



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WILLIAMS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Williams County
One Courthouse Square
Bryan, Ohio 43506-1791

To the Board of Commissioners:

We have audited the accompanying general-purpose financial statements of Williams County (the County) as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the County, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As more fully described in Note 3, the County changed its method of accounting for assets held in trust for pool participants.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2001, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

June 21, 2001

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WILLIAMS COUNTY

**Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,708,541	\$5,203,273	\$504,024	\$494,956
Cash and Cash Equivalents in Segregated Accounts				
Receivables:				
Taxes	1,580,000	1,651,290		
Accounts	218	88,294		
Special Assessments	62,751	142,349	2,612,973	
Accrued Interest	17,061			
Due From Other Funds	73,832	59,850		
Due From Other Governments	666,789	469,561		537,185
Materials and Supplies Inventory	40,946	256,602		
Notes Receivable		651,986		
Prepaid Items	14,905	8,593		
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents				
Construction In Progress				
Fixed Assets (Net, where applicable, of Accumulated Depreciation)				
<u>Other Debits:</u>				
Amount Available in Debt Service Fund for Retirement of General Long Term Obligations				
Amount Available in Debt Service Fund for Retirement of Special Assessment Bonds				
Amount Available in Debt Service Fund for Retirement of Revenue Bonds				
Amount to be Provided from General Governmental Resources				
Amount to be Provided from Special Assessments				
Total Assets and Other Debits	\$4,165,043	\$8,531,798	\$3,116,997	\$1,032,141

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$69,392	\$3,515,069			\$11,495,255
	181,575			181,575
	28,853,961			32,085,251
97,383				185,895
	218,476			3,036,549
	917			17,978
				133,682
1,530	300,304			1,975,369
194				297,742
				651,986
				23,498
105,661				105,661
5,211,317				5,211,317
4,041,725		\$24,247,211		28,288,936
			\$60,050	60,050
			184,190	184,190
			259,784	259,784
			7,846,642	7,846,642
			4,638,590	4,638,590
\$9,527,202	\$33,070,302	\$24,247,211	\$12,989,256	\$96,679,950

(Continued)

WILLIAMS COUNTY

**Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2000
(Continued)**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Liabilities, Fund Equity and Other Credits:				
<u>Liabilities:</u>				
Accounts Payable	\$71,914	\$434,695		\$41,674
Contracts Payable		2,127		502,121
Accrued Wages and Benefits	93,997	252,246		
Compensated Absences Payable	5,234	17,152		
Retainage Payable		9,834		234,861
Due to Other Funds	28,228	104,179		
Due to Other Governments	106,764	270,427		
Deferred Revenue	1,642,751	1,793,639	\$2,612,973	
Undistributed Monies				
Deposits Held and Due to Others				
Payroll Withholdings				
Accrued Interest Payable	6,270			24,611
Notes Payable				
Claims Payable	183,057			
Payables From Restricted Assets:				
Interest Payable				
OWDA Loans Payable				
Loans Payable				
U. S. Rural Development Bonds Payable				
Revenue Bonds Payable				
Special Assessment Bonds Payable with Governmental Commitment				
Total Liabilities	<u>2,138,215</u>	<u>2,884,299</u>	<u>2,612,973</u>	<u>803,267</u>
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets				
Contributed Capital				
Retained Earnings				
Net Assets Held in Trust for Pool Participant				
Fund Balance:				
Reserved for Encumbrances	48,431	793,406		390,130
Reserved for Inventory	40,946	256,602		
Reserved for Notes Receivable		651,986		
Unreserved (Deficits)	<u>1,937,451</u>	<u>3,945,505</u>	<u>504,024</u>	<u>(161,256)</u>
Total Fund Equity (Deficits) and Other Credits	<u>2,026,828</u>	<u>5,647,499</u>	<u>504,024</u>	<u>228,874</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$4,165,043</u>	<u>\$8,531,798</u>	<u>\$3,116,997</u>	<u>\$1,032,141</u>

The notes to the general-purpose financial statements are an integral part of this statement.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$12,167	\$332			\$560,782
				504,248
3,551				349,794
3,300			\$618,111	643,797
				244,695
1,275				133,682
4,199	31,380,426			31,761,816
				6,049,363
	534,750			534,750
	11,705			11,705
	83,557			83,557
				30,881
			1,535,000	1,535,000
				183,057
2,457				2,457
840,409			3,974,854	4,815,263
			141,365	141,365
			5,872,000	5,872,000
291,682				291,682
			847,926	847,926
1,159,040	32,010,770		12,989,256	54,597,820
		\$24,247,211		24,247,211
5,910,556				5,910,556
2,457,606				2,457,606
	809,267			809,267
	900			1,232,867
				297,548
				651,986
	249,365			6,475,089
8,368,162	1,059,532	24,247,211		42,082,130
\$9,527,202	\$33,070,302	\$24,247,211	\$12,989,256	\$96,679,950

WILLIAMS COUNTY

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental and Similar Fiduciary Fund Types
For the Year Ended December 31, 2000**

	Governmental Fund Types	
	General	Special Revenue
Revenues:		
Property Taxes	\$1,437,152	\$1,874,457
Sales Tax	3,166,060	
Charge for Services	1,278,832	3,241,734
Licenses and Permits	12,790	110
Fines and Forfeitures	173,779	72,242
Intergovernmental	1,102,454	9,870,335
Special Assessments	48,735	119,718
Interest	696,982	52,642
Rental Income	13,829	391,776
Other	157,197	279,092
	8,087,810	15,902,106
Expenditures:		
Current:		
General Government:		
Legislative and Executive	1,915,500	563,768
Judicial	896,645	554,917
Public Safety	2,801,145	195,250
Public Works	204,941	3,495,748
Health	307,464	4,100,529
Human Services	232,866	5,731,893
Conservation and Recreation		46
Economic Development and Assistance		298,457
Hospitalization	754,823	
Other	152,551	
Capital Outlay	130,278	152,020
Intergovernmental	133,665	
Debt Service:		
Principal Retirement	35,364	29,133
Interest and Fiscal Charges	12,270	4,250
	7,577,512	15,126,011
Excess of Revenues Over (Under) Expenditures	510,298	776,095
Other Financing Sources (Uses):		
Proceeds of Loans	329,976	
Sale of Fixed Assets	4,182	13,177
Operating Transfers - In	552	271,372
Operating Transfers - Out	(247,815)	(836,743)
	86,895	(552,194)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	597,193	223,901
Fund Balances (Deficit) at Beginning of Year	1,420,099	5,340,068
Decrease in Reserve for Inventory	9,536	83,530
Fund Balances (Deficit) at End of Year	\$2,026,828	\$5,647,499

The notes to the general-purpose financial statements are an integral part of this statement.

