FINANCIAL CONDITION
ALLEN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000

JIM PETRO
AUDITOR OF STATE
STATE OF OHIO

ALLEN COUNTY FINANCIAL CONDITION

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units - As of December 31, 2000	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Funds- For the Year Ended December 31, 2000	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual All Governmental Fund Types and Expendable Trust Funds- For the Year Ended December 31, 2000	10
Combined Statement of Revenues, Expenses, and Changes in Fund Equity All Proprietary Fund Types and Non-Expendable Trust Fund - Primary Government- For the Year Ended December 31, 2000	12
Combined Statement of Income, Expenses, and Changes in Fund Balance Discretely Presented Component Units- For the Year Ended December 31, 2000	13
Combined Statement of Revenues, Expenses, and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual All Proprietary Fund Types and Non-Expendable Trust Fund - Primary Government- For the Year Ended December 31, 2000	14
Combined Statement of Cash Flows All Proprietary Fund Types and Non-Expendable Trust Fund - Primary Government- For the Year Ended December 31, 2000	16
Combined Statement of Cash Flows - Discretely Presented Component Units- For the Year Ended December 31, 2000	17
Statement of Changes in Net Assets - Fiduciary Fund Type- For the Year Ended December 31, 2000	18
Notes to the General-Purpose Financial Statements	19
Schedule of Federal Awards Expenditures	62
Notes to the Schedule of Federal Awards Expenditures	64
Report of Independent Accountants on Compliance and on Internal Control Required by *Government Auditing Standards*	65
Report of Independent Accountants on Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance With OMB Circular A-133	67
Schedule of Findings	69

This page intentionally left blank.

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

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Allen County
301 North Main Street
Lima, Ohio 45801

To the Board of Commissioners:

We have audited the accompanying general-purpose financial statements of Allen County, (the County) as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of Marimor Industries, Inc. and LODDI, Inc., which represent 100 percent of the assets and revenues of the component unit column. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Marimor Industries, Inc. and LODDI, Inc. is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Marimor Industries, Inc. and LODDI, Inc. were not audited by the other auditors in accordance with *Government Auditing Standards.* An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Allen County, as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust fund, and statement of changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2001, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

July 18, 2001

This page intentionally left blank.

ALLEN COUNTY FINANCIAL CONDITION

COMBINED BALANCE SHEET-ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNITS AS OF DECEMBER 31, 2000

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets				
Equity in Pooled Cash and Cash Equivalents	$6,865,157	$20,939,812	$1,499,714	$5,754,995
Cash and Cash Equivalents in Segregated Accounts	988	301,574		
Investments in Segregated Accounts				
Receivables				
Taxes Receivable	4,465,843	4,950,940	99,300	583,424
Accounts	33,342	26,670		
Special Assessments		141,195	9,549,398	5,320,526
Accrued Interest	416,374			
Due from Other Funds	52,733	129,915		
Due from Other Governments	322,519	1,291,088		
Materials and Supplies Inventory	298,454	315,907		
Prepaid Items	232,422	1,453		
Unamortized Bond Issue Costs				
Loans Receivable	50,000	535,181		
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents				
Cash and Cash Equivalents with Trustees				
Advances to Other Funds	1,196,990	2,347,538		755,500
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)				
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds				
Amount Available in Debt Service Fund for Retirement of Special Assessment Bonds				
Amount to be Provided from General Government Resources				
Amount to be Provided from Special Assessments				
Total Assets and Other Debits	**$13,934,822**	**$30,981,273**	**$11,148,412**	**$12,414,445**

