



Dave Yost • Auditor of State



**WILLIAMS COUNTY**  
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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Williams County  
One Courthouse Square, Second Floor  
Bryan, Ohio 43506-1791

To the Board of Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio (the County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio, as of December 31, 2014, and the respective changes in cash financial position and the respective budgetary comparison for the General, Auto and Gas, Enrichment Center, Job and Family Services, and Department of Aging funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

Ohio Administrative Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

*Supplemental and Other Information*

We audited to opine on the County's financial statements that collectively comprise its basic financial statements. The Federal Award Expenditures Schedule presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We applied no procedures to the Management's Discussion and Analysis presented on pages 5-16 of the report, and accordingly, we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2015, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

August 20, 2015

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## WILLIAMS COUNTY

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

The management's discussion and analysis of Williams County's (the County) financial performance provides an overall review of the County's financial activities for the year ended December 31, 2014, within the limitations of the County's cash basis of accounting. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the cash-basis basic financial statements to enhance their understanding of the County's financial performance.

#### Financial Highlights

Key financial highlights for 2014 are as follows:

- The total net cash position of the County increased \$660,528. Net cash position of governmental activities increased \$42,483 which represents a 0.29% increase from fiscal year 2013. Net cash position of business-type activities increased \$618,045 or 19.36% over fiscal year 2013.
- General cash receipts accounted for \$15,544,721 or 47.78% of total governmental activities cash receipts. Program specific cash receipts accounted for \$16,988,230 or 52.22% of total governmental activities cash receipts.
- The County had \$32,450,468 in cash disbursements related to governmental activities; \$16,988,230 of these cash disbursements were offset by program specific charges for services; operating grants and contributions; or capital grants and contributions. General cash receipts (primarily real estate and sales taxes) of \$15,544,721 were adequate to provide for these programs.
- The County's major governmental funds are the General, Auto and Gas, Enrichment Center, Job and Family Services, Department of Aging, and Debt Service Fund. The General fund, the County's largest major fund, had cash receipts and other financing sources of \$10,740,173 in 2014. The cash disbursements and other financing uses of the General fund, totaled \$10,374,269 in 2014. The General fund's cash balance increased \$365,904 from 2013 to 2014.
- The Auto and Gas fund, a County major fund, had cash receipts and other financing sources of \$4,708,193 in 2014. The Auto and Gas fund had cash disbursements of \$4,251,922 in 2014. The Auto and Gas fund cash balance increased \$456,271 from 2013 to 2014.
- The Enrichment Center fund, a County major fund, had cash receipts and other financing sources of \$4,003,721 in 2014. The Enrichment Center had cash disbursements of \$3,912,742 in 2014. The Enrichment Center's fund cash balance increased \$90,979 from 2013 to 2014.
- The Job and Family Services fund, a County major fund, had cash receipts and other financing sources of \$2,025,696 in 2014. The Job and Family Services fund had cash disbursements of \$2,040,802 in 2014. The Job and Family Services fund cash balance decreased \$15,106 from 2013 to 2014.
- The Department of Aging fund, a County major fund, had cash receipts and other financing sources of \$1,532,206 in 2014. The Department of Aging had cash disbursements of \$1,560,984 in 2014. The Department of Aging fund cash balance decreased \$28,778 from 2013 to 2014.

## WILLIAMS COUNTY

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED) (Continued)

- The Debt Service fund, a County major fund, had cash receipts and other financing sources of \$3,596,406 in 2014. The Debt Service fund had cash disbursements of \$3,561,016 in 2014. The Debt Service fund cash balance increased \$35,390 from 2013 to 2014.
- Net cash position for the Hillside Country Living Nursing Home Enterprise fund increased in 2014 by \$576,519 or 19.98%. The net cash position for the Sewer Enterprise fund increased in 2014 by \$41,526 or 13.51%.
- The County's only major business-type fund is the Hillside Country Living Nursing Home Enterprise fund. Hillside had operating / non-operating cash receipts of \$6,454,604 in 2014. The Hillside fund had operating / non-operating cash disbursements of \$5,878,085 in 2014. The Hillside fund cash balance increased \$576,519 from 2013 to 2014.

#### Using the Basic Financial Statements (BFS)

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's cash basis of accounting.

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole County, presenting both an aggregate view of the County's cash basis finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of the County, there are six major governmental funds. The General fund is the largest major fund.

#### Reporting the County as a Whole

##### *Statement of Net Position and the Statement of Activities*

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis answer the question, "How did we do financially during 2014?" These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the County's net position and changes in those positions on a cash basis. This change in net cash position is important because it tells the reader that, for the County as a whole, the cash basis financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, sales tax receipts, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs, and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements; therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis, the County is divided into two distinct kinds of activities: Governmental Activities and Business-Type Activities. Most of the County's programs and services are reported as Governmental Activities which include human

## WILLIAMS COUNTY

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED) (Continued)

services, health, public safety, public works, and general government. Business-Type Activities include those County services which provide a charge for goods or services that recover all of the cash disbursements of the goods or services provided. The County's Hillside Country Living Nursing Home and Sewer Enterprise funds are reported as business-type activities

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

##### ***Fund Financial Statements***

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

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General, Auto and Gas, Enrichment Center, Job and Family Services, Department of Aging, and Debt Service funds. The County's only major business-type fund is the Hillside Country Living Nursing Home.

##### ***Governmental Funds***

Most of the County's activities are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various County programs. Since the County is reporting on the cash basis of accounting, there are no differences in the Net Position and fund cash balances or changes in Net Position and changes in fund cash balances; therefore, no reconciliation is necessary between such financial statements. Differences will be apparent when comparing gross revenues and expenses on the Fund Financial Statements to the Statement of Activities – Cash Basis due to transfers between governmental funds being eliminated for reporting in the Statement of Activities – Cash Basis.

The County's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the General fund and all annually budgeted major special revenue funds are presented to demonstrate the County's compliance with annually adopted budgets.

##### ***Proprietary Funds***

The County maintains proprietary funds. Enterprise funds use the same basis of accounting (cash basis) as business-type activities; therefore, these statements will essentially match the information provided in statements for the County as a whole. The County uses Enterprise funds to account for its Hillside Country Living Nursing Home and sanitary sewer operations.

##### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County's only fiduciary funds are agency funds. Only the cash held at year end for the agency funds are reported.

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)  
(Continued)**

**Notes to the Financial Statements**

The notes provide additional information that is essential to understanding the data provided in the government-wide and fund financial statements.

**Government-Wide Financial Analysis**

Recall that the Statement of Net Position provides the perspective of the County as a whole.

The table below provides a summary of the County's net position for 2014 compared to the prior year.

	<b>Net Cash Position</b>					
	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2013</b>	<b>Business-type Activities 2014</b>	<b>Business-type Activities 2013</b>	<b>Total 2014</b>	<b>Total 2013</b>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 14,733,984	\$ 14,691,501	\$ 3,810,441	\$ 3,192,396	\$ 18,544,425	\$ 17,883,897
<b>Net Position</b>						
Restricted	9,871,622	10,121,376			9,871,622	10,121,376
Unrestricted	4,862,362	4,570,125	3,810,441	3,192,396	8,672,803	7,762,521
<b>Total Net Position</b>	<b>\$ 14,733,984</b>	<b>\$ 14,691,501</b>	<b>\$ 3,810,441</b>	<b>\$ 3,192,396</b>	<b>\$ 18,544,425</b>	<b>\$ 17,883,897</b>

The total net position of the County increased \$660,528. Net position of governmental activities increased \$42,483 which represents a 0.29% increase from fiscal year 2013. Net position of business-type activities increased \$618,045 or 19.36% from fiscal year 2013.

A portion of the County's governmental net position, \$9,871,622, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental unrestricted net position of \$4,862,362 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash position for fiscal years 2014 and 2013.

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)  
(Continued)**

	Change in Net Position					
	Governmental Activities 2014	Governmental Activities 2013	Business-Type Activities 2014	Business-type Activities 2013	Total 2014	Total 2013
	<b>Cash Receipts</b>					
Program Cash Receipts:						
Charges for Services and Sales	\$ 6,293,751	\$ 6,313,007	\$ 6,788,190	\$ 6,858,219	\$ 13,081,941	\$ 13,171,226
Operating Grants and Contributions	10,429,541	10,596,815	29,510	15,014	10,459,051	10,611,829
Capital Grants and Contributions	264,938	1,519,397			264,938	1,519,397
<b>Total Program Cash Receipts</b>	<b>16,988,230</b>	<b>18,429,219</b>	<b>6,817,700</b>	<b>6,873,233</b>	<b>23,805,930</b>	<b>25,302,452</b>
General Cash Receipts:						
Property Taxes	4,532,043	4,473,373			4,532,043	4,473,373
Sales Tax	5,718,311	5,114,155			5,718,311	5,114,155
Unrestricted Grants	1,080,768	1,058,630			1,080,768	1,058,630
Proceeds from Sale of Notes	3,000,000	3,500,000			3,000,000	3,500,000
Miscellaneous Fees on Sale of Notes	25,320	26,110			25,320	26,110
Investment Earnings	96,515	97,509	14,990	1,743	111,505	99,252
Sale of Capital Assets	221,619	62,870			221,619	62,870
Miscellaneous	870,145	1,053,429	182,979	558,401	1,053,124	1,611,830
<b>Total General Cash Receipts</b>	<b>15,544,721</b>	<b>15,386,076</b>	<b>197,969</b>	<b>560,144</b>	<b>15,742,690</b>	<b>15,946,220</b>
<b>Total Cash Receipts</b>	<b>32,532,951</b>	<b>33,815,295</b>	<b>7,015,669</b>	<b>7,433,377</b>	<b>39,548,620</b>	<b>41,248,672</b>
<b>Cash Disbursements</b>						
General Government	4,571,230	4,394,678			4,571,230	4,394,678
Public Safety	3,571,801	3,374,109			3,571,801	3,374,109
Public Works	4,901,409	3,518,117			4,901,409	3,518,117
Health	1,560,385	1,416,645			1,560,385	1,416,645
Human Services	10,630,084	10,369,368			10,630,084	10,369,368
Conservation and Recreation	6,000	-			6,000	-
Economic Development and Assistance	341,105	993,073			341,105	993,073
Hospitalization	940,530	965,534			940,530	965,534
Miscellaneous	192,276	118,647			192,276	118,647
Capital Outlay	1,658,274	6,167,939			1,658,274	6,167,939
Debt Service:						
Principal Retirement	3,886,308	455,448			3,886,308	455,448
Interest and Fiscal Charges	191,066	154,428			191,066	154,428
Hillside			5,878,085	6,027,088	5,878,085	6,027,088
Sewer			519,539	472,025	519,539	472,025
<b>Total Cash Disbursements</b>	<b>32,450,468</b>	<b>31,927,986</b>	<b>6,397,624</b>	<b>6,499,113</b>	<b>38,848,092</b>	<b>38,427,099</b>
Advances	(40,000)					
<b>Change in Net Position</b>	<b>42,483</b>	<b>1,887,309</b>	<b>618,045</b>	<b>934,264</b>	<b>660,528</b>	<b>2,821,573</b>
Net Position at Beginning of Year	14,691,501	12,804,192	3,192,396	2,258,132	17,883,897	15,062,324
<b>Net Position at End of Year</b>	<b>\$ 14,733,984</b>	<b>\$ 14,691,501</b>	<b>\$ 3,810,441</b>	<b>\$ 3,192,396</b>	<b>\$ 18,544,425</b>	<b>\$ 17,883,897</b>

WILLIAMS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)  
(Continued)

Governmental Activities

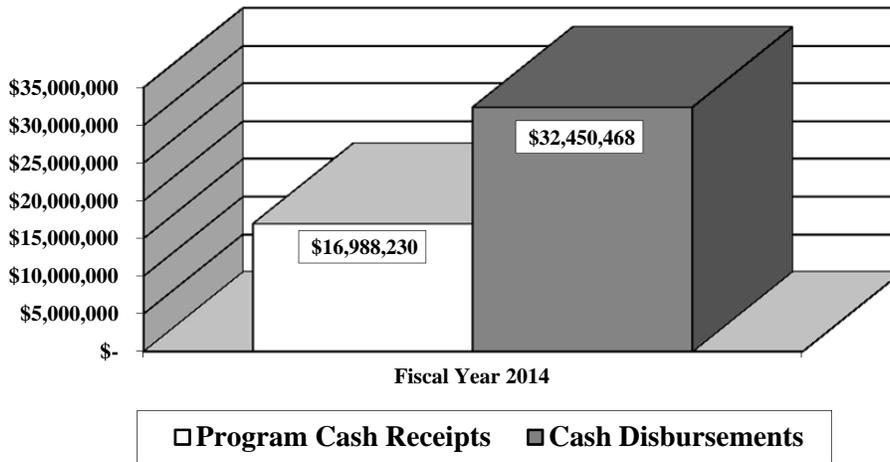
Governmental cash assets increased by \$42,483 in 2014 from 2013. This increase is primarily attributed to the conservative budgeting practices of the County.