Governmental Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
	\$93,316		\$3,404,925
\$1,250			3,166,060
			4,521,816
			12,900
			246,021
	522,611		11,495,400
100,383			268,836
39,850	11,404	\$6,476	807,354
	17,514		423,119
	900	27,646	464,835
141,483	645,745	34,122	24,811,266
			2,479,268
			1,451,562
			2,996,395
			3,700,689
		8,119	4,416,112
		5,706	5,970,465
			46
			298,457
			754,823
		296	152,847
	4,764,028		5,046,326
			133,665
132,239	148,762		345,498
386,918	184,438		587,876
519,157	5,097,228	14,121	28,334,029
(377,674)	(4,451,483)	20,001	(3,522,763)
	5,120,277		5,450,253
			17,359
352,861	421,290	52,500	1,098,575
	(13,465)	(552)	(1,098,575)
352,861	5,528,102	51,948	5,467,612
(24,813)	1,076,619	71,949	1,944,849
528,837	(847,745)	178,316	6,619,575
			93,066
\$504,024	\$228,874	\$250,265	\$8,657,490

WILLIAMS COUNTY

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual Comparison (Budget Basis)
All Governmental and Similar Fiduciary Fund Types
For the Year Ended December 31, 2000**

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$1,433,600	\$1,437,152	\$3,552
Sales Tax	3,100,000	3,157,347	57,347
Charge for Services	1,984,000	2,105,750	121,750
Licenses and Permits	13,010	12,790	(220)
Fines and Forfeitures	168,100	169,218	1,118
Intergovernmental	1,101,441	1,100,133	(1,308)
Special Assessments	100,000	48,735	(51,265)
Interest	638,000	688,446	50,446
Rental Income	20,000	12,837	(7,163)
Loans Repayment			
Other	81,500	109,113	27,613
Total Revenues	8,639,651	8,841,521	201,870
Expenditures:			
Current:			
General Government:			
Legislative and Executive	2,336,175	2,138,664	197,511
Judicial	1,098,571	916,452	182,119
Public Safety	3,017,686	2,803,092	214,594
Public Works	310,859	224,175	86,684
Health	312,432	304,407	8,025
Human Services	331,402	245,852	85,550
Conservation and Recreation			
Economic Development and Assistance			
Hospitalization	1,550,000	1,413,449	136,551
Other	193,583	157,482	36,101
Capital Outlay	25,000	129,976	(104,976)
Intergovernmental	133,665	133,665	
Debt Service:			
Principal Retirement	35,364	35,364	
Interest and Fiscal Charges			
Total Expenditures	9,344,737	8,502,578	842,159
Excess of Revenues Over (Under) Expenditures	(705,086)	338,943	1,044,029
Other Financing Sources (Uses):			
Proceeds of Loans			
Proceeds of Notes		129,976	129,976
Sale of Fixed Assets	2,000	4,181	2,181
Operating Transfers - In		553	553
Operating Transfers - Out	(358,296)	(358,296)	
Total Other Sources (Uses)	(356,296)	(223,586)	132,710
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,061,382)	115,357	1,176,739
Fund Balances at Beginning of Year	1,219,199	1,219,199	
Prior Year Encumbrances Appropriated	130,812	130,812	
Fund Balances at End of Year	\$288,629	\$1,465,368	\$1,176,739

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,785,300	\$1,874,457	\$89,157			
4,294,206	3,973,165	(321,041)	\$71,220	\$36,047	(\$35,173)
100	110	10			
70,600	74,061	3,461			
10,659,806	9,727,355	(932,451)			
113,860	117,981	4,121	112,000	109,379	(2,621)
50,700	51,078	378	43,000	43,145	145
465,269	391,775	(73,494)			
514,400	607,567	93,167			
167,000	183,309	16,309			
<u>18,121,241</u>	<u>17,000,858</u>	<u>(1,120,383)</u>	<u>226,220</u>	<u>188,571</u>	<u>(37,649)</u>
778,720	630,472	148,248			
726,516	565,058	161,458			
268,013	213,846	54,167			
4,883,012	4,610,678	272,334			
4,379,845	4,181,064	198,781			
7,222,282	6,100,161	1,122,121			
46	46				
1,963,819	758,913	1,204,906			
			7,270	5,294	1,976
185,968	185,633	335			
			7,864,059	7,864,058	1
			546,258	546,255	3
<u>20,408,221</u>	<u>17,245,871</u>	<u>3,162,350</u>	<u>8,417,587</u>	<u>8,415,607</u>	<u>1,980</u>
<u>(2,286,980)</u>	<u>(245,013)</u>	<u>2,041,967</u>	<u>(8,191,367)</u>	<u>(8,227,036)</u>	<u>(35,669)</u>
			1,535,000	1,535,000	
10,100	13,177	3,077			
251,491	271,371	19,880	687,881	678,522	(9,359)
<u>(836,743)</u>	<u>(836,743)</u>				
<u>(575,152)</u>	<u>(552,195)</u>	<u>22,957</u>	<u>2,222,881</u>	<u>2,213,522</u>	<u>(9,359)</u>
(2,862,132)	(797,208)	2,064,924	(5,968,486)	(6,013,514)	(45,028)
4,253,351	4,253,351		6,664,673	6,664,673	
663,406	663,406				
<u>\$2,054,625</u>	<u>\$4,119,549</u>	<u>\$2,064,924</u>	<u>\$696,187</u>	<u>\$651,159</u>	<u>(\$45,028)</u>

(Continued)

WILLIAMS COUNTY

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual Comparison (Budget Basis)
All Governmental and Similar Fiduciary Fund Types
For the Year December 31, 2000
(Continued)**

