory log of fixed assets be prepared by each department, and a separate identification number should be assigned to each fixed asset. In addition, annual inventory of fixed assets should be performed by each department at the end of the calendar year, and compared for updating with the master file. By performing this procedure, the risk of not properly safeguarding the County fixed assets will be significantly reduced.

Current Status:

*This finding has been repeated.*

98-2

**Contingency Plan - Child Support**

Condition:

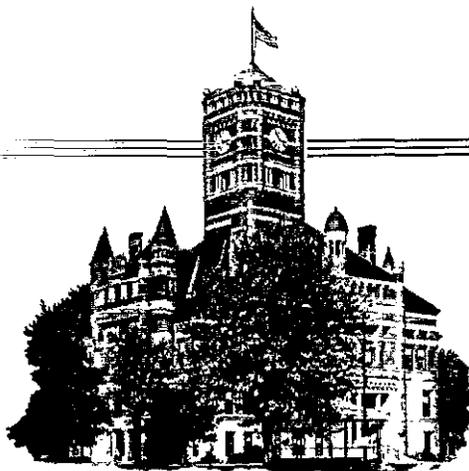
The County has not developed a contingency plan in the event that the Child Support software fails after December 31, 1999.

Recommendation:

In order to improve internal controls, I recommend that contingency plan be established prior to December 31, 1999. By preparing the contingency plan, the County will reduce the risk of potential loss revenue.

Current Status:

This finding has been resolved, and does not warranted any further action.



NANCY G. KRAEMER, Clerk  
ANNA MARIE SANEDA, Asst. Clerk

**WILLIAMS COUNTY  
COMMISSIONERS OFFICE**

**ONE COURTHOUSE SQUARE  
BRYAN, OHIO 43506-1791  
419-636-2059  
FAX 419-636-0643**

**CORRECTIVE ACTION PLAN**

December 31, 1999

Oversight Agency for Audit: Department of Housing and Urban Development

Williams County, respectfully submits the following corrective action plan for the year ended December 31, 1999.

Name and Address of independent public accounting firm: Kevin L. Penn, Inc. 13212 Shaker Square, Suite 100, Cleveland, Ohio 44120.

Audit Period: December 31, 1999

The findings from the December 31, 1999 schedule of findings and questioned costs are discussed below. The findings are number consistently with the numbers assigned in the schedule.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITIONS**

**99-1 Inventory Log for Fixed Assets**

**Recommendation:**

In order to improve the system of internal controls, I recommend that an inventory log of fixed assets be prepared by each department, and a separate identification number should be assigned to each fixed asset. In addition, annual inventory of fixed assets should be performed by each department at the end of the calendar year, and compared for updating with the master file. By performing this procedure, the risk of not properly safeguarding the County fixed assets will be significantly reduced.

**Auditee's Response:**

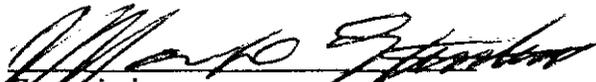
The following action will be taken:

1. The County Commissioners will have a complete inventory of the County Assets taken by Independent Appraisal Company during calendar year 2000. An updated inventory listing of assets will be provided to the County by Independent Appraisal.
2. Independent Appraisal has software available to maintain these records on our own. Beginning in 2000, the county Auditor will maintain fixed asset records. This will include tracking of acquisition and disposals and assigning and distributing prenumbered tags for each asset acquired with a value of \$500 or more.
3. Any assets disposed of or moved by County offices, shall be reported in writing to the County Auditor for tracking purposes. The written report shall include a description and the number from the County asset tag if one exists.
4. Assets with a value of \$500 or more shall be considered "Fixed Assets" and classified as such for budgetary purposes upon purchase.

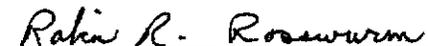
If the Department of Housing and Urban Development, has questions regarding this plan, please call Paul L. Brown, County Commissioners at (419) 646-2059 for Robin Rosswurm, County Auditor at (419) 636-5639, Ext. 301.

Sincerely yours,

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
County Auditor



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

FINANCIAL CONDITION

WILLIAMS 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.

By: Susan Babbitt

Date: JULY 6, 2000