General government represents activities related to the governing body as well as activities that directly support County programs. In 2014, general government cash disbursements totaled \$4,571,230, or 14.09% of total governmental cash disbursements. General government programs were supported by \$2,820,656 in direct charges to users and operating and capital grants and contributions.

The County program, Public Works, accounted for \$4,901,409 or 15.10% of total cash disbursements. Public Works programs primarily include the Auto and Gas fund. Public Works programs are primarily supported by state and federal intergovernmental receipts.

The County program, Human Services, accounted for \$10,630,084 or 32.76% of total governmental cash disbursements. Human Service programs include: Job and Family Services, Enrichment Center, and Senior Citizens Services. Human Service programs are primarily supported by cash receipts from property tax and state and federal grants.

Governmental Activities – Program Cash Receipts vs. Total Cash Disbursements



The Statement of Activities shows the cost of program services and the charges for services and operating / capital grants and contributions offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2014. It identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

**WILLIAMS COUNTY**

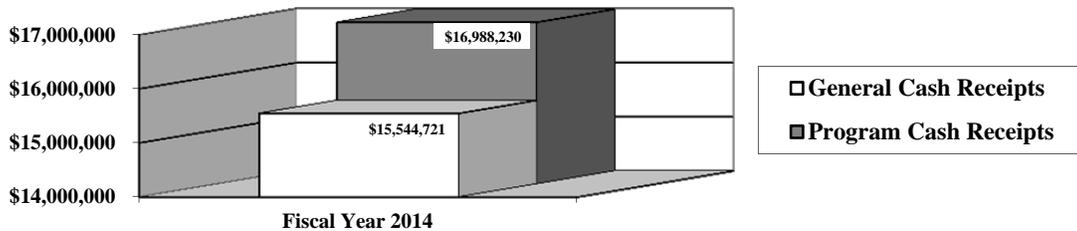
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)  
(Continued)**

**Governmental Activities**

	<b>Total Cost of Services 2014</b>	<b>Total Cost of Services 2013</b>	<b>Net Cost of Services 2014</b>	<b>Net Cost of Services 2013</b>
<b>Cash Disbursements</b>				
General Government	\$ 4,571,230	\$ 4,394,678	\$ 1,750,574	\$ 1,515,411
Public Safety	3,571,801	3,374,109	3,148,565	2,918,785
Public Works	4,901,409	3,518,117	(58,832)	(1,458,593)
Health	1,560,385	1,416,645	239,196	(41,859)
Human Services	10,630,084	10,369,368	4,049,674	4,423,066
Conservation and Recreation	6,000		6,000	
Economic Development and Assistance	341,105	993,073	77,672	295,543
Hospitalization	940,530	965,534	919,269	933,175
Other	192,276	118,647	149,438	26,487
Capital Outlay	1,658,274	6,167,939	1,484,458	4,678,414
Debt Service:				
Principal Retirement	3,886,308	455,678	3,601,525	180,480
Interest and Fiscal Charges	191,066	154,198	94,699	27,858
<b>Total</b>	<b>\$ 32,450,468</b>	<b>\$ 31,927,986</b>	<b>\$ 15,462,238</b>	<b>\$ 13,498,767</b>

The dependence upon general cash receipts for governmental activities is apparent; with 47.65% of cash disbursements supported through taxes and other general cash receipts during 2014.

**Governmental Activities - General and Program Cash Receipts**



**Proprietary Funds**

Williams County's proprietary funds provide the same type of information found in the government-wide financial statements.

At the end of the current fiscal year, Williams County's proprietary funds, Hillside Country Living Nursing Home and Sanitary Sewer, reported a combined ending fund cash balance of \$3,810,441, an increase of \$618,045 in comparison with the prior audit year. The increase in ending fund balance was primarily attributed to a decrease in personnel expenses in the Hillside Country Living Nursing Home fund.

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)  
(Continued)**

**Financial Analysis of the Government's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The County's governmental funds are accounted for using the cash basis of accounting.

The County's governmental funds reported a combined fund cash balance of \$14,733,984, which is \$42,483 more than last year's total of \$14,691,501. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2014 and December 31, 2013, for all major and nonmajor governmental funds.

	<b>Fund Cash Balance December 31, 2014</b>	<b>Fund Cash Balance December 31, 2013</b>	<b>Increase (Decrease)</b>
<b>Major Funds:</b>			
General	\$ 5,489,047	\$ 5,123,143	\$ 365,904
Auto and Gas	2,664,524	2,208,253	456,271
Enrichment Center	957,743	866,764	90,979
Job and Family Services	211,690	226,796	(15,106)
Department of Aging	274,122	302,900	(28,778)
Debt Service	579,140	543,750	35,390
Other Nonmajor Governmental Funds	4,557,718	5,419,895	(862,177)
<b>Total</b>	<b>\$ 14,733,984</b>	<b>\$ 14,691,501</b>	<b>\$ 42,483</b>

**General Fund**

The General fund, the County's largest major fund, had cash receipts and other financing sources of \$10,740,173 in 2014. The cash disbursements and other financing uses of the General fund, totaled \$10,374,269 in 2014. The General fund's cash balance increased \$365,904 from 2013 to 2014.

The table that follows assists in illustrating the cash receipts of the General fund.

	<b>2014</b>	<b>2013</b>	<b>Percentage Change</b>
<b>Cash Receipts:</b>			
Property and Sales Tax	\$ 7,403,452	\$ 6,778,006	9.23 %
Charges for Services	1,571,797	1,605,884	(2.12) %
Licenses and Permits	4,545	4,420	2.83 %
Fines and Forfeitures	109,815	136,369	(19.47) %
Intergovernmental	1,209,364	1,260,782	(4.08) %
Special Assessments	57,913	77,205	(24.99) %
Investment Income	84,927	96,334	(11.84) %
Rental Income	26,911	105,703	(74.54) %
Other	110,352	143,181	(22.93) %
<b>Total</b>	<b>\$ 10,579,076</b>	<b>\$ 10,207,884</b>	<b>3.64 %</b>

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)  
(Continued)**

Taxes increased due to increased sales tax revenue. Charges for services and licenses and permits remained comparable to 2013. Fines and forfeitures decreased due to decreased collections for fines from the Clerk of Courts and the Municipal Court. Intergovernmental revenue remained comparable to 2013. Special assessments decreased due to fewer collections for tile repairs. Investment income decreased due to outside funds that receive interest having higher balances on which their share of total interest is calculated. Rental income decreased due to the rent for offices located at the Williams County Community Offices being receipted to the Debt Service fund beginning in 2014. Other revenue was lower due to a decrease in workers compensation refunds and a one-time First Energy grant, passed through to Center Township and Springfield Township, only being received in 2013.

The table that follows assists in illustrating the expenditures of the General fund.

	<u>2014</u>	<u>2013</u>	<u>Percentage Change</u>
<b>Cash Disbursements:</b>			
General Government			
Legislative and Executive	\$ 2,283,843	\$ 2,171,823	5.16 %
Judicial	1,123,187	1,103,366	1.80 %
Public Safety	3,350,919	3,177,948	5.44 %
Public Works	364,015	259,595	40.22 %
Health	88,537	82,843	6.87 %
Human Services	831,197	774,402	7.33 %
Conservation and Recreation	6,000		
Economic Development	61,222	59,999	2.04 %
Hospitalization	940,530	965,534	(2.59) %
Other	190,918	117,291	62.77 %
Debt Service	20,393	71,300	(71.40) %
<b>Total</b>	<u>\$ 9,260,761</u>	<u>\$ 8,784,101</u>	5.43 %

Legislative and Executive increased due to an increase in personnel expenses, contract services, and expenses for supplies and utilities. Public safety increased due to higher contract services and increased expenses for the County's share of operating the Corrections Center of Northwest Ohio and the Northwest Ohio Juvenile Detention Center. Public works increased due to an increase in expenses for contract projects. Health increased due to additional expenses related to a wellness grant funded by County Employee Benefits Consortium of Ohio. Human services increased primarily due to increased funding provided to Job and Family Services. Conservation and recreation increased due to funding provided to the county park board. Other cash disbursements increased primarily due to additional funding provided to the Regional Airport Authority. Debt service decreased due to the debt for the title office being paid off in 2013. All other cash disbursements remained comparable to 2013.

***Auto and Gas Fund***

The Auto and Gas fund, a County major fund, had cash receipts and other financing sources of \$4,708,193 in 2014. The Auto and Gas fund had cash disbursements of \$4,251,922 in 2014. The Auto and Gas fund cash balance increased \$456,271 from 2013 to 2014. The increase in cash fund balance was primarily attributed to overall revenues exceeding overall disbursements.

***Enrichment Center Fund***

The Enrichment Center, a County major fund, had cash receipts and other financing sources of \$4,003,721 in 2014. The Enrichment Center had cash disbursements of \$3,912,742 in 2014. The Enrichment Center's fund cash balance increased \$90,979 from 2013 to 2014. The increase in fund cash

## WILLIAMS COUNTY

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED) (Continued)

balance was primarily attributed to an increase in intergovernmental revenue (Level One Waivers and an ODoDD Community Housing Purchase Grant).

#### ***Job and Family Services Fund***

The Job and Family Services fund, a County major fund, had cash receipts and other financing sources of \$2,025,696 in 2014. The Job and Family Services fund had cash disbursements of \$2,040,802 in 2014. The Job and Family Services fund cash balance decreased \$15,106 from 2013 to 2014. The decrease in fund cash balance was primarily attributed to increased expenditures (personnel expenses and contract services) being greater than the increase in revenue (intergovernmental, WIA/ODJFS reimbursements).

#### ***Department of Aging Fund***

The Department of Aging, a County major fund, had cash receipts and other financing sources of \$1,532,206 in 2014. The Department of Aging had cash disbursements of \$1,560,984 in 2014. The Department of Aging fund cash balance decreased \$28,778 from 2013 to 2014. The decrease in cash balance was primarily attributed to overall decreased expenditures (personnel expenses, contract services) exceeding the slightly increased overall revenues (passport meals, auction proceeds).