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$120,200	\$93,316	(\$26,884)
Sales Tax			
Charge for Services			
Licenses and Permits			
Fines and Forfeitures			
Intergovernmental	308,681	298,219	(10,462)
Special Assessments			
Interest	15,000	11,404	(3,596)
Rental Income	17,508	17,514	6
Loans Repayment			
Other		900	900
Total Revenues	461,389	421,353	(40,036)
Expenditures:			
Current:			
General Government:			
Legislative and Executive			
Judicial			
Public Safety			
Public Works			
Health			
Human Services			
Conservation and Recreation			
Economic Development and Assistance			
Hospitalization			
Other			
Capital Outlay	6,090,931	5,621,170	469,761
Intergovernmental			
Debt Service:			
Principal Retirement	148,762	148,762	
Interest and Fiscal Charges	134,525	134,525	
Total Expenditures	6,374,218	5,904,457	469,761
Excess of Revenues Over (Under) Expenditures	(5,912,829)	(5,483,104)	429,725
Other Financing Sources (Uses):			
Proceeds of Loans	4,747,299	3,680,313	(1,066,986)
Proceeds of Notes			
Sale of Fixed Assets			
Operating Transfers - In	290,130	208,610	(81,520)
Operating Transfers - Out	(13,465)	(13,465)	
Total Other Sources (Uses)	5,023,964	3,875,458	(1,148,506)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(888,865)	(1,607,646)	(718,781)
Fund Balances at Beginning of Year	370,985	370,985	
Prior Year Encumbrances Appropriated	748,427	748,427	
Fund Balances at End of Year	\$230,547	(\$488,234)	(\$718,781)

The notes to the general-purpose financial statements are an integral part of this statement.

Expendable Trust Funds			Total (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
			\$3,339,100	\$3,404,925	\$65,825
			3,100,000	3,157,347	57,347
			6,349,426	6,114,962	(234,464)
			13,110	12,900	(210)
			238,700	243,279	4,579
			12,069,928	11,125,707	(944,221)
			325,860	276,095	(49,765)
\$2,653	\$3,514	\$861	749,353	797,587	48,234
500	554	54	502,777	422,126	(80,651)
14,000	26,455	12,455	514,900	608,121	93,221
17,153	30,523	13,370	262,500	319,777	57,277
			27,465,654	26,482,826	(982,828)
			3,114,895	2,769,136	345,759
			1,825,087	1,481,510	343,577
			3,285,699	3,016,938	268,761
			5,193,871	4,834,853	359,018
12,140	8,159	3,981	4,704,417	4,493,630	210,787
16,200	4,334	11,866	7,569,884	6,350,347	1,219,537
			46	46	
			1,963,819	758,913	1,204,906
			1,550,000	1,413,449	136,551
35,083	296	34,787	235,936	163,072	72,864
			6,301,899	5,936,779	365,120
			133,665	133,665	
			8,048,185	8,048,184	1
			680,783	680,780	3
63,423	12,789	50,634	44,608,186	40,081,302	4,526,884
(46,270)	17,734	64,004	(17,142,532)	(13,598,476)	3,544,056
			4,747,299	3,680,313	(1,066,986)
			1,535,000	1,664,976	129,976
			12,100	17,358	5,258
25,000	50,000	25,000	1,254,502	1,209,056	(45,446)
(552)	(552)		(1,209,056)	(1,209,056)	
24,448	49,448	25,000	6,339,845	5,362,647	(977,198)
(21,822)	67,182	89,004	(10,802,687)	(8,235,829)	2,566,858
172,588	172,588		12,680,796	12,680,796	
740	740		1,543,385	1,543,385	
\$151,506	\$240,510	\$89,004	\$3,421,494	\$5,988,352	\$2,566,858

WILLIAMS COUNTY

**Statement of Revenues, Expenses, and Changes in Fund Equity
Proprietary Fund Type
For the Year Ended December 31, 2000**

	Enterprise
Operating Revenues:	
Charge for Services	\$325,197
Other Revenue	1,577
Total Operating Revenues	326,774
Operating Expenses:	
Personal Services	129,982
Contractual Services	112,952
Materials and Supplies	7,167
Other	9,596
Depreciation	347,745
Total Operating Expenses	607,442
Operating Loss	(280,668)
Non-Operating Expenses:	
Interest and Fiscal Charges	(15,069)
Net Loss	(295,737)
Depreciation on Fixed Assets Acquired by Contributed Capital	35,326
Retained Earnings at Beginning of Year - Restated (Note 3)	2,718,017
Retained Earnings at End of Year	\$2,457,606
Contributed Capital at Beginning of Year - Restated (Note 3)	\$2,512,749
Contributions During the Year:	
Tap In Fees	8,997
Governmental Funds	3,424,136
Depreciation of Fixed Assets Acquired by Contributed Capital	(35,326)
Contributed Capital at End of Year	5,910,556
Total Fund Equity at End of Year	\$8,368,162

The notes to the general-purpose financial statements are an integral part of this statement.

WILLIAMS COUNTY

Statement of Changes in Net Assets
Fiduciary Fund Type
For the Year Ended December 31, 2000

	<u>Investment Trust</u>
Revenues:	
Interest	<u>\$39,510</u>
Net Increase in Assets Resulting from Operations	39,510
Distribution to Participants	(39,510)
Capital Transactions	<u>42,148</u>
Total Increase in Net Assets	42,148
Net Assets Beginning of Year	<u>767,119</u>
Net Assets End of Year	<u><u>\$809,267</u></u>

The notes to the general-purpose financial statements are an integral part of this statement.

WILLIAMS COUNTY

**Statement of Revenues, Expenses, and Changes in Fund Equity
Budget and Actual Comparison (Budget Basis)
Proprietary Fund Type
For the Year Ended December 31, 2000**

	<u>Enterprise</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$293,112	\$289,546	(\$3,566)
Other	100	47	(53)
	<u>293,212</u>	<u>289,593</u>	<u>(3,619)</u>
Total Revenues			
	<u>293,212</u>	<u>289,593</u>	<u>(3,619)</u>
Expenses:			
Personal Services	148,027	127,245	20,782
Contractual Services	131,598	110,867	20,731
Materials and Supplies	11,600	8,283	3,317
Other	5,500	4,302	1,198
Capital Outlay	5,788	4,049	1,739
	<u>302,513</u>	<u>254,746</u>	<u>47,767</u>
Total Expenses			
	<u>302,513</u>	<u>254,746</u>	<u>47,767</u>
Excess of Revenues Over Expenses	(9,301)	34,847	44,148
Fund Equity at Beginning of Year	34,545	34,545	
Fund Equity at End of Year	<u>\$25,244</u>	<u>\$69,392</u>	<u>\$44,148</u>

The notes to the general-purpose financial statements are an integral part of this statement.