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Primary Government	Component Units	Reporting Entity
$2,446,650	$298,748	$12,801,886			$50,606,962		$50,606,962
	8,745	825,480			1,136,787	$202,883	1,339,670
						539,613	539,613
		78,041,308			88,140,815		88,140,815
1,223,416		6,970,489			8,253,917	119,748	8,373,665
		4,412,888			19,424,007		19,424,007
3,569					419,943		419,943
		9,135			191,783		191,783
		807,111			2,420,718		2,420,718
24,816					639,177		639,177
					233,875	14,291	248,166
109,056					109,056		109,056
		32,307			617,488		617,488
1,372,305					1,372,305		1,372,305
705,495					705,495		705,495
248,388					4,548,416		4,548,416
24,743,900			$63,013,698		87,757,598	767,229	88,524,827
				$306,479	306,479		306,479
				1,279,958	1,279,958		1,279,958
				27,086,606	27,086,606		27,086,606
				8,223,042	8,223,042		8,223,042
$30,877,595	**$307,493**	**$103,900,604**	**$63,013,698**	**$36,896,085**	**$303,474,427**	**$1,643,764**	**$305,118,191**

ALLEN COUNTY FINANCIAL CONDITION

COMBINED BALANCE SHEET-ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNITS AS OF DECEMBER 31, 2000 (Continued)

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits:				
Liabilities				
Accounts Payable	$234,695	$903,364		$8,818
Contracts Payable	52,307	22,456		40,764
Accrued Wages	502,300	739,024		
Compensated Absences Payable	66,226	53,251		
Retainage Payable		18,268		62,258
Due to Other Funds	37,416	151,782		2,585
Due to Other Governments	350,891	476,929		
Deferred Revenue	3,721,020	5,179,561	$9,549,398	5,757,750
Undistributed Assets				
Deposits Held and Due to Others				
Matured Interest Payable			5,042	
Accrued Interest Payable				236,181
Notes Payable				
Claims and Judgments Payable				
Payable from Restricted Assets:				
Revenue Bonds Payable				
Accrued Interest Payable				
Mortgages Payable				
Advances from Other Funds	1,970,500	497,500	7,535	2,072,881
Issue II Loans				
Capital Leases Payable				
General Obligation Bonds Payable				
Revenue Bonds Payable (Net of Unamortized Discount)				
Special Assessment Debt with Governmental Commitment				
Total Liabilities	6,935,355	8,042,135	9,561,975	8,181,237
Fund Equity and Other Credits:				
Investment in General Fixed Assets				
Contributed Capital				
Net Assets Held in Trust for Pool Participation				
Retained Earnings:				
Reserved:				
Reserved for Debt Service				
Reserved for Plant Improvement and Replacement				
Reserved for Operations				
Unreserved (Deficit)				
Fund Balance:				
Reserved for Encumbrances	379,966	4,669,998		676,723
Reserved for Inventory	298,454	315,907		
Reserved for Advances	1,196,990	2,347,538		755,500
Reserved for Contributions				
Reserved for Loans	50,000	535,181		
Unreserved	5,074,057	15,070,514	1,586,437	2,800,985
Total Fund Equity (Deficit) and Other Credits	6,999,467	22,939,138	1,586,437	4,233,208
Total Liabilities, Fund Equity and Other Credits	**$13,934,822**	**$30,981,273**	**$11,148,412**	**$12,414,445**

The notes to the financial statements are an integral part of this statement

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Primary Government	Component Units	Reporting Entity
$5,543					$1,152,420	$7,920	$1,160,340
3,415					118,942		118,942
44,403					1,285,727	19,085	1,304,812
74,033				$2,014,082	2,207,592		2,207,592
					80,526		80,526
					191,783		191,783
25,840		$87,662,013			88,515,673	516	88,516,189
					24,207,729		24,207,729
		12,988,052			12,988,052		12,988,052
		11,355			11,355		11,355
					5,042		5,042
34,792					270,973	1,531	272,504
				16,532,500	16,532,500		16,532,500
	$659,155				659,155		659,155
644					644		644
132					132		132
						217,683	217,683
					4,548,416		4,548,416
333,663				143,657	477,320		477,320
				74,846	74,846		74,846
				11,410,000	11,410,000		11,410,000
7,415,096					7,415,096		7,415,096
				6,721,000	6,721,000		6,721,000
7,937,561	659,155	100,661,420		36,896,085	178,874,923	246,735	179,121,658
			$63,013,698		63,013,698		63,013,698
15,372,577	300,000				15,672,577		15,672,577
		3,031,942			3,031,942		3,031,942
119,576					119,576		119,576
39,091					39,091		39,091
1,213,638					1,213,638		1,213,638
6,195,152	(651,662)				5,543,490		5,543,490
					5,726,687		5,726,687
					614,361		614,361
					4,300,028		4,300,028
		7,054			7,054		7,054
		32,307			617,488		617,488
		167,881			24,699,874	1,397,029	26,096,903
22,940,034	(351,662)	3,239,184	63,013,698		124,599,504	1,397,029	125,996,533
$30,877,595	**$307,493**	**$103,900,604**	**$63,013,698**	**$36,896,085**	**$303,474,427**	**$1,643,764**	**$305,118,191**