#### ***Debt Service Fund***

The Debt Service Fund, a County major fund, had cash receipts and other financing sources of \$3,596,406 in 2014. The Debt Service Fund had cash disbursements of \$3,561,016 in 2014. The Debt Service Fund cash balance increased \$35,390 from 2013 to 2014. The increase in cash balance was primarily attributed to increased revenue (East Annex rental income).

#### ***Proprietary Funds***

##### ***Hillside Country Living Nursing Home Fund***

The Hillside Country Living Nursing Home is the County's only major Enterprise fund. This program had cash receipts of \$6,454,604 and cash disbursements of \$5,878,085 for fiscal year 2014. The net position of the programs increased \$576,519 from 2013. Less patient fees in 2014 and reductions in personnel expenses maintained the increase in net position.

#### ***Budgeting Highlights - General Fund***

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

For the General fund, final budget basis receipts and other financing sources were \$1,697,790 below original budget estimates of \$11,945,578 due to the reclassification of reimbursements. There are some costs the General fund pays for in advance and other County funds are invoiced to refund the monies back to the General fund. Actual cash receipts and other financing sources of \$10,351,726, excluding advances, exceeded final budget estimates by \$103,938. This was primarily attributed to receipts for sales tax being greater than anticipated. The final budgetary basis disbursements and other financing uses of \$10,682,394, excluding advances, were \$1,014,717 below original budget estimates. This was primarily attributed to the reclassification of payments made on behalf of other funds that were then reimbursed. The actual budgetary basis disbursements and other financing uses of \$10,201,748, excluding advances, were \$480,646 less than the final budget estimates. Advances are not budgeted.

#### **Capital Assets and Debt Administration**

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)  
(Continued)**

**Capital Assets**

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of \$1,781,160 during fiscal year 2014.

For further information regarding the District's capital assets, see the notes to the basic financial statements.

**Debt Administration**

The County had the following debt obligations outstanding at December 31, 2014 and 2013:

	<u>Activities 2014</u>	<u>Activities 2013</u>
<b>Short-Term</b>		
Bond Anticipation Notes	\$ 3,000,000	\$ 3,500,000
<b>Long-Term</b>		
OPWC Loans	\$ 42,807	\$ 128,422
OWDA Loans	3,236,143	3,522,272
USDA Special Assessment Bonds	677,646	694,141
USDA Revenue Bonds	872,106	884,780
Court of Appeals Loan	150,420	163,718
Total Long Term Debt	<u>4,979,122</u>	<u>5,393,333</u>
Total Outstanding Obligations	<u>\$ 7,979,122</u>	<u>\$ 8,893,333</u>
	<u>Business-Type Activities 2014</u>	<u>Business-Type Activities 2013</u>
<b>Long-Term</b>		
USDA Revenue Bonds	<u>\$ 4,023,000</u>	<u>\$ 4,201,000</u>

For further information regarding the District's debt, see the notes to the basic financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The following economic factors were taken into consideration in preparing the budget for fiscal year 2015:

The County's unemployment rate as of December 2014 is 4.1%, compared to the 4.7% state average and the 5.6% national average.

State funding is uncertain due to budgetary shortfalls at the State level. These funds represented 4% of the County's General fund revenue in 2014. Sales and property tax revenues are expected to remain consistent as well as expenditures.

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)  
(Continued)**

These economic factors were considered in preparing the County's budget for fiscal year 2014. Budgeted revenues and other financing sources in the general fund for fiscal year 2014 are \$10,247,788. The County has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years.

**Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Deborah Nester, Williams County Auditor, One Courthouse Square, Second Floor, Bryan, Ohio 43506-1791.

**WILLIAMS COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2014**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	<u>\$ 14,733,984</u>	<u>\$ 3,810,441</u>	<u>\$ 18,544,425</u>
<b>Net Position</b>			
Restricted for:			
Debt Service	\$ 991,565		\$ 991,565
Capital Projects	231,487		231,487
Other Purposes	8,648,570		8,648,570
Unrestricted	<u>4,862,362</u>	<u>\$ 3,810,441</u>	<u>8,672,803</u>
<i>Total Net Position</i>	<u>\$ 14,733,984</u>	<u>\$ 3,810,441</u>	<u>\$ 18,544,425</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Program Cash Receipts</u>			
	<u>Cash</u> <u>Disbursement</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$ 2,613,639	\$ 1,543,942	\$ 12,097	\$ 18,800
Judicial	1,957,591	679,856	565,961	
Public Safety	3,571,801	166,599	229,561	27,076
Public Works	4,901,409	857,893	4,102,348	
Health	1,560,385	1,308,271	12,918	
Human Services	10,630,084	1,282,605	5,297,805	
Conservation and Recreation	6,000			
Economic Development and Assistance	341,105	1,000	208,851	53,582
Hospitalization	940,530	21,261		
Other	192,276	42,838		
Capital Outlay	1,658,274	8,336		165,480
Debt Service:				
Principal Retirement	3,886,308	284,783		
Interest and Fiscal Charges	191,066	96,367		
<i>Total Governmental Activities</i>	<u>32,450,468</u>	<u>6,293,751</u>	<u>10,429,541</u>	<u>264,938</u>
<b>Business-Type Activities</b>				
Hillside	5,878,085	6,227,673	29,510	
Sanitary Sewer	519,539	560,517		
<i>Total Business-Type Activities</i>	<u>6,397,624</u>	<u>6,788,190</u>	<u>29,510</u>	
<b>Totals</b>	<u>\$ 38,848,092</u>	<u>\$ 13,081,941</u>	<u>\$ 10,459,051</u>	<u>\$ 264,938</u>

**General Cash Receipts**

Property Taxes Levied For:  
  General Purposes  
  Human Services - Enrichment Center  
  Human Services - Department of Aging  
Sales Taxes  
Grants and Entitlements not  
  Restricted to Specific Programs  
Proceeds from Sale of Notes  
Miscellaneous Fees Received on Sale of Notes  
Investment Income  
Proceeds from Sale of Capital Assets  
Miscellaneous

*Total General Cash Receipts*

Advances

*Total General Cash Receipts and Advances*

*Change in Net Cash Position*

Net Cash Position at Beginning of Year

*Net Cash Position at End of Year*

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Cash Disbursements) Cash Receipts and  
Changes in Net Cash Position**

<u>Governmenta Activities</u>	<u>Business- Activities</u>	<u>Total</u>
\$ (1,038,800)		\$ (1,038,800)
(711,774)		(711,774)
(3,148,565)		(3,148,565)
58,832		58,832
(239,196)		(239,196)
(4,049,674)		(4,049,674)
(6,000)		(6,000)
(77,672)		(77,672)
(919,269)		(919,269)
(149,438)		(149,438)
(1,484,458)		(1,484,458)
(3,601,525)		(3,601,525)
(94,699)		(94,699)
<u>(15,462,238)</u>		<u>(15,462,238)</u>
	\$ 379,098	379,098
	40,978	40,978
	<u>420,076</u>	<u>420,076</u>
<u>(15,462,238)</u>	<u>420,076</u>	<u>(15,042,162)</u>
1,685,141		1,685,141
2,105,570		2,105,570
741,332		741,332
5,718,311		5,718,311
1,080,768		1,080,768
3,000,000		3,000,000
25,320		25,320
96,515	14,990	111,505
221,619		221,619
870,145	182,979	1,053,124
<u>15,544,721</u>	<u>197,969</u>	<u>15,742,690</u>
<u>(40,000)</u>		<u>(40,000)</u>
<u>15,504,721</u>	<u>197,969</u>	<u>15,702,690</u>
42,483	618,045	660,528
<u>14,691,501</u>	<u>3,192,396</u>	<u>17,883,897</u>
<u>\$ 14,733,984</u>	<u>\$ 3,810,441</u>	<u>\$ 18,544,425</u>

**WILLIAMS COUNTY**  
**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2014**

	<u>General</u>	<u>Auto and Gas</u>	<u>Enrichment Center</u>	<u>Job and Family Services</u>	<u>Department of Aging</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash Assets</b>								
Equity in Pooled Cash and Cash Equivalents	<u>\$5,489,047</u>	<u>\$ 2,664,524</u>	<u>\$ 957,743</u>	<u>\$ 211,690</u>	<u>\$ 274,122</u>	<u>\$ 579,140</u>	<u>\$ 4,557,718</u>	<u>\$ 14,733,984</u>
<b>Fund Cash Balances</b>								
Nonspendable	\$ 65,858							\$ 65,858
Restricted		\$ 2,664,524	\$ 957,743	\$ 211,690	\$ 274,122	579,140	\$ 3,697,435	8,384,654
Committed							643,088	643,088
Assigned	827,669						217,195	1,044,864
Unassigned	<u>4,595,520</u>							<u>4,595,520</u>
<i>Total Fund Cash Balances</i>	<u>\$5,489,047</u>	<u>\$ 2,664,524</u>	<u>\$ 957,743</u>	<u>\$ 211,690</u>	<u>\$ 274,122</u>	<u>\$ 579,140</u>	<u>\$ 4,557,718</u>	<u>\$ 14,733,984</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Auto and Gas</u>	<u>Enrichment Center</u>	<u>Job and Family Services</u>
<b>Cash Receipts</b>				
Property Taxes	\$ 1,685,141		\$2,105,570	
Sales Taxes	5,718,311			
Charges for Services	1,571,797	\$ 367,643	474,321	\$ 495,120
Licenses and Permits	4,545	3,400		
Fines and Forfeitures	109,815	432		
Intergovernmental	1,209,364	4,102,348	1,413,894	1,450,514
Special Assessments	57,913	17		
Investment Income	84,927	10,783		
Rental Income	26,911			
Loan Repayments				
Other	110,352	20,278	4,793	79,561
<i>Total Cash Receipts</i>	<u>10,579,076</u>	<u>4,504,901</u>	<u>3,998,578</u>	<u>2,025,195</u>
<b>Cash Disbursements</b>				
Current:				
General Government:				
Legislative and Executive	2,283,843			
Judicial	1,123,187			
Public Safety	3,350,919			
Public Works	364,015	4,166,307		
Health	88,537			
Human Services	831,197		3,912,742	2,040,802
Conservation and Recreation	6,000			
Economic Development and Assistance	61,222			
Hospitalization	940,530			
Other	190,918			
Capital Outlay				
Debt Service:				
Principal Retirement	13,298	85,615		
Interest and Fiscal Charges	7,095			
<i>Total Cash Disbursements</i>	<u>9,260,761</u>	<u>4,251,922</u>	<u>3,912,742</u>	<u>2,040,802</u>
<i>Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements</i>	<u>1,318,315</u>	<u>252,979</u>	<u>85,836</u>	<u>(15,607)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Notes				
Miscellaneous Fees Received on Sale of Notes				
Proceeds from Sales of Capital Assets	151	203,292	5,143	501
Advances In	61,658			
Advances Out	(45,000)			
Transfers In	99,288			
Transfers Out	(1,068,508)			
<i>Total Other Financing Sources (Uses)</i>	<u>(952,411)</u>	<u>203,292</u>	<u>5,143</u>	<u>501</u>
<i>Net Change in Fund Cash Balances</i>	365,904	456,271	90,979	(15,106)
Fund Balance at Beginning of Year	5,123,143	2,208,253	866,764	226,796
<i>Fund Balance at End of Year</i>	<u>\$ 5,489,047</u>	<u>\$ 2,664,524</u>	<u>\$ 957,743</u>	<u>\$ 211,690</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Department of Aging</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 741,332			\$ 4,532,043
			5,718,311
		\$ 2,209,743	5,118,624
		108,110	116,055
		187,062	297,309
485,846		3,059,699	11,721,665
		597,517	655,447
		805	96,515
	\$ 71,086	8,319	106,316
		259,356	259,356
296,371		153,016	664,371
<u>1,523,549</u>	<u>71,086</u>	<u>6,583,627</u>	<u>29,286,012</u>
		329,796	2,613,639
		834,404	1,957,591
		220,882	3,571,801
		371,087	4,901,409
		1,471,848	1,560,385
1,560,984		2,284,359	10,630,084
			6,000
		279,883	341,105
			940,530
		1,358	192,276
		1,658,274	1,658,274
	3,500,000	287,395	3,886,308
	61,016	122,955	191,066
<u>1,560,984</u>	<u>3,561,016</u>	<u>7,862,241</u>	<u>32,450,468</u>
<u>(37,435)</u>	<u>(3,489,930)</u>	<u>(1,278,614)</u>	<u>(3,164,456)</u>
	3,000,000		3,000,000
	25,320		25,320
8,657		3,875	221,619
		5,000	66,658
		(61,658)	(106,658)
	500,000	568,508	1,167,796
		(99,288)	(1,167,796)
<u>8,657</u>	<u>3,525,320</u>	<u>416,437</u>	<u>3,206,939</u>
(28,778)	35,390	(862,177)	42,483
<u>302,900</u>	<u>543,750</u>	<u>5,419,895</u>	<u>14,691,501</u>
<u>\$ 274,122</u>	<u>\$ 579,140</u>	<u>\$ 4,557,718</u>	<u>\$ 14,733,984</u>