WILLIAMS COUNTY

**Statement of Cash Flows
Proprietary Fund Type
For the Year Ended December 31, 2000**

	<u>Enterprise</u>
Increase (Decrease) in Cash and Cash Equivalents	
<u>Cash Flows from Operating Activities:</u>	
Cash received from customers	\$323,409
Cash received from other sources	47
Cash payments for personal services	(127,246)
Cash payments for contractual services	(110,867)
Cash payments for materials and supplies	(6,881)
Cash payments for other expenses	<u>(9,596)</u>
Net Cash Provided by Operating Activities	<u>68,866</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition of capital assets	(845,860)
Proceeds of OWDA loans	840,409
Principal paid on revenue bonds	(2,818)
Interest paid on revenue bonds	<u>(15,093)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(23,362)</u>
Net Increase in Cash and Cash Equivalents	45,504
Equity in Pooled Cash and Cash Equivalents at Beginning of Year	<u>129,549</u>
Equity in Pooled Cash and Cash Equivalents at End of Year	<u><u>\$175,053</u></u>

**Reconciliation of Operating Loss to Net Cash
Provided by Operating Activities:**

Operating Loss	(\$280,668)
<u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>	
Depreciation	347,745
Changes in Assets and Liabilities:	
Increase in accounts receivable	(1,788)
Increase in due from other governments	(1,530)
Increase in inventory of supplies	(133)
Increase in accounts payable	2,503
Decrease in accrued wages	(176)
Decrease in compensated absences	(658)
Decrease in due to other funds	(118)
Increase in intergovernmental payable	<u>3,689</u>
Total Adjustments	<u>349,534</u>
Net Cash Provided By Operating Activities	<u><u>\$68,866</u></u>

Net Cash Capital Transactions

The Oak Meadows/Krohns Acres and Hallocks capital project funds contributed fixed assets to the sewer fund in the amount of \$3,424,136.

The notes to the general-purpose financial statements are an integral part of this statement.

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WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000

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 Children's 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 Jointly Governed Organizations or Joint Ventures. These organizations are presented in Notes 20 and 21 to the general-purpose financial statements. These organizations are:

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

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

The County is involved with two group insurance pools which are presented in Note 22 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 23 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 device 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.

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.

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

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:

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

Investment Trust. The nonexpendable trust fund is accounted for in essentially the same manner as proprietary funds.

Agency Funds. These funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

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 and investment trust funds are 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 thirty days after year-end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, sales tax (see Note 9), 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

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

measurable as of December 31, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2001 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 and investment trust 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.

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 resources. 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 2000.

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.

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

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.

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 2000, investments were limited to repurchase agreements, non-negotiable certificates of deposits, mutual funds, and commercial paper.

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 have, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during year 2000 amounted to \$696,982, which includes approximately \$385,597 assigned from other County funds.

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

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 types 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.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items 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.

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)

Enterprise Fund Fixed Assets

Property, plant, and equipment reflected in the enterprise funds are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year.

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

Description	Estimated Lives
Infrastructure	7 - 50 years
Furniture and Equipment	5 - 15 years
Vehicles	4 years
Buildings	15 - 40 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 thirty 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 is 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.

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

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. 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.

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

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.

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 – ACCOUNTING CHANGES

A. Fixed Asset Reappraisal

During 2000, the County contracted with an appraisal company to revise the inventory of fixed assets. Based on the revised inventory and cost estimates, the amount recorded in the general fixed asset account group and the sewer enterprise funds changed. The fixed asset recorded in the general fixed assets account group increased by \$15,766 from \$21,966,743 to \$21,982,509.

The changes in fixed assets and accumulated depreciation in the sewer enterprise fund are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
As of December 31, 1999	\$6,690,470	\$919,180	\$5,771,290
Restatement of Fixed Assets	<u>342,846</u>	<u>783,345</u>	<u>(440,499)</u>
As of January 1, 2000	<u>\$7,033,316</u>	<u>\$1,702,525</u>	<u>\$5,330,791</u>

The changes in fixed assets decreased retained earnings in the enterprise funds as of December 31, 1999, by \$558,904 from \$3,276,921 to \$2,718,017 and increased contributed capital by \$118,405 from \$2,394,344 to \$2,512,759.

B. Investment Trust Fund Reclassification

In prior years, assets held in trust for the external participant in the County's cash and investment pool were accounted for in an agency fund. During 2000, the County included this activity in an investment trust fund. The effect of the change is as follows:

	<u>Investment Trust Fund</u>
Net Assets as originally stated, December 31, 1999	\$0
Prior period adjustment	<u>767,119</u>
Restated Net Assets, January 1, 2000	<u>\$767,119</u>
Increase in Net Assets as originally stated for the period January 1 through December 31, 1999	\$0
Prior period adjustment	<u>86,513</u>
Restated Increase in Net Assets for the period January 1 through December 31, 1999	<u>\$86,513</u>

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

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 equity 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).
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:

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$597,193	\$223,901	(\$24,813)	\$1,076,619	\$71,949
Net Adjustment for Revenue Accruals	(67,032)	(43,351)	3,294	(319,588)	(2,834)
Net Adjustment for Prepaid Items	(7,984)	(2,511)			
Issued		(460,456)			
Paid		607,885			
Note Proceeds	(200,000)		790,000	(1,335,000)	
Debt Retirement			(2,818)		

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
Note Principal Retirement			(6,884,000)		
Net Adjustment for Expenditure Accruals	5,187	(150,906)	(70,692)	73,921	(732)
Transfer of Debt Activity	(100,000)		175,515		
Net Nonbudgeted Funds	2,262			(161,876)	(301)
Encumbrances at Year End	(114,269)	(971,770)		(941,722)	(900)
Budget Basis	<u>\$115,357</u>	<u>(\$797,208)</u>	<u>(\$6,013,514)</u>	<u>(\$1,607,646)</u>	<u>\$67,182</u>

**Net Loss/Excess of Revenues Over Expenses
Enterprise Fund**

	<u>Enterprise</u>
GAAP Basis	\$(295,737)
Net Adjustment for Revenue Accruals	(3,318)
Net Adjustment for Inventory	(133)
Net Adjustment for Expense Accruals	5,216
Depreciation	347,745
Acquisition of Capital Assets	(845,860)
Cash on Hand	934
Transfer of Debt Activity	(14,409)
Proceeds of OWDA Loans	840,409
Budget Basis	<u>\$34,847</u>

NOTE 5 – COMPLIANCE AND ACCOUNTABILITY

A. Compliance

Expenditures and year end encumbrances were in excess of appropriations and prior year encumbrances in the capital outlay program in the general fund by \$104,976.