ALLEN COUNTY FINANCIAL CONDITION

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Governmental Fund Types				Fiduciary Fund Type	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Totals (Memorandum Only)
Revenues:						
Property Taxes	$3,901,518	$5,635,226		$489,768		$10,026,512
Permissive Sales Tax	9,858,877	310,800	$1,191,600	1,566,800		12,928,077
Charges for Services	2,987,038	4,780,060	78,103	17,215		7,862,416
Licenses and Permits	12,452	102,027				114,479
Fines and Forfeitures	163,688	276,617				440,305
Intergovernmental	3,619,478	24,411,102		952,167		28,982,747
Special Assessments		120,744	976,388	859,245		1,956,377
Investment Income	2,860,480	151,841	18,273	283,473	$2,641	3,316,708
Rental Income	506,656	420,860		27,867		955,383
Other	296,847	868,418	6	176,379	44,918	1,386,568
Total Revenues	24,207,034	37,077,695	2,264,370	4,372,914	47,559	67,969,572
Expenditures:						
Current						
General Government						
Legislative and Executive	7,199,277	878,405			49,199	8,126,881
Judicial	5,003,310	3,670,344				8,673,654
Public Safety	7,250,078	1,012,655				8,262,733
Public Works	395,005	4,964,268	1,500			5,360,773
Health	175,998	9,411,744				9,587,742
Human Services	1,005,492	12,859,893				13,865,385
Conservation and Recreation	657,626	989,875				1,647,501
Capital Outlay	121,154	1,132,709		4,418,769		5,672,632
Intergovernmental	95,700					95,700
Debt Service						
Principal Retirement	20,372	5,929	1,069,000	20,876,000		21,971,301
Interest and Fiscal Charges	10,033	262	1,035,040	615,838		1,661,173
Total Expenditures	21,934,045	34,926,084	2,105,540	25,910,607	49,199	84,925,475
Excess of Revenues Over (Under) Expenditures	2,272,989	2,151,611	158,830	(21,537,693)	(1,640)	(16,955,903)
Other Financing Sources (Uses)						
Proceeds of Notes				24,307,500		24,307,500
Sale of Fixed Assets		56,200		459,125		515,325
Inception of Capital Lease	34,076					34,076
Operating Transfers - In		704,003	4,382	1,431		709,816
Operating Transfers - Out	(434,002)	(270,000)		(3,089)		(707,091)
Total Other Financing Sources (Uses)	(399,926)	490,203	4,382	24,764,967		24,859,626
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,873,063	2,641,814	163,212	3,227,274	(1,640)	7,903,723
Fund Balances at Beginning of Year	5,122,948	20,353,559	1,423,225	1,005,934	189,331	28,094,997
Increase (Decrease) in Reserve for Inventory	3,456	(56,235)				(52,779)
Fund Balances at End of Year	**$6,999,467**	**$22,939,138**	**$1,586,437**	**$4,233,208**	**$187,691**	**$35,945,941**

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

This page intentionally left blank.