WILLIAMS COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
<b>Budgetary Basis Receipts</b>				
Property Taxes	\$ 1,646,600	\$ 1,684,000	\$ 1,685,141	\$ 1,141
Sales Taxes	5,000,000	5,625,000	5,718,311	93,311
Charges for Services	3,903,554	1,285,054	1,292,500	7,446
Licenses and Permits	4,020	4,020	4,545	525
Fines and Forfeitures	142,600	113,600	109,815	(3,785)
Intergovernmental	1,025,903	1,188,025	1,190,564	2,539
Special Assessments	60,000	58,000	57,913	(87)
Investment Income	75,301	100,301	84,927	(15,374)
Rental Income		750	839	89
Other	86,600	88,750	107,732	18,982
<i>Total Budgetary Basis Receipts</i>	<u>11,944,578</u>	<u>10,147,500</u>	<u>10,252,287</u>	<u>104,787</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
General Government:				
Legislative and Executive	2,249,510	2,233,765	2,068,858	164,907
Judicial	1,190,883	1,210,275	1,152,470	57,805
Public Safety	3,115,349	3,481,104	3,381,693	99,411
Public Works	474,342	473,717	364,015	109,702
Health	87,484	92,553	88,600	3,953
Human Services	869,740	876,940	858,541	18,399
Conservation and Recreation	4,000	6,000	6,000	
Economic Development and Assistance	66,699	66,699	61,222	5,477
Hospitalization	3,150,000	941,500	940,530	970
Other	468,711	210,940	190,918	20,022
Debt Service:				
Principal Retirement	13,298	13,298	13,298	
Interest and Fiscal Charges	7,095	7,095	7,095	
<i>Total Budgetary Basis Disbursements</i>	<u>11,697,111</u>	<u>9,613,886</u>	<u>9,133,240</u>	<u>480,646</u>
<i>Budgetary Basis Receipts Over Budgetary Basis Disbursements</i>	<u>247,467</u>	<u>533,614</u>	<u>1,119,047</u>	<u>585,433</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds From Sale of Capital Assets	1,000	1,000	151	(849)
Advances In			61,658	61,658
Advances Out			(45,000)	(45,000)
Transfers In		99,288	99,288	
Transfers Out		(1,068,508)	(1,068,508)	
<i>Total Other Financing Sources (Uses)</i>	<u>1,000</u>	<u>(968,220)</u>	<u>(952,411)</u>	<u>15,809</u>
<i>Net Change in Fund Cash Balance</i>	<u>248,467</u>	<u>(434,606)</u>	<u>166,636</u>	<u>601,242</u>
Fund Cash Balance at Beginning of Year	4,463,963	4,463,963	4,463,963	
Prior Year Encumbrances Appropriated	172,432	172,432	172,432	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 4,884,862</u>	<u>\$ 4,201,789</u>	<u>\$ 4,803,031</u>	<u>\$ 601,242</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
AUTO AND GAS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Budgetary Basis Receipts</b>				
Charges for Services	\$ 372,210	\$ 373,510	\$ 367,643	\$ (5,867)
Licenses and Permits	3,904	3,904	3,400	(504)
Fines and Forfeitures	322	322	432	110
Intergovernmental	4,316,394	4,316,394	4,102,348	(214,046)
Special Assessments	50	50	17	(33)
Investment Income			10,783	10,783
Other	15,055	13,755	20,278	6,523
<i>Total Budgetary Basis Receipts</i>	<u>4,707,935</u>	<u>4,707,935</u>	<u>4,504,901</u>	<u>(203,034)</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Public Works	4,832,887	5,102,403	4,348,308	754,095
Debt Service:				
Principal Retirement	85,615	85,615	85,615	
<i>Total Budgetary Basis Disbursements</i>	<u>4,918,502</u>	<u>5,188,018</u>	<u>4,433,923</u>	<u>754,095</u>
<i>Excess (Deficiency) of Budgetary Basis Receipts Over (Under) Budgetary Basis Disbursements</i>	<u>(210,567)</u>	<u>(480,083)</u>	<u>70,978</u>	<u>551,061</u>
<b>Other Financing Sources</b>				
Proceeds From Sale of Capital Assets	126,950	126,950	203,292	76,342
<i>Net Change in Fund Cash Balance</i>	<u>(83,617)</u>	<u>(353,133)</u>	<u>274,270</u>	<u>627,403</u>
Fund Cash Balance at Beginning of Year	2,121,170	2,121,170	2,121,170	
Prior Year Encumbrances Appropriated	87,083	87,083	87,083	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 2,124,636</u>	<u>\$ 1,855,120</u>	<u>\$ 2,482,523</u>	<u>\$ 627,403</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WILLIAMS COUNTY

**STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
ENRICHMENT CENTER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Budgetary Basis Receipts</b>				
Property and Other Taxes	\$ 2,091,900	\$ 2,102,400	\$ 2,105,570	\$ 3,170
Charges for Services	478,000	478,000	474,321	(3,679)
Intergovernmental	1,085,370	1,085,370	1,413,894	328,524
Other	3,700	3,700	4,793	1,093
<i>Total Budgetary Basis Receipts</i>	<u>3,658,970</u>	<u>3,669,470</u>	<u>3,998,578</u>	<u>329,108</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Human Services	<u>3,852,576</u>	<u>4,367,155</u>	<u>3,912,742</u>	<u>454,413</u>
<i>Excess (Deficiency) of Budgetary Basis Receipts Over (Under) Budgetary Basis Disbursements</i>	<u>(193,606)</u>	<u>(697,685)</u>	<u>85,836</u>	<u>783,521</u>
<b>Other Financing Sources</b>				
Proceeds From Sale of Capital Assets			<u>5,143</u>	<u>5,143</u>
<i>Net Change in Fund Cash Balance</i>	(193,606)	(697,685)	90,979	788,664
Fund Cash Balance at Beginning of Year	828,047	828,047	828,047	
Prior Year Encumbrances Appropriated	<u>38,717</u>	<u>38,717</u>	<u>38,717</u>	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 673,158</u>	<u>\$ 169,079</u>	<u>\$ 957,743</u>	<u>\$ 788,664</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
JOB AND FAMILY SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>Budgetary Basis Receipts</b>				
Charges for Services	\$ 465,000	\$ 465,000	\$ 495,120	\$ 30,120
Intergovernmental	1,479,384	1,479,384	1,450,514	(28,870)
Other	58,950	58,950	79,561	20,611
<i>Total Budgetary Basis Receipts</i>	<u>2,003,334</u>	<u>2,003,334</u>	<u>2,025,195</u>	<u>21,861</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Human Services	<u>2,182,342</u>	<u>2,182,342</u>	<u>2,073,237</u>	<u>109,105</u>
<i>Budgetary Basis Disbursements Over Budgetary Basis Receipts</i>	(179,008)	(179,008)	(48,042)	130,966
<b>Other Financing Sources:</b>				
Proceeds From Sale of Capital Assets	<u>                    </u>	<u>                    </u>	<u>501</u>	<u>501</u>
<i>Net Change in Fund Cash Balance</i>	(179,008)	(179,008)	(47,541)	131,467
Fund Cash Balance at Beginning of Year	187,788	187,788	187,788	
Prior Year Encumbrances Appropriated	39,008	39,008	39,008	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 47,788</u>	<u>\$ 47,788</u>	<u>\$ 179,255</u>	<u>\$ 131,467</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WILLIAMS COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
DEPARTMENT OF AGING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Budgetary Basis Receipts</b>				
Property and Other Taxes	\$ 738,000	\$ 742,200	\$ 741,332	\$ (868)
Intergovernmental	488,260	488,260	485,846	(2,414)
Other	329,200	329,200	296,371	(32,829)
<i>Total Budgetary Basis Receipts</i>	<u>1,555,460</u>	<u>1,559,660</u>	<u>1,523,549</u>	<u>(36,111)</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Human Services	<u>1,591,647</u>	<u>1,593,486</u>	<u>1,585,255</u>	<u>8,231</u>
<i>Budgetary Basis Disbursements Over Budgetary Basis Receipts</i>	(36,187)	(33,826)	(61,706)	(27,880)
<b>Other Financing Sources</b>				
Proceeds From Sale of Capital Assets	<u>3,000</u>	<u>3,000</u>	<u>8,657</u>	<u>5,657</u>
<i>Net Change in Fund Cash Balance</i>	(33,187)	(30,826)	(53,049)	(22,223)
Fund Cash Balance at Beginning of Year	269,703	269,703	269,703	
Prior Year Encumbrances Appropriated	<u>33,197</u>	<u>33,197</u>	<u>33,197</u>	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 269,713</u>	<u>\$ 272,074</u>	<u>\$ 249,851</u>	<u>\$ (22,223)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**  
**STATEMENT OF NET POSITION**  
**CASH BASIS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31,2014**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Hillside</b>	<b>Sanitary Sewer</b>	<b>Total</b>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 3,461,455	\$ 348,986	\$ 3,810,441
 <b>Net Position</b>			
Unrestricted	\$ 3,461,455	\$ 348,986	\$ 3,810,441

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND NET POSITION - CASH BASIS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Hillside</b>	<b>Sanitary Sewer</b>	<b>Total</b>
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 6,227,673	\$ 560,517	\$ 6,788,190
Other Operating Cash Receipts	53,102		53,102
<i>Total Operating Cash Receipts</i>	<u>6,280,775</u>	<u>560,517</u>	<u>6,841,292</u>
<b>Operating Cash Disbursements</b>			
Personal Services	3,688,051	154,061	3,842,112
Contractual Services	1,036,648	190,681	1,227,329
Materials and Supplies	514,220	30,682	544,902
Capital Outlay	122,886		122,886
Other	128,230	906	129,136
<i>Total Operating Cash Disbursements</i>	<u>5,490,035</u>	<u>376,330</u>	<u>5,866,365</u>
<i>Operating Income</i>	<u>790,740</u>	<u>184,187</u>	<u>974,927</u>
<b>Nonoperating Cash Receipts (Disbursements)</b>			
Debt Service:			
Principal Retirement	(178,000)	(27,903)	(205,903)
Interest and Fiscal Charges	(210,050)	(115,306)	(325,356)
Investment Income	14,990		14,990
Intergovernmental Revenue	29,510		29,510
Other Nonoperating Revenue	129,329	548	129,877
<i>Total Nonoperating Cash Receipts (Disbursements)</i>	<u>(214,221)</u>	<u>(142,661)</u>	<u>(356,882)</u>
<i>Changes in Net Position</i>	576,519	41,526	618,045
Net Position at Beginning of Year	2,884,936	307,460	3,192,396
<i>Net Position at End of Year</i>	<u>\$ 3,461,455</u>	<u>\$ 348,986</u>	<u>\$ 3,810,441</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**  
**STATEMENT OF NET POSITION - CASH BASIS**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2014**

	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,952,668
Equity in Cash and Cash Equivalents in Segregated Accounts	<u>364,021</u>
<i>Total Assets</i>	<u><u>\$ 4,316,689</u></u>
<b>Net Position</b>	
Unrestricted	<u><u>\$ 4,316,689</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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## WILLIAMS COUNTY

### NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

#### NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

Williams County (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, and 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.

#### Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Williams County, this includes the Children's Services Board, the Department of Job and Family Services, 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 organizations governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt, or the levying of taxes. The County has no component units.

The County Treasurer, as the custodian of public funds, invests all public monies held on deposit in the County treasury. In the 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 is presented as agency funds within the financial statements:

- County General Health District
- Soil and Water Conservation District
- Four County Solid Waste District
- Family and Children First Council
- Park District

The County is associated with certain organizations which are defined as Jointly Governed Organizations or Joint Ventures Without Equity Interest. These organizations are presented in Notes 13 and 14 to the financial statements. These organizations are:

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION – (Continued)**

The County is involved with three group insurance pools which are presented in Note 15 to the financial statements:

County Risk Sharing Authority (CORSA)  
County Commissioners' Association Workers' Compensation Group Rating Plan  
County Employee Benefits Consortium of Ohio (CEBCO)

The County is involved with four related organizations which are presented in Note 16 to the financial statements. These organizations are:

Williams County Public Library  
Williams Metropolitan Housing Authority  
Williams County Regional Airport Authority  
Williams County Port Authority

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

**A. Basis of Accounting**

These financial statements are presented on a cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

These statements include adequate disclosure of material matters in accordance with the basis of accounting described in the preceding paragraph.

**B. Fund Accounting**

The County uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The County classifies each fund as either governmental, proprietary, or fiduciary.

**Governmental Funds:**

The County classifies funds financed primarily from taxes, intergovernmental receipts (i.e. grants), and other non-exchange transactions as governmental funds. The following are the County's major governmental funds:

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.

WILLIAMS COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

Auto and Gas Fund - This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

Enrichment Center Fund - This fund accounts for various federal and state grants used to provide assistance, care, and training to mentally challenged and developmentally disabled individuals of the County.

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

Department of Aging Fund - This fund accounts for various federal and state grants as well as transfers from the General fund used to provide public assistance to senior citizens, pay their providers of medical assistance, and for certain public social services.

Debt Service Fund – This fund accounts for note proceeds and transfers from the General fund to make the debt payments on funding used to renovate the building known as the Williams County Community Building. The fund also receives rental income from the various offices within the building.

Other governmental funds of the County are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (b) for the accumulation of resources for, and the repayment of, general long-term debt principal, interest, and related costs and; (c) for grants and other resources, the use of which is restricted to a particular purpose.

**Proprietary Funds:**

These funds are 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. The County classifies these as enterprise funds. The following are the County's Enterprise funds:

Hillside Country Living Nursing Home Fund – This fund accounts for the user charges and expenses of maintaining the County home.

Sanitary Sewer Fund – This fund accounts for the user charges and expenses of maintaining the sewer lines and facilities of the County.

**Fiduciary Funds:**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's only fiduciary funds are agency funds which account for monies held for other governments and undistributed assets.

WILLIAMS COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basis of Presentation and Measurement Focus

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statement of Activities – This statement displays information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The government-wide statement of activities compares disbursements with program receipts for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. These disbursements are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the County. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the cash basis or draws from the general receipts of the County.

Fund Financial Statements – Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating transactions from nonoperating transactions. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating transactions of the County's proprietary funds are charges for sales and services and include personnel and other disbursements related to the operations of the enterprise activity. All other receipts and disbursements not meeting these definitions are reported as nonoperating transactions.

Basis of Presentation

Although the Ohio Administrative Code § 117-2-03(B) requires the County's financial report to follow generally accepted accounting principles, the County chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. This is a comprehensive basis of accounting other than generally accepted accounting principles.

The County's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

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

**D. Budgetary Process**

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, are legally 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 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 2014.

**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, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**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**

The County is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

**Lapsing of Appropriations**

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not reappropriated.

**E. Cash and Investments**

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

Cash and cash equivalents that are held separately within departments of the County are recorded as "Cash and Cash Equivalents in Segregated Accounts".

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2014, the County invested in nonnegotiable certificates of deposit, negotiable certificates of deposit, and repurchase agreements. Investments are reported a cost.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General fund during 2014 were \$84,927 which includes \$57,903 assigned from other County funds.

**F. Restricted Assets**

Cash and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Creditors, contributors, grantors, laws of other governments, or enabling legislation are the source of the restrictions.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**G. Inventory and Prepaid Items**

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets and Depreciation**

Acquisition of property, plant, and equipment purchased are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements but are included in Note 19 as additional information.

Capital asset values initially were determined at December 31, 1991, assigning original 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 capital assets are estimated at 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 included in the value of capital assets. Depreciation has not been reported for any capital assets.

Public domain (infrastructure) consists of sewer lines constructed from 2001 through the present.

**I. Interfund Receivables / Payables**

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**J. Compensated Absences**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the County (See Note 2.A.) but are included as additional information in Note 18.

The note reports the accrual of vacation benefits earned if the employees 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 reported in the note as an accrual using the termination method. The amount is based on an estimate of the amount of accumulated sick leave that will probably be paid as termination benefits. There are no amounts restricted by enabling legislation.

**K. Employer Contributions to Cost-Sharing Pension Plans**

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

WILLIAMS COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

L. Long-Term Obligations

Bonds and other long-term obligations are not recognized as a liability in the financial statements under the cash basis of accounting. These statements report proceeds of debt when cash is received and debt service disbursements for debt principal payments. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily include activities involving the upkeep of the County's roads and bridges, various mental health services, child support and welfare services, services for the handicapped and mentally handicapped, and activities of the County's courts. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. There are no amounts restricted by enabling legislation.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Nonspendable** - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

**Restricted** - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**O. Interfund Activity**

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchasing funds. Non-exchange flows of cash from one fund to another are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the basic financial statements.

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balance (Budgetary Basis) presented for the General, Auto and Gas, Enrichment Center, Job and Family Services, and Department of Aging funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than reservations of fund balances (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$125,189 for the General fund; \$182,001 for the Auto and Gas fund; \$32,435 for the Job and Family Services fund; and \$24,271 for the Department of Aging fund. The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statement for the General fund:

Fund Cash Balance	
	General Fund
Cash Basis	\$5,489,047
Funds Budgeted Elsewhere	(560,827)
Adjustment for Encumbrances	(125,189)
<b>Budget Basis</b>	<b>\$4,803,031</b>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds (Recorders Equipment and Certificate of Title funds) are considered part of the General fund on the cash basis.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

Monies held by the County which are not considered active are classified as inactive. Beginning June 15, 2004, inactive monies could be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds;
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 simultaneously exchange either securities or cash, equal value for equal value;
9. Up to twenty-five percent of the County's average portfolio in either of the following
  - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase.
  - b. Bankers' acceptances eligible for purchases by the Federal Reserve System and which mature within 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency of instrumentality, and/or highly rated commercial paper; and,

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)**

12. Up to one percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. With the exception of bankers' acceptances and commercial paper and corporate notes, all other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions.

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.

At year end, the County had \$162,544 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

At fiscal year-end, the carrying amount of the County's deposits was \$13,931,711 and the bank balance was \$14,134,511. Of the bank balance, \$9,171,491 was covered by federal depository insurance, \$750,000 was collateralized but uninsured, and \$4,213,020 was exposed to custodial credit risk because those deposits were uninsured and collateralized held by the pledging financial institution's trust department or agent, but not in the County's name. Ohio Revised Code § 135.18 states the County must require a depository to provide as security an amount equal to the funds on deposit at all times.

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

Investments

As of December 31, 2014, the County had the following investments.

	Balance at Cost	Maturity (years)	
		Less Than 1	1 - 5
Repurchase Agreement Secured by Federal National Mortgage Association	\$ 2,897,665	\$ 2,897,665	
Repurchase Agreement Secured by Federal Home Loan Mortgage Corp	5,124,174	5,124,174	
Negotiable Certificates of Deposit	745,020		\$ 745,020
Total	\$ 8,766,859	\$ 8,021,839	\$ 745,020

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)**

Interest Rate Risk - The County's investment policy addresses interest rate risk by establishing the maximum stated final maturity of a security at no more than five years from the date of purchase. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity. State statute limits investments in commercial paper to a maximum maturity of 180 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk – The securities underlying the repurchase agreements carry the highest ratings by Moody's (Aaa) and Standard and Poors (AA+).

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The repurchase agreement and negotiable certificates of deposit are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the County's name. The County's investment policy does not address investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk - The County's investment policy places no limit on the amount it may invest in any one issuer; however, state statute limits investments in commercial paper and bankers' acceptances to 25 percent of the interim monies available for investment at any one time. The County's investments are limited to the repurchase agreement.

**NOTE 5 – INTERFUND TRANSFERS**

Interfund cash transfers for the year ended December 31, 2014 were as follows:

	Transfers <u>In</u>	Transfers <u>Out</u>
Governmental Activities:		
General	\$ 99,288	\$ 1,068,508
Debt Service - East Annex	500,000	
Other Governmental Funds:		
Debt Service - Bona Vesta		97,470
Debt Service - Ditch 40		1,818
Capital Projects - East Annex	468,508	
Capital Projects - Construction	<u>100,000</u>	
	<u>\$ 1,167,796</u>	<u>\$ 1,167,796</u>

Transfers were used to move unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorization. Money transferred from the Bona Vesta Debt Service and Ditch 40 Debt Service funds was for repayment of project start-up funding from the General fund. The debt has been satisfied for these projects.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility 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 2012. 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 2014, the first payment was due February 15, with the remainder payable by July 20.

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. Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of 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.

The full tax rate for all County operations for the year ended December 31, 2014, was \$10.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

Real Property	\$ 657,341,430
Public Utility	<u>24,373,610</u>
Total Assessed Value	<u>\$ 681,715,040</u>

**NOTE 7- 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 Office of Budget and Management (OBM) 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. OBM then has five days in which to draw the warrant payable to the County.

In 2003, the County Commissioners, by resolution, imposed an additional .5 percent sales tax. Collection of the sales tax began on October 1, 2003.