The County did not always certify its disbursements in accordance with Ohio Revised Code requirements.

B. Accountability

The following funds had a deficit fund balance as of December 31, 2000:

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)

	<u>Deficit Fund Balance</u>
<u>Special Revenue Fund</u>	
COPS Fast	\$407
<u>Capital Projects Funds</u>	
Oak Meadows/Krohns Acres	125,355
Hallock's Addition	37,694

The COPS Fast special revenue fund and Oak Meadows/Krohns Acres and Hallock's Addition capital project funds 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

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-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 purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand. The County had \$250,282 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 \$2,258,494 and the bank balance was \$2,906,891. Of the bank balance, \$700,271 was covered by federal depository insurance. 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, noncompliance with federal requirements would potentially subject the County to a successful claim by the FDIC.

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

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. The County's only investment was a repurchase agreement with a risk level of category 3 with a fair value of \$9,273,715. The repurchase agreement matures in January and pays interest of 4.875 percent per annum.

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	\$11,782,491	
Cash on Hand	(250,282)	
Investments of the Cash Management Pool:		
Repurchase Agreements	(9,273,715)	\$9,273,715
GASB Statement 3	<u>\$2,258,494</u>	<u>\$9,273,715</u>

NOTE 7 – INVESTMENT POOL

By statute, the County serves as fiscal agent for various legally separate entities. The County pools the monies of these with the County's monies for investment purposes. The County cannot allocate its investments between the internal and external investment pools. The investment pool is not registered with the SEC as an investment company. The fair value of investments is determined annually. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of the interest that it earns. Condensed financial information for the investment pool follows:

Statement of Net Assets
December 31, 2000

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$11,600,916
Interest Receivable	<u>17,978</u>
<i>Total Assets</i>	<u><u>\$11,618,894</u></u>

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

Net Assets Held in Trust for Pool Participants

External Portion	\$809,267
Internal	<u>10,809,627</u>
<i>Total Net Assets Held in Trust for Pool Participants</i>	<u><u>\$11,618,894</u></u>

Statement of Changes in Net Assets
For the Year Ended December 31, 2000

<u>Revenues:</u>	
Interest	\$846,864
<i>Total Revenues</i>	<u>846,864</u>
<u>Expenses:</u>	
Operating Expenses	0
<i>Total Expenses</i>	<u>0</u>
<i>Net Increase in Assets Resulting from Operations</i>	846,864
Distribution to Participants	837,097
Net Capital Transactions	<u>5,396,398</u>
<i>Total Decrease in Net Assets</i>	(5,386,631)
Net Assets Beginning of Year	<u>17,005,524</u>
Net Assets End of Year	<u><u>\$11,618,893</u></u>

At year-end, the pool had \$250,282 in undeposited cash on hand which is included on the balance sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits. At year-end, the carrying amount of the pool's deposits was \$2,076,919 and the bank balance was \$2,530,053. Of the bank balance, \$400,000 was insured or collateralized with securities held by the County or by its agent in the County's name. The remaining amount was uninsured and uncollateralized.

Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

Investments. The pool'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

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)

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 or agent but not in the County's name. The County's only investment was a repurchase agreement with a risk level of category 3 with a fair value of \$9,273,715. The repurchase agreement matures in January and pays interest of 4.875 percent per annum.

NOTE 8 - 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 2000. 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 2000, 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 2000, 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 year 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.

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, 2000.

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 2000 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, 2000, was \$8.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

Real Property	\$426,816,630
Public Utility	43,417,830
Tangible Personal Property	<u>122,647,940</u>
Total Assessed Value	<u>\$592,882,400</u>

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)

NOTE 9 - 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 2000 amounted to \$3,166,060.

NOTE 10 - RECEIVABLES

Receivables at December 31, 2000, 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.

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

	<u>Amount</u>
General Fund	<u>\$666,789</u>
<u>Special Revenue Funds</u>	
Dog and Kennel Fund	851
D.A.R.E.	297
Prosecutor's DETAC	129
99-00 Law Enforcement Block Grant	234
Overtime Block Grant	180
Certificate of Title	1,233
Road and Bridge	3,132
Jobs & Family Services	15,968
C.S.E.A.	5,380
Hillside Country Living	166,398
Hillside Assisted Living	765
R.E.A. Fund	1,662
Auto and Gasoline Tax	207,895
Felony Delinquent Care and Custody	16,153

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)

Permanent Maintenance	394
EMS	6,278
Enrichment Center	15,848
Senior Center	25,662
Victim's Assistance	1,102
	<hr/>
Total Special Revenue	469,561
	<hr/>
<u>Capital Projects</u>	
Oak Meadows/Krohns Acres	318,466
Hallock's Sewer Project	218,719
	<hr/>
Total Capital Projects	537,185
	<hr/>
<u>Enterprise Fund</u>	
Sanitary Engineer	1,530
	<hr/>
<u>Agency Funds</u>	
Permissive Road and Bridge	6,422
Township Motor Vehicle License	8,436
Township Gas	50,957
Auto License Tax	15,161
Library & Local Government	111,130
Law Library	4,042
Local Government	90,394
Local Government Revenue Assistance	13,762
	<hr/>
Total Agency Funds	300,304
	<hr/>
Total	<u><u>\$1,975,369</u></u>

NOTE 11 - FEDERAL FOOD STAMP PROGRAM

The County's Department of Job and Family 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 Job and Family 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 stamp activity for the year is as follows:

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

Balance at beginning of year	\$20,843
Amount received for distribution	0
Amount distributed to entitled recipients	(14,974)
	<hr/>
Balance at end of year	<u>\$5,869</u>

NOTE 12 - FIXED ASSETS

A summary of the Enterprise fund's fixed assets at December 31, 2000, follows:

Land	\$315,000
Infrastructure	5,719,254
Furniture and Equipment	12,416
Vehicles	45,325
Construction in Progress	5,211,317
	<hr/>
Total	11,303,312
	<hr/>
Accumulated Depreciation - Infrastructure	2,002,497
Accumulated Depreciation - Equipment	2,448
Accumulated Depreciation - Vehicles	45,325
	<hr/>
Total Depreciation	2,050,270
	<hr/>
Net Fixed Assets	<u>\$9,253,042</u>

Construction in progress is comprised of engineering cost and construction of the Oak Meadows and Hallocks wastewater facility.

A summary of the changes in general fixed assets during 2000 follows:

	Prior Report	Adjustments	Restated Balance 12/31/99	Additions	Reductions	Balance 12/31/00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Land	\$434,965	\$(107,258)	\$327,707			\$327,707
Land Improvements	227,301	(114,581)	112,720	\$271,423		384,143
Buildings and Improvements	13,022,028	2,446,793	15,468,821	1,865,426	\$21,368	17,312,879
Machinery and Equipment	4,339,378	(1,299,586)	3,039,792	346,357	41,270	3,344,879
Vehicles	3,579,974	(909,602)	2,670,372	497,908	290,677	2,877,603
Construction in Progress	363,097		363,097		363,097	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$21,966,743	\$15,766	\$21,982,509	\$2,981,114	\$716,412	\$24,247,211
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)

NOTE 13 - 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 2000, 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	\$6,000,000
Employee Benefit Liability	1,000,000
Law Enforcement Professional Liability	6,000,000
Public Official Errors and Omissions Liability	6,000,000
Automobile Liability	6,000,000
Uninsured Motorists Liability	250,000
Ohio Stop Gap (Additional Workers' Compensation Coverage)	1,000,000
Building and Contents - Replacement Cost	41,836,142
Other Property Insurance:	
Extra Expense	1,000,000
Miscellaneous Floater	778,512
Contractor Equipment	749,430
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	100,000,000
Crime Insurance:	
Faithful Performance	1,000,000
Money and Securities	1,000,000
Depositor's Forgery	1,000,000

With the exceptions of health insurance, life insurance, and workers' compensation, all insurance is held with CORSA (See Note 22). The County pays all elected officials' bonds by statute. There were no significant changes in commercial coverage in 2000. Settled claims have not exceeded this commercial coverage in the past three years.

B. Workers Compensation Group Rating Program

For 2000, the County participated in the County Commissioners' Association Organization Workers' Compensation Group Rating Program (the Program), an insurance purchasing pool (Note 22).

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(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 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 the 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 \$183,057 reported in the General Fund at December 31, 2000, 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 it 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 expenses 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 1999 and 2000 were:

	Beginning of Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Year End
1999	\$155,993	\$1,664,059	\$1,589,204	\$230,848
2000	230,848	1,365,658	1,413,449	183,057

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

NOTE 14 - 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 10.84 percent; 6.54 percent was the portion used to fund pension obligations for 2000. For law enforcement employees, the employee contribution is 9 percent of their annual covered salary and the employer contribution is 15.70 percent of which 11.40 percent was the portion used to fund pension obligations. The employer contribution rates for 2000 represent a temporary rate reduction from the 1999 rates of 13.55 percent for employees other than law enforcement and 16.7 percent for law enforcement employees. Contributions are authorized by state statute. The contribution rates are determined actuarially. The County's contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$627,530, \$897,895, and \$842,913, respectively; 75 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000 is recorded as a liability in the respective funds and the general long-term obligations account group.

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 retirement and disability benefits, annual cost-of-living adjustments, and death benefits 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. The 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 to fund pension obligations and the County is required to contribute 14 percent; 6.0 percent was the portion used to fund pension obligations for 2000. 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 years ended December 31, 2000, 1999, and 1998 were \$6,393, \$7,092, and \$11,761, respectively; 90 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000 is recorded as a liability in the respective funds.

NOTE 15 - 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 credit. Health care coverage for disability and primary survivor recipients is available. The health care coverage provided by the

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employees". A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate for 2000 was 10.84 percent of covered payroll for employees not engaged in law enforcement; 4.30 percent was the portion that was used to fund health care. The employer contribution rate for law enforcement employees for 2000 was 15.70 percent; 4.30 percent was used to fund health care.

Benefits are advance funded using the entry age normal cost method. For 2000, PERS returned to an actuarially prefunded disclosure because this provides a better presentation of PER's actual funding methodology. In prior years, the disclosure was based on a pay-as-you go basis. Significant actuarial assumptions include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually, and an additional increase in total payroll of .54 percent to 5.1 percent based on additional pay increases. Health care premiums were assumed to increase 4.75 percent annually.

OPEB are financed through employer contributions and investment earnings. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

As of December 31, 2000, the total number of benefit recipients eligible for OPEB through the system was 401,339. As of December 31, 2000, the actuarial value of net assets available for future OPEB payments were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial liability were \$12,473.6 million and \$1,668.1 million, respectively. The County's actual contributions for 2000 which were used to fund OPEB were \$454,256.

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. All benefit recipients and sponsored dependents are eligible for health coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS.

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$8,524 during 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund at June 30, 2000, was \$3,419 million. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and there were 99,011 eligible benefit recipients.

NOTE 16 - 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.

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

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, 2000, the liability for compensated absences was \$643,797 for the entire County.

NOTE 17 - LONG-TERM DEBT

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

	Interest Rate	Outstanding 12/31/99	Additions	Reductions	Outstanding 12/31/00
General Long-Term Obligations:					
Bond Anticipation Notes	Various		\$1,535,000		\$1,535,000
OWDA Loans	6.13%	\$1,392,516	2,773,146	\$190,808	3,974,854
Special Assessment Bonds	5.125%	856,119		8,193	847,926
Loans Payable	5.60%	75,886	129,976	64,497	141,365
U.S. Rural Development Bonds	2.37%	5,954,000		82,000	5,872,000
Compensated Absences		530,119	87,992		618,111
Total General Long Term Obligations		8,808,640	4,526,114	345,498	12,989,256
Enterprise Fund:					
Revenue Bonds	5.125%	294,500		2,818	291,682
OWDA Loans	6.13%		840,409		840,409
Total		\$9,103,140	\$5,366,523	\$348,316	\$14,121,347

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

The Bond Anticipation notes are backed by the full faith and credit of the County. \$745,000 of the outstanding balance will be paid from operating revenues of the Hillside Country Living Home.