Proceeds of the tax are credited entirely to the General fund. Sales and Use tax revenue for 2014 amounted to \$5,718,311.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 8 - 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 2014, 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:

<u>Property</u>	
Building and Contents	Replacement Cost
Valuable Papers and Accounts Receivable	\$1,000,000
Extra Expense / Business Income	\$1,000,000
Electronic Data Processing Media/Extra Expense	\$250,000/\$25,000
Contractors Equipment	Replacement Cost
Fine Arts	Per Renewal Schedule
Property In Transit	\$100,000
Pollutant Cleanup/Removal	\$10,000
Flood and Earthquake	\$100,000,000
Auto Physical Damage	Actual Cash Value
Automatic Acquisition	\$5,000,000
Unintentional Omissions	\$250,000
Collapse	Replacement Cost
Equipment Breakdown	\$100,000,000
<u>Liability</u>	
Automobile Liability	\$1,000,000 Per Loss
Uninsured/Underinsured Motorists	\$250,000 Each Occurrence
General Liability	\$1,000,000 Per Loss
Law Enforcement Liability	\$1,000,000 Per Loss
Errors and Omissions Liability	\$1,000,000 Per Loss
Cyber Liability	\$1,000,000 Per Loss
<u>Crime</u>	
Employee Dishonesty/Faithful Performance	\$1,000,000 Per Loss
Money and Securities (inside)	\$1,000,000 Per Loss
Money and Securities (outside)	\$1,000,000 Per Loss
Depositor's Forgery	\$1,000,000 Per Loss
Money Orders and Counterfeit Currency	\$1,000,000 Per Loss
Fund Transfer Fraud	\$500,000 Per Loss
Computer Fraud	\$500,000 Per Loss
Individual Public Official Bond Excess	\$250,000 Per Loss

With the exceptions of health insurance, life insurance, and workers' compensation, all insurance is held with CORSA (See Note 15). The County pays all elected officials' bonds by statute. Settled claims have not exceeded this commercial coverage in the past three years.

WILLIAMS COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)

**NOTE 8 - RISK MANAGEMENT – (Continued)**

CORSA reported the following summary of actuarially-measured liabilities and assets available to pay those liabilities as of April 30 (CORSA's fiscal year end):

	<u>2014</u>	<u>2013</u>
Cash and Investments	\$ 98,454,507	\$ 91,414,917
Actuarial liabilities	\$ 22,146,284	\$ 20,500,000

**B. Workers Compensation Group Rating Program**

For 2014, the County participated in the County Commissioners' Association Organization Workers' Compensation Group Rating Program (the Program), an insurance purchasing pool (Note 15).

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. In 2014, the County remitted \$3,386 to CCAO Service Corporation for this administration.

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. County Employee Benefits Consortium of Ohio**

The County participates in the County Employee Benefits Consortium of Ohio (CEBCO) which is a group purchasing consortium available to county governments in Ohio. The County pays annual premiums into the program for medical, dental, and prescription drug. CEBCO has an agreement with the County Risk Sharing Authority (CORSA) AAA and the County Commissioners Association of Ohio (CCAO) to provide administrative services for claims processing. In 2014, the County remitted \$3,120,788 to CEBCO.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

**A. Public Employees Retirement System**

Plan Description - The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional pension plan.

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2014, members in state and local classifications contributed 10.00% of covered payroll; public safety members contributed 12.00 percent, and law enforcement members contributed 13.00 percent.

The County's contribution rate for 2014 was 14.00 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 18.10 percent of payroll. The portion of employer contributions allocated to healthcare for members in the traditional plan was 2.00 percent during calendar year 2014. The portion of employer contributions allocated to health care for members in the combined plan was 2.00 percent during calendar year 2014. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the County of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 were \$1,488,319 \$1,583,382, and \$1,200,398 respectively. The full amount has been contributed for 2014, 2013, and 2012.

**B. State Teachers Retirement System of Ohio**

Plan Description - The County participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS – (Continued)**

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 9.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service credit; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2014 (the latest information available), plan members are required to contribute 11 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations through June 30, 2014. Effective July 1, 2014, 14 percent was the portion used to fund pension obligations. For fiscal year 2013, the portion used to fund pension obligations was 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013, and 2012 were \$9,840, \$16,781, and \$15,576 respectively. The full amount has been contributed for 2014, 2013, and 2012.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

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

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 10 - POSTEMPLOYMENT BENEFITS – (continued)**

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014, local government employers contributed 14.00 percent of covered payroll (18.10 percent of for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare for members in the traditional plan was 2.00 percent during calendar year 2014. The amount of the employer contributions allocated to healthcare for members in the combined plan was 2.00 percent during calendar year 2014. The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment healthcare plan.

The County's required contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2014, 2013, and 2012 were \$242,947, \$119,300, and \$468,061 respectively. The full amount has been contributed for 2014, 2013, and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**B. State Teachers Retirement System of Ohio**

Plan Description – The County contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Through June 30, 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. Effective July 1, 2014, 0 percent of covered payroll was allocated to post-employment health care. The County's contributions for health care for the fiscal years ended December 31, 2014, 2013, and 2012 were \$387, \$1,291, and \$1,198 respectively. The full amount has been contributed for 2014, 2013, and 2012.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 11 - LONG-TERM DEBT**

The County's debt obligations at year end consist of the following:

	Interest Rates	Balance at 12/31/13	Increase	Decrease	Balance at 12/31/14	Amounts Due in One Year
Governmental Activities:						
OWDA Loans	0%-6.13%	\$ 3,522,272		\$ 286,129	\$ 3,236,143	\$ 302,073
USDA Special Assessment Bonds	5.13%	694,141		16,495	677,646	17,340
USDA Revenue Bonds	4.63%-5.13%	884,780		12,674	872,106	12,965
Court of Appeals Loan	4.16%	163,718		13,298	150,420	13,952
OPWC Loans	0%	128,422		85,615	42,807	42,807
Total Governmental Activities		5,393,333		414,211	4,979,122	389,137
Business-Type Activities:						
USDA Revenue Bonds	5.00%	4,201,000		178,000	4,023,000	187,000
Total Business-Type Activities		4,201,000		178,000	4,023,000	187,000
Total Long-Term Obligations		\$ 9,594,333		\$ 592,211	\$ 9,002,122	\$ 576,137

The Ohio Public Works Commission (OPWC) loans were obtained for road resurfacing projects. Repayment of debt will be made from the Auto and Gas fund which is designated as a major fund.

The Ohio Water Development (OWDA) loans were obtained for wastewater improvement projects and are to be retired with general governmental revenues or special assessments. Repayment of debt is made from various debt service funds and the Sanitary Sewer enterprise fund.

The United States Department Agriculture (USDA) 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. Repayment of debt for the Nettle Lake Sewer Project is made from a debt service fund.

A portion of the USDA revenue bonds pledge sewer fund income derived from the acquired and constructed assets to pay debt service for the Nettle Lake and Melbern sanitary sewer projects. 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. 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. Repayment of debt is made from debt service funds and the Sanitary Sewer enterprise fund.

The remaining USDA revenue bonds were issued 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 enterprise 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 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. Repayment of debt is made from an enterprise fund.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 11 - LONG-TERM DEBT – (continued)**

The District Court of Appeals built a new courthouse and all local counties that utilize the court are obligated to pay a certain portion of the construction debt of \$9,441,223. For Williams County, its portion of the debt is \$411,637 which represents 4.36 percent of the construction debt. The construction debt consists of \$6,260,000 in principal and \$3,181,223 in interest. Debt payments are made from the General fund.

Under the basis of accounting utilized by the County (See Note 2A), debt obligations are not reported on the financial statements. Debt obligations are presented below for informational purposes only. The following is a summary of the County's total future annual debt service requirements, including interest, for debt obligations.

	2015	2016	2017	2018	2019	Thereafter	Total
<b>Governmental Activities:</b>							
OWDA Loans	\$ 449,301	\$ 449,301	\$449,301	\$449,301	\$449,301	\$1,768,344	\$ 4,014,849
USDA Special Assessment Bonds	52,069	52,069	52,069	52,069	52,069	885,182	1,145,527
USDA Revenue Bonds	54,465	54,142	54,818	54,448	54,078	1,479,135	1,751,086
Court of Appeals Loan	20,515	20,393	20,472	20,742	20,728	83,552	186,402
OPWC Loans	42,807						42,807
<b>Total Governmental Activities</b>	<b>619,157</b>	<b>575,905</b>	<b>576,660</b>	<b>576,560</b>	<b>576,176</b>	<b>4,216,213</b>	<b>7,140,671</b>
<b>Business-Type Activities:</b>							
USDA Revenue Bonds	388,150	387,325	387,050	387,800	388,000	3,877,079	5,815,404
<b>Totals</b>	<b>\$1,007,307</b>	<b>\$ 963,230</b>	<b>\$963,710</b>	<b>\$964,360</b>	<b>\$964,176</b>	<b>\$8,093,292</b>	<b>\$12,956,075</b>

**Conduit Debt**

There are several series of Hospital Facility Revenue Bonds for facilities used by private corporations and other entities with the aggregate original issue amount of \$50,800,774. The bonds do not represent or constitute debt or pledge of faith and credit of the taxing power of the County nor is the County obligated in any way to pay debt charges on these debt issues from its resources. The debt has been excluded entirely from the County's debt presentation.

**NOTE 12 – SHORT-TERM DEBT**

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

	Balance at 12/31/13	Increase	Decrease	Balance at 12/31/14
<b>Governmental Activities:</b>				
Building Improvement Notes, Series 2013	\$3,500,000		\$3,500,000	
Building Improvement Notes, Series 2014		\$3,000,000		\$3,000,000
<b>Total Short-Term Obligations</b>	<b>\$3,500,000</b>	<b>\$3,000,000</b>	<b>\$3,500,000</b>	<b>\$3,000,000</b>

The Building Improvement Notes, Series 2014 were issued in anticipation of the issuance of bonds for the purpose of renovating county facilities.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS**

**A. 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.

**B. Maumee Valley Planning Organization**

The County is a member of the Maumee Valley Planning Organization (MVPO), a jointly governed organization between Defiance, Fulton, Henry, Paulding, and Williams counties. MVPO is an organization established to improve the social and economic conditions of the region through development and conservation. MVPO is governed by a fifteen member executive council composed of the three county commissioners, the mayor of the largest municipality, three mayors selected by the committee of mayors that represent the incorporated cities and villages, the township trustee association president, the regional planning commission chairman, and two members at large to represent business, industry, labor, agricultural, low income, minority groups, education, and consumer protection activities.

The County provides resources to the executive council based on a membership fee and services provided to the County. MVPO exercises total control over the operation of MVPO including budgeting, contracting, and designating management. The County has no ongoing financial interest or responsibility for MVPO. In 2014, the County contributed \$53,356 in dues and loan and grant administrative fees. Financial records can be obtained from Brett Kolb, Fulton County Auditor, 152 South Fulton Avenue, Suite 165, Wauseon, Ohio 43567-3310.

**NOTE 14 - JOINT VENTURES WITHOUT EQUITY INTEREST**

**A. Corrections Commission of Northwest Ohio**

The Corrections Commission of Northwest Ohio (CCNO) is a joint venture between Defiance, Fulton, Henry, Lucas, and Williams counties and the City of Toledo.

CCNO provides additional jail space for convicted criminals in the five counties and the City of Toledo and is a correctional center for the inmates. CCNO was created in 1986 and construction was finished and occupancy taken December 31, 1991. CCNO is governed by a Commission Team of eighteen members; one judge, one chief law enforcement officer, and one county commissioner or administrative official from each entity.