The special assessment bonds are backed by the full faith and credit of the County. In the event that an assessed property owner 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, 2000, for \$105,661.

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

**Notes to the General-Purpose Financial Statements
December 31, 2000
(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.

Loans payable were issued for the purchase of ambulances to be operated by the County Emergency Medical Services (EMS) Department.

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, 2000, are an overall debt margin of \$17,991,170 and an unvoted debt margin of \$4,095,024.

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

	OWDA	Revenue Bonds	Special Assessment Bonds	(HCL) Revenue Bonds	Loans Payable	Total
2001	\$76,463	\$17,912	\$52,070	\$387,600	\$68,747	\$602,792
2002	76,464	17,911	52,071	387,900	52,245	586,591
2003	76,463	17,912	52,070	387,950	35,364	569,759
2004	76,464	17,911	52,071	387,514		533,960
2005	76,463	17,912	52,070	387,300		533,745
2006-2010	382,317	89,557	260,347	1,937,049		2,669,270
2011-2015	114,695	89,558	260,347	1,937,121		2,401,721
2016-2037	<u> </u>	<u>376,143</u>	<u>1,093,458</u>	<u>5,411,254</u>	<u> </u>	<u>6,880,855</u>
Totals	<u>\$879,329</u>	<u>\$644,816</u>	<u>\$1,874,504</u>	<u>\$11,223,688</u>	<u>\$156,356</u>	<u>\$14,778,693</u>

Certain construction projects are ongoing that are financed by Ohio Water Development Authority (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 OWDA for the construction of a sewer collection system and lagoon for the Oak Meadows/Krohns Acres sewer project.

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

The loans have been approved for \$3,225,000 and \$1,525,000, respectively, however, only \$3,390,847 has been received as of December 31, 2000.

Conduit Debt

Currently, there are four series of Industrial Development and Economic Development Revenue Bonds and three series of Hospital Facility Revenue Bonds for facilities used by private corporations or other entities with the aggregate original issue amount of \$7,900,000 and \$7,650,000, respectively.

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 \$6,930,940. The outstanding balance of the Hospital Facility Revenues Bonds is \$4,161,319.

NOTE 18 - NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2000, follows:

		Outstanding 12/31/99	Issued	Retired	Outstanding 12/31/00
General Fund	4.40%	\$300,000		\$300,000	
Capital Projects Funds:					
Hillside Country Living	4.15%	845,000		845,000	
Annex North	4.45%	630,000		630,000	
Total Capital Projects		1,475,000		1,475,000	
Total Notes Payable		<u>\$1,775,000</u>		<u>\$1,775,000</u>	

NOTE 19 - INTERFUND TRANSACTIONS

Receivables and payables for services between funds December 31, 2000, consist of the following:

<u>Fund Type/Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	<u>\$73,832</u>	<u>\$28,228</u>
Special Revenue Funds:		
Dog and Kennel		154
Prosecutor's DETAC		31
Deputy Suspension		26
Certificate of Title Administration		213
Public Assistance	31,675	10,140

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

Child Support Enforcement Agency		40,261
Hillside Country Living		6,261
Hillside Assisted Living		189
Real Estate Assessment		338
Permanent Maintenance Equipment	3,580	
Auto and Gasoline Tax	11,840	10,684
Felony Delinquent Care and Custody		317
Permanent Maintenance	5,095	7,216
Emergency Medical Service		1,301
Enrichment Center		19,446
Senior Center		7,338
Victims Assistance		264
State Child Welfare	7,660	
	<u>59,850</u>	<u>104,179</u>
Total Special Revenue Funds		
Enterprise Funds:		
Sewer		\$1,275
	<u> </u>	<u> </u>
Total	<u>\$133,682</u>	<u>\$133,682</u>

NOTE 20 - 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.

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 2000 Williams County paid \$2,587 in dues and \$37,694 in loan administration fees which represents 6.5 percent of MVPO's total revenues.

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

NOTE 21 - 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 is 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, 2000, 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.

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, 2000. The address of the Defiance County Auditor is: 221 Clinton Street, Defiance, Ohio 43512.

Four County Solid Waste District

The Four County Solid Waste District (the District) is a joint venture 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 District is governed and operated through a twelve-member board of directors, comprised of three commissioners from each county. Financial records are maintained by the Williams County Auditor in Bryan, Ohio. The District's sole revenue source is derived from a waste disposal fee for in-district and out-of-district waste.

The County has an ongoing financial interest in the District. The County Commissioners are able to influence the Board of Directors to use the District's surplus resources to undertake special projects of interest to the County's citizens. In the event that a county withdraws from the District, this access to the net resources has not been explicitly defined, nor is it currently measurable. The County has no ongoing financial responsibility for the District.

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

Quadco Rehabilitation Center

Quadco Rehabilitation Center (Quadco), a nonprofit corporation, is a joint venture 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.

Quadco is governed by an eight-member board composed of two appointees from each of the four counties' Board of Mental Retardation and Development Disabilities (MRDD). This board, in conjunction with the county Boards of MRDD, assesses the needs of adult mentally retarded and developmentally disabled residents in each County and sets priorities based on the available funds. The County provides subsidies to the Board based on units of service provided to it.

For the year ended December 31, 2000, the County remitted \$619,408 to Quadco to supplement its operations.

Quadco operates autonomously from the County and the County has no financial responsibility of the operations of the Board. Should Quadco dissolve, the property and equipment of the corporation would revert back to the four counties. This access to the net resources of the Board has not been explicitly defined, nor is it currently measurable. Complete financial statements for Quadco can be obtained from Quadco's administrative office at 427 North Defiance Street, Stryker, Ohio.

Four County Board of Alcohol, Drug Addiction and Mental Health Services (ADAMHS 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 the rights of persons as consumers of alcohol, drug addiction, and mental health services.

The Board of Trustees of ADAMHS consists 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.