The Commission Team exercises total control over the operation of CCNO including budgeting, contracting, and designating management. The continued existence of the CCNO is dependent upon the continued participation of Williams County. The County has no ongoing interest or responsibility for CCNO. In 2014, the County contributed \$1,505,679 for CCNO's operations. Complete financial statements can be obtained from the Corrections Commission of Northwest Ohio, 03151 County Road 24.25, Stryker, Ohio 43557.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 14 - JOINT VENTURES WITHOUT EQUITY INTEREST – (Continued)**

**B. Northwest Ohio Juvenile Detention, Training, and Rehabilitation Center**

The Northwest Ohio Juvenile Detention, Training, and Rehabilitation Center (the Center) is a joint venture between Defiance, Fulton, Henry, and Williams counties. The Center provides a detention facility for juveniles in the four counties. The Center was created in 1996 and construction was finished and occupancy taken in January 2000.

The District is governed by a Board of Trustees made up of thirteen members, three from each County and one at-large. The Board of Trustees exercises total control over the operation of the Center including budgeting, contracting, and designating management. The County has no ongoing financial interest or responsibility for the Center. Continued existence of Northwest Ohio Juvenile Detention Training and Rehabilitation Center is dependent upon the continued participation of Williams County. In 2014, the County contributed \$242,569 for the Center's operations. Completed financial statements can be obtained from Brett Kolb, Fulton County Auditor, 152 South Fulton Avenue, Suite 165, Wauseon, Ohio 43567-3310.

**C. 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.

**D. 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 Development Disabilities (DD). Quadco, in conjunction with the county Boards of DD, assesses the needs of adult mentally challenged and developmentally disabled residents in each County and sets priorities based on the available funds. The County provides resources to Quadco based on units of service provided to it.

The County contracted with the Northwest Ohio Waiver Administration Council (NOWAC) to provide services including administration of payments to Quadco. For the year ended December 31, 2014, the County remitted \$2,123,347 through NOWAC, as well as \$10,477 directly to Quadco to supplement its operations.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 14 - JOINT VENTURES WITHOUT EQUITY INTEREST – (Continued)**

Quadco operates autonomously from the County and the County has no financial responsibility of the operations of Quadco. Should Quadco dissolve, the property and equipment of the corporation would revert back to the four counties. This access to the net resources of Quadco has not been explicitly defined, nor is it currently measurable. Complete financial statements for Quadco can be obtained from Terry Fruth, CFO, Quadco Rehabilitation Center, 427 North Defiance Street, Stryker, Ohio 43557.

**E. Four County Board of Alcohol, Drug Addiction, and Mental Health Services**

The Four County Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMHS Board) 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 governing board of the ADAMHS Board 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 governing board exercises total control over the operation of the ADAMHS Board including budgeting, contracting, and designating management.

The main sources of revenue of the ADAMHS 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 ADAMHS Board. The ADAMHS Board operates autonomously from the County and the County has no financial responsibility for the operations of the ADAMHS Board. The County does have indirect access to the net resources of the ADAMHS Board. In the event the County withdrew from the ADAMHS Board, it would be entitled to a share of the state and federal grants that are currently being received by the ADAMHS Board. This access to net resources of the ADAMHS Board has not been explicitly defined nor is it currently measurable. In 2014, the County contributed \$866,490 in property taxes to the ADAMHS Board's operations. Complete financial statements can be obtained from Jill R. Little, Defiance County Auditor, 221 Clinton Street, Defiance, Ohio 43512.

**F. Multi-Area Task Force**

The Multi-Area Task Force (Task Force) is a joint venture among Defiance, Williams, Fulton, and Putnam counties and Defiance and Bryan City. The Task Force is jointly controlled by the chief law enforcement officer of each respective entity. The main source of revenue for the Task Force is from federal grants and local matching funds from the entities. The County has no ongoing financial interest or responsibility for the Task Force. In 2014, the County contributed \$0 to the Task Force's operations. Information can be obtained from the Defiance County Sheriff's Office, 113 Beide Street, Defiance, Ohio 43512.

**NOTE 15 - GROUP INSURANCE POOLS**

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

The County Risk Sharing Authority, Inc. is an Ohio nonprofit corporation established by forty-six counties for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 15 – GROUP INSURANCE POOLS - (Continued)**

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.

**B. 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 § 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 and 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.

**C. County Employee Benefits Consortium of Ohio**

The County participates in the County Employee Benefits Consortium of Ohio (CEBCO) which is a group purchasing consortium available to county governments in Ohio. CEBCO was established in February 2004 pursuant to Articles of Incorporation file under Chapter 1702 of the Ohio Revised Code – Non-Profit Corporations. CEBCO was formed by the County Commissioners Association (CCAO) to provide cost effective employee benefit programs for counties in Ohio. CEBCO provides the following insurance programs:

- Medical Insurance – Anthem Blue Cross and Blue Shield
- Dental Insurance – Delta Dental
- Prescription Drug – ExpressScripts

CEBCO is governed by a board comprised of representatives of counties that participate in the program. The board will consist of not less than nine (9) or more than fifteen (15) directors. Two-thirds of the directors shall be county commissioners of member counties and the remaining one-third shall be employees of the member counties. Each member of the consortium signs a Participation Agreement and is committed to the consortium for at least three years in order to ensure stability of the program.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 16 - RELATED ORGANIZATIONS**

**A. Williams Metropolitan Housing Authority**

The Williams Metropolitan Housing Authority (the Housing Authority) was created under the authority of § 3735.27 of the Ohio Revised Code. The Housing Authority is governed by a five member board, one of which is (each) appointed by the Williams County Commissioners, the Probate Judge, and by the Common Pleas Judge respectively. Williams County is not financially accountable for the activities of the Housing Authority. Financial information can be obtained from the Williams Metropolitan Housing Authority, Mary Jo Sands, Executive Director, at 1044 Chelsea, Napoleon, Ohio 43545.

**B. 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, Zoe McMaster, Clerk-Treasurer, at 107 East High Street, Bryan, Ohio 43506-1702.

**C. Williams County Regional Airport Authority**

The Williams County Regional Airport Authority (the Airport Authority) was created by resolution of the County Commissioners under the authority of Chapter 308 of the Ohio Revised Code. The Airport Authority is governed by a seven member Board of Directors appointed by the County Commissioners. The Board of Directors has the authority to exercise all the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Williams County Auditor services as the fiscal officer for the Airport Authority and the County Commissioners are the administrators of all airport grants.

Although the County has no obligation to provide financial resources to the Airport Authority, the County Commissioners have, in prior years, allocated certain funds to the Airport Authority. In 2014, the County contributed \$140,333 to the Airport Authority for operating expenses.

**D. Williams County Port Authority**

The Williams County Port Authority (the Port Authority) was created by resolution of the County Commissioners under the authority of Chapter 4582 of the Ohio Revised Code. The Port Authority was created to support the creation of jobs and employment opportunities and to improve economic welfare of Williams County residents.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 16 - RELATED ORGANIZATIONS - (Continued)**

The Port Authority is governed by a Board of Directors comprised of seven members, each of whom serves a term of four years. All members of the Board of Directors are appointed by this Board except for the two members recommended by the Mayor of the City of Bryan. The Board of Directors has the authority to exercise all the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Port Authority serves as custodian of its own funds and maintains all records and accounts independent of Williams County. Williams County has no obligation to provide financial resources to the Port Authority. There were no contributions to the Port Authority in 2014.

**NOTE 17 - CONTINGENCIES**

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.

The County is a defendant in some lawsuits. Although management cannot presently determine the outcome of these suits, it believes the resolution of these matters will not materially or adversely affect the County's financial condition.

**NOTE 18 – COMPENSATED ABSENCES**

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County.

Accumulated, unused sick leave is paid, up to a maximum of 90 days, depending on length of service of the employee who retires. As of December 31, 2014, the liability for compensated absences was \$895,966 for the entire County.

**NOTE 19 – CAPITAL ASSETS**

A summary of the capital assets at December 31, 2014 is as follows:

	Governmental Funds	Enterprise Funds	Total All Funds
Land	\$ 965,743	\$ 336,017	\$ 1,301,760
Land Improvements	4,839,937	395,599	5,235,536
Building and Improvements	16,118,091	9,301,780	25,419,871
Machinery, Furniture, and Equipment	5,416,903	903,418	6,320,321
Vehicles	4,417,435	462,635	4,880,070
Infrastructure		16,517,233	16,517,233
<b>Total</b>	<b>\$ 31,758,109</b>	<b>\$ 27,916,682</b>	<b>\$ 59,674,791</b>

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 20 – INTERFUND RECEIVABLES / PAYABLES**

Under the basis of accounting utilized by the County (See Note 2A.), capital asset balances are not reported on the financial statements. Capital asset balances are presented above for informational purposes only.

Interfund balances at December 31, 2014 consisted of \$28,125 owed to the General fund from the Melbern Sewer Capital Project fund, \$10,000 owed to the General fund from the Moving Ohio Forward Demolition Special Revenue fund, and \$40,000 owed to the General fund from the Northwest Water District Agency fund.

The balance due to the General fund includes loans made to the Melbern Sewer Capital Project fund to cover the County's contribution for the project and will be paid back from tap fees and collections for monthly charges. The balance due from the Moving Ohio Forward Demolition Special Revenue fund includes loans made for initial funding of this grant. This grant is now complete and the General fund was reimbursed the balance of \$10,000 in February 2015. The balance due from the Northwest Water District Agency fund includes loans made for project and operation expenses and will be paid back from user charges.

**NOTE 21 - FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented on the following page:

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)**

**NOTE 21 - FUND BALANCE – (Continued)**

<b>Fund Balance</b>	<b>General</b>	<b>Auto and Gas</b>	<b>and Enrichment Center</b>	<b>Job and Family Services</b>	<b>Department of Aging</b>	<b>Debt Service Fund</b>	<b>Other Governmental</b>	<b>Total Governmental Funds</b>
Nonspendable For:								
Unclaimed Funds	\$65,858							\$65,858
Restricted For:								
Legislative & Executive Programs							\$862,282	862,282
Judicial Programs							652,467	652,467
Public Safety Programs							134,894	134,894
Public Works Projects		\$2,664,524					389,821	3,054,345
Human Service Programs			\$957,743	\$211,690	\$274,122		485,279	1,928,834
Economic Development							699,279	699,279
Health Programs							52,226	52,226
Debt Service						\$579,140	412,425	991,565
Capital Projects							8,762	8,762
Total Restricted		2,664,524	957,743	211,690	274,122	579,140	3,697,435	8,384,654
Committed For:								
Capital Projects							5,530	5,530
Health Programs							637,558	637,558
Total Committed							643,088	643,088
Assigned for:								
Subsequent Year's Budget Deficit	694,284							694,284
Unpaid Obligations (encumbrances)	133,385							133,385
Capital Projects							217,195	217,195
Total Assigned	827,669						217,195	1,044,864
Unassigned	4,595,520							4,595,520
<b>Total Fund Balance</b>	<b>\$5,489,047</b>	<b>\$2,664,524</b>	<b>\$957,743</b>	<b>\$211,690</b>	<b>\$274,122</b>	<b>\$579,140</b>	<b>\$4,557,718</b>	<b>\$14,733,984</b>

WILLIAMS COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)

**NOTE 22 – CONTRACTUAL COMMITMENTS**

As of December 31, 2014, the County had the following outstanding contractual purchase commitments for demolition projects for the Moving Ohio Forward Demolition grant, road and bridge improvements, Community Development Block Grant projects, courthouse facility condition assessment, and various real estate appraisal related services.