The main sources of revenue of the Board are state and federal grants and a property tax levy covering the entire four county area. Outside agencies are contracted by the Board to provide services for the Board. The Board operates autonomously from the County and the County has no financial responsibility for the operations of the Board. The County does have indirect access to the net resources of the Board. In the event the County withdrew from the Board it would be entitled to a share of the state and federal grants that are currently being received by the Board. This access to net resources of the Board has not been explicitly defined, nor is it currently measurable. Complete financial statements can be obtained from the Board at its offices located at T-761, State Route 66, Archbold, Ohio 43502.

NOTE 22 - 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

WILLIAMS COUNTY

Notes to the General-Purpose Financial Statements December 31, 2000 (Continued)

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.

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 23 - 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 possesses 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 24 - CONTRACTUAL COMMITMENTS

As of December 31, 2000, the County had contractual purchase commitments as follows:

WILLIAMS COUNTY

**Notes to the General-Purpose Financial Statements
December 31, 2000
(Continued)**

<u>Company</u>	<u>Original Contract</u>	<u>Amount Remaining on Contract</u>
Underground Utilities	\$2,323,289	\$99,663
Vernon Nagel	1,902,685	329,014

NOTE 25 - 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.

WILLIAMS COUNTY

**Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2000**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
Community Facility Loans	-	10.766	\$867,162
<i>Passed Through the Local Agricultural Stabilization and Conservation Service:</i>			
Crop Deficiency Program	-	10.XXX	<u>12,966</u>
Total U.S. Department of Agriculture			<u>880,128</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through The Area Office of Aging:</i>			
<i>Aging Cluster:</i>			
Special Programs for the Aging -Title III Part B- Grants for Supportive Services and Senior Centers	-	93.044	22,986
Special Programs for the Aging -Title III Part C- Nutrition Services	-	93.045	<u>76,545</u>
Total Aging Cluster			99,531
<i>Passed Through Ohio Department of Health:</i>			
Social Services Block Grant (Title XX)	-	93.667	43,155
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Medical Assistance Program (Medicaid: Title XIX)	-	93.778	<u>195,345</u>
Total U.S. Department of Health and Human Services			<u>338,031</u>
U.S. DEPARTMENT OF LABOR			
<i>Passed Through Ohio Job and Family Services:</i>			
Employment and Training Administration, Department of La	-	17.255	<u>64,290</u>

(Continued)

WILLIAMS COUNTY

**Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2000
(Continued)**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Home Improvement Partnerships Program (Chip)	B-C-99-079-2	14.239	122,544
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grant (Formula Grant)	B-F-98-079-1	14.228	37,500
Total CDBG (Formula Grant)	B-F-99-079-1		<u>90,845</u>
			128,345
Community Development Block Grant (Microenterprise)	B-M-98-079-1	14.228	30,000
Community Development Block Grant (Chip)	B-C-99-079-1	14.228	47,453
			<u>328,342</u>
Total U.S. Department of Housing and Urban Development			<u>328,342</u>
U.S. DEPARTMENT OF JUSTICE			
COPS Fast Grant	95CFWX3692	16.710	4,698
Bulletproof Vest Program	--	16.607	540
<i>Passed Through the Office of Criminal Justice Services:</i>			
Juvenile Accountability Grant	99-JB-007-A038	16.523	12,970
Risk Assessment Grant	98-JB-010-A038	16.523	<u>12,600</u>
			25,570
Batterer Intervention	98-DG-F02-7040	16.579	225
Law Enforcement Block Grant	98-LE-LEB-3037	16.592	9,000
<i>Passed Through the State Attorney General:</i>			
Victims of Crimes Act Grant	98-VAG-ENE-129X	16.575	15,433
	00-VAG-ENE-129		41,404
	01-VAG-ENE-129		10,235
	01-VAG-ENE-516		<u>5,766</u>
Total Victims of Crimes Act Grant			<u>72,838</u>
Total Department of Justice			<u>112,871</u>
Total			<u><u>\$1,723,662</u></u>

The accompanying notes are an integral part of this schedule.

WILLIAMS COUNTY

**Notes to the Schedule of Federal Awards Expenditures
December 31, 2000**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE 2 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2000, the gross amount of loans outstanding under this program was \$651,986.

NOTE 3 - MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The County has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.

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STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Williams County
One Courthouse Square
Bryan, Ohio 43506-1791

To the Board of Commissioners:

We have audited the financial statements of Williams County as of and for the year ended December 31, 2000, and have issued our report thereon dated June 21, 2001, in which we noted that the County changed its method of accounting for assets held in trust for pool participants. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-60186-001 and 2000-60186-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated June 21, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of County in a separate letter dated June 21, 2001.

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

Jim Petro
Auditor of State

June 21, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Williams County
One Courthouse Square
Bryan, Ohio 43506-1791

To the Board of Commissioners:

Compliance

We 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 its major federal program for the year ended December 31, 2000. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000. However, we noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the County in a separate letter dated June 21, 2001.

Internal Control Over Compliance

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

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

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

Jim Petro
Auditor of State

June 21, 2001

WILLIAMS COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Facilities Loans and Grants - CFDA 10.766
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

FINDING NUMBER 2000-60186-001

Finding Repaid Under Audit

Ohio Revised Code § 9.39 states that all public officials are liable for all public money received or collected by them or by their subordinates under color of office. Receipts written to individuals at the animal shelter exceeded amounts deposited with the County treasury by \$112.04 during 2000. In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money collected but not accounted for is hereby issued against Beverly Charles, Dog Warden, and the Ohio Farmers Insurance Company, holder of the Dog Warden's surety bond, jointly and severally, in the amount of one hundred twelve dollars and four cents (\$112.04), and in favor of the County Dog and Kennel Fund. This amount was repaid by the Dog Warden on June 15, 2001, and deposited to the Dog and Kennel Fund on County Auditor pay-in number 6990.

FINDING NUMBER 2000-60186-001

Noncompliance Citation

Ohio Revised Code § 5705.41(D) states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exception to this basic requirement is provided by statute:

- A. Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
- B. Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Twenty-seven percent of the transactions tested were not certified at the time the commitment was incurred. These commitments were not subsequently approved by the Board of Commissioners within the aforementioned 30 day time period.

We recommend the County Auditor certify the amount required to meet a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the appropriate fund free from any previous encumbrance prior to placing an order. In instances where prior certification is not practical, we recommend issuance of a "then and now" certificate.

3. FINDINGS FOR FEDERAL AWARDS

None.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WILLIAMS COUNTY 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.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 12, 2001