<u>Vendor</u>	<u>Amount</u>	<u>12/31/2014</u>	<u>Balance</u>
Bowser-Morner	\$ 6,480		\$ 6,480
Garmann Miller & Associates	18,500	\$ 13,875	4,625
Northwest Consultants	39,338	35,404	3,934
Oberlin Farms Demolition	5,900		5,900
Pictometry	60,161	40,174	19,987
Thiel Construction	12,500		12,500
Total	<u>\$ 142,879</u>	<u>\$ 89,453</u>	<u>\$ 53,426</u>

**NOTE 23 – SUBSEQUENT EVENTS**

The building improvement notes stipulated in Note 12 above were renewed on July 28, 2015 for \$2,500,000.

**NOTE 24 – OTHER CASH RECEIPTS**

Department of Aging Other cash receipts primarily consisted of \$242,300 in project income related to receipts for meals served at the County's senior centers and delivered to home bound seniors within the County.

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**WILLIAMS COUNTY**  
**FEDERAL AWARDS EXPENDITURE SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**FEDERAL GRANTOR**

<i>Pass Through Grantor Program Title</i>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Disbursements</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<b><i>Direct Assistance</i></b>			
Conservation Reserve Program	12650325	10.069	\$ 15,014
<b>Total U.S. Department of Agriculture</b>			<b>15,014</b>
<b>U.S. DEPARTMENT OF LABOR</b>			
<b><i>Passed Through Montgomery County WIA Area 7</i></b>			
<u>Workforce Investment Act (WIA) Cluster</u>			
WIA - Adult Program	2013-7186-1 / 2014-7186-1	17.258	78,009
WIA - Adult Program Administrative		17.258	1,809
WIA - Ohio Means Jobs Branding		17.258	6,512
Total Adult Program			86,330
WIA - Youth Program	2013-7186-1 / 2014-7186-1	17.259	86,322
WIA - Dislocated Worker Program	2013-7186-1 / 2014-7186-1	17.278	44,941
WIA - Dislocated Worker Program Administrative		17.278	1,002
Total Dislocated Worker Program			45,943
<b>Total U.S. Department of Labor</b>			<b>218,595</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b><i>Passed Through The Area Office of Aging of Northwestern Ohio, Inc.</i></b>			
<u>Aging Cluster:</u>			
Special Programs for the Aging- Title III Part B - Grants for Supportive Services and Senior Centers		93.044	61,661
Nutrition Services Incentive Program (NSIP)		93.053	57,736
Title III Part C - Nutrition Services		93.045	47,363
Total Aging Cluster			166,760
<b><i>Passed Through the Ohio Department of Job and Family Services</i></b>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-1415-11-5447	10.561	216,958
Promoting Safe and Stable Families	G-1415-11-5447	93.556	24,986
Temporary Assistance for Needy Families	G-1415-11-5447	93.558	353,192
Child Support Enforcement	G-1415-11-5447	93.563	436,317
Child Care and Development Block Grant	G-1415-11-5447	93.575	34,873
Child Abuse-Neglect Prevention	G-1415-11-5447	93.590	858
Stephanie Tubbs Jones Child Welfare Services Program	G-1415-11-5447	93.645	439
Foster Care_Title IV-E	G-1415-11-5447	93.658	411,903
Adoption Assistance	G-1415-11-5447	93.659	38,368
Social Services Block Grant	G-1415-11-5447	93.667	311,511
Chafee Foster Care Independence Program	G-1415-11-5447	93.674	2,466
Medical Assistance Program	G-1415-11-5447	93.778	241,001
Total Passed Through Ohio Job and Family Services			2,072,872
<b><i>Passed Through Ohio Department of Developmental Disabilities</i></b>			
Social Services Block Grant (Title XX)		93.667	52,923
Medical Assistance Program (MAC)		93.778	58,260
Total Passed Through Ohio Department of Developmental Disabilities			111,183
Total All Social Services Block Grants - CFDA #93.667			364,434
Total All Medicaid Assistance Programs - CFDA #93.778			299,261

**WILLIAMS COUNTY**  
**FEDERAL AWARDS EXPENDITURE SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**FEDERAL GRANTOR**

<i>Pass Through Grantor Program Title</i>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Disbursements</b>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>2,350,815</b></u>
(Continued)			
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Ohio Development Services Agency</i>			
Community Development Block Grant (Formula)	B-F-13-1DA-1	14.228	75,460
Community Development Block Grant (Water and Sanitary Sewer)	B-W-13-1DA-1	14.228	62,193
Community Development Block Grant Revolving Loans		14.228	<u>30,597</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>168,250</b></u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Passed Through the Ohio Department of Public Safety Emergency Management Agency</i>			
Hazard Mitigation Grant	FEMA-DR-1805-OH	97.039	18,750
Emergency Management Performance Grant	13EMPGSPEC16 / EMW-2013-EP-00060-S01	97.042	27,076
Emergency Management Performance Grant	49072 / EMW-2013-EP-00060-S01	97.042	<u>26,729</u>
Total Emergency Management Performance Grant			53,805
Homeland Security Grant Program	35097 / EMW-2011-SS-00070	97.067	<u>14,310</u>
<b>Total U.S. Department of Homeland Security</b>			<u><b>86,865</b></u>
<b>ELECTION ASSISTANCE COMMISSION</b>			
<i>Passed Through the Ohio Secretary of State</i>			
Help America Vote Act Requirements Program		90.401	931
Voting Access for Individuals With Disabilities - Grants to States	06-SOS-HHHS-86	93.617	<u>7,644</u>
<b>Total Election Assistance Commission</b>			<u><b>8,575</b></u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Passed Through The Ohio Attorney General</i>			
Crime Victim Assistance	2012VAGENE129	16.575	43,237
Crime Victim Assistance	2015-VOCA-10201262	16.575	<u>10,418</u>
<b>Total U.S. Department of Justice</b>			<u><b>53,655</b></u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through the Ohio Department of Transportation</i>			
Highway Planning and Construction	81361	20.205	24,705
Highway Planning and Construction	97067	20.205	<u>16,480</u>
<b>Total U.S. Department of Transportation</b>			<u><b>41,185</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through the Ohio Department of Health</i>			
Special Education - Grants for Infants and Families (Help Me Grow)	08610021HG0514	84.181	<u>46,385</u>
<b>Total U.S. Department of Education</b>			<u><b>46,385</b></u>
<b>Total</b>			<u><b>\$ 2,989,339</b></u>

The accompanying notes are an integral part of this schedule.

WILLIAMS COUNTY

NOTES TO THE FEDERAL AWARDS EXPENDITURE SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2014

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditure Schedule (the Schedule) reports Williams County's (the County) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - SUBRECIPIENTS**

The County passes certain federal awards received from the Ohio Department of Job and Family Services to other governments or not-for-profit agencies (subrecipients). As Note A describes, the County reports expenditures of Federal awards to subrecipients when paid in cash. Workforce Investment Act (WIA) disbursements for the Youth Program (CFDA #17.259) in the amount of \$86,322 were paid to subrecipients who provided services to the County.

As a subrecipient, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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

The County has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County, passed through the Ohio Development Services Agency. The Schedule reports loans made and administrative costs as disbursements. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property or Uniform Commercial Filings (UCC) that collateralize machinery and equipment.

Activity in the CDBG revolving loan fund during 2014 is as follows:

Loans Receivable Balance, January 1, 2014	\$691,218
Loan Principal Repaid on Loans Issued Prior To 2014	(238,181)
Ending Loans Receivable Balance as of December 31, 2014	<u>\$453,037</u>
Cash Balance on Hand in the Revolving Loan Fund as of December 31, 2014	\$667,920
Program Expenditures:	
Revolving Loan Administrative Costs for 2014	\$24,082
Revolving Loan Other Costs for 2014	6,515
Other Grants Administered Through the CDBG 14.228 Program	137,653
Total CDBG 14.228 Program	<u>\$168,250</u>

WILLIAMS COUNTY

NOTES TO THE FEDERAL AWARDS EXPENDITURE SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2014, the County estimates \$24,723 to be uncollectible.

**NOTE D – HOME ASSISTANCE PROGRAMS**

The County utilizes CHIP funds for homebuyer down payment assistance and home rehabilitation to low-to-moderate income households and eligible persons. All funds granted to low-to moderate income applicants are in the form of a loan with declining “pay back” amounts. Per policy, 85% of the loan amount is deferred over a 10 year period and 15% of the original loan amount is recaptured at the time of property sale, transfer of ownership, or owner vacates the property that has been rehabilitated. The initial loan of this money is recorded as a disbursement on the accompanying Federal Awards Expenditure Schedule (the Schedule). There were no new loans to report for 2014. Loans repaid are treated as program income and are utilized to make additional loans subject to certain compliance requirements imposed by HUD, but are also included as disbursements on the Schedule.

These loans are collateralized by liens placed on the mortgages. At December 31, 2014, the amount of loans outstanding under this program is \$244,388.

**NOTE E - MATCHING REQUIREMENTS**

Certain federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**NOTE F – TRANSFERS BETWEEN FEDERAL PROGRAMS**

During fiscal year 2014, the County made allowable transfers of \$169,877 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent approximately \$353,192 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2014 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families (TANF)	\$523,069
Transfer to Social Services Block Grant (SSBG)	<u>(169,877)</u>
Total	<u>\$353,192</u>



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Williams County  
One Courthouse Square, Second Floor  
Bryan, Ohio 43506-1791

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio (the County) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 20, 2015, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the County's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our

audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

***Entity's Response to Findings***

The County's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the County's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

August 20, 2015



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Williams County  
One Courthouse Square, Second Floor  
Bryan, Ohio 43506-1791

To the Board of Commissioners:

### ***Report on Compliance for Each Major Federal Program***

We have audited Williams County, Ohio's (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Williams County's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal programs.

### ***Management's Responsibility***

The County's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Williams County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2014.

***Report on Internal Control Over Compliance***

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on *OMB Circular A-133* requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

August 20, 2015

**WILLIAMS COUNTY**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A -133 § .505**  
**DECEMBER 31, 2014**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Medical Assistance Program (Medicaid Title XIX) – CFDA #93.778 Child Support Enforcement – CFDA #93.563 Community Development Block Grant – CFDA #14.228
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2014-001**

**Material Noncompliance**

**Ohio Rev. Code § 117.38**, provides in part each public office, other than a state agency, shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

**Ohio Admin. Code § 117-2-03(B)**, which further clarifies the requirements of Ohio Revised Code § 117.38, requires the County to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

For 2014, the County prepared its financial statements on the cash basis of accounting in a format similar to financial statements prescribed by Governmental Accounting Standards Board Statement No. 34. This presentation differs from accounting principles generally accepted in the United States of America (GAAP). There would be variances on the financial statements between the County's accounting practice and GAAP, while presumably material, cannot be reasonably determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

We recommend the County take the necessary steps to ensure the financial report is prepared in accordance with generally accepted accounting principles.

**Officials' Response:**

Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

WILLIAMS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
 OMB CIRCULAR A -133 § .315 (b)  
 DECEMBER 31, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2013-001	Ohio Admin. Code § 117-2-03 (B) – for not reporting in accordance with generally accepted accounting principles.	No	Not corrected. Reissued as finding 2014-001 in this report.
2013-002	Ohio Rev. Code § 135.18 – for deposits not fully collateralized.	Yes	

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# Dave Yost • Auditor of State

## 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  
SEPTEMBER 15, 2015