ALLEN COUNTY FINANCIAL CONDITION

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	$3,560,000	$3,901,518	$341,518	$5,389,800	$5,635,226	$245,426
Permissive Sales Tax	8,700,000	9,905,262	1,205,262	352,417	310,800	(41,617)
Charges for Services	2,498,410	3,127,124	628,714	3,911,546	4,745,917	834,371
Licenses and Permits	14,150	12,452	(1,698)	157,200	101,592	(55,608)
Fines and Forfeitures	151,500	170,630	19,130	200,500	275,476	74,976
Intergovernmental	2,763,881	3,069,201	305,320	27,799,764	22,800,566	(4,999,198)
Special Assessments				174,253	120,744	(53,509)
Investment Income	1,803,506	2,428,439	624,933		143,524	143,524
Rental Income	428,600	441,927	13,327	487,000	405,327	(81,673)
Other	33,000	63,068	30,068	307,939	335,147	27,208
Total Revenues	19,953,047	23,119,621	3,166,574	38,780,419	34,874,319	(3,906,100)
Expenditures:						
Current						
General Government						
Legislative and Executive	8,638,111	7,610,278	1,027,833	3,031,189	1,731,854	1,299,335
Judicial	5,326,386	5,040,972	285,414	5,536,248	4,128,289	1,407,959
Public Safety	7,568,907	7,311,874	257,033	1,126,223	953,167	173,056
Public Works	415,140	392,804	22,336	5,922,078	5,074,194	847,884
Health	239,849	229,586	10,263	11,319,594	9,345,491	1,974,103
Human Services	1,327,894	1,070,129	257,765	17,920,696	16,349,912	1,570,784
Conservation and Recreation	679,950	659,539	20,411	1,056,660	944,878	111,782
Other						
Capital Outlay	245,182	184,459	60,723	1,664,732	1,156,552	508,180
Intergovernmental	95,700	95,700				
Debt Service						
Principal Retirement						
Interest and Fiscal Charges						
Total Expenditures	24,537,119	22,595,341	1,941,778	47,577,420	39,684,337	7,893,083
Excess of Revenues Over (Under) Expenditures	(4,584,072)	524,280	5,108,352	(8,797,001)	(4,810,018)	3,986,983
Other Financing Sources (Uses):						
Other Financing Sources	394,313	209,573	(184,740)	530,300	505,315	(24,985)
Proceeds of Notes						
Sale of Fixed Assets				17,445	56,200	38,755
Advances - In	255,000	163,533	(91,467)	84,625	85,000	375
Advances - Out	(281,683)	(156,682)	125,001	(46,239)	(25,000)	21,239
Operating Transfers - In	82,000		(82,000)	928,025	704,003	(224,022)
Operating Transfers - Out	(593,575)	(434,002)	159,573	(425,604)	(270,000)	155,604
Total Other Sources (Uses)	(143,945)	(217,578)	(73,633)	1,088,552	1,055,518	(33,034)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,728,017)	306,702	5,034,719	(7,708,449)	(3,754,500)	3,953,949
Fund Balances at Beninning of Year	4,539,110	4,539,110		16,231,365	16,231,365	
Prior Year Encumbrances Appropriated	657,662	657,662		3,126,211	3,126,211	
Fund Balances at End of Year	**$468,755**	**$5,503,474**	**$5,034,719**	**$11,649,127**	**$15,603,076**	**$3,953,949**

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

Debt Service Funds			Capital Projects Funds			Expendable Trust Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			$489,803	$489,768	($35)			
$1,191,600	$1,191,600		960,000	1,540,000	580,000			
12,690	78,103	$65,413		715	715			
			8,614,514	1,007,029	(7,607,485)			
1,027,140	976,388	(50,752)	937,596	859,245	(78,351)			
	18,086	18,086	683,185	292,420	(390,765)	$2,000	$2,641	$641
			2,500	27,867	25,367			
2,000	6	(1,994)	238,610	93,036	(145,574)	52,000	47,478	(4,522)
2,233,430	2,264,183	30,753	11,926,208	4,310,080	(7,616,128)	54,000	50,119	(3,881)
						80,000	50,699	29,301
104,001	1,500	102,501						
			22,848,098	6,202,916	16,645,182			
1,082,292	1,079,000	3,292	24,787,343	24,561,000	226,343			
1,036,862	1,035,801	1,061	792,514	745,333	47,181			
2,223,155	2,116,301	106,854	48,427,955	31,509,249	16,918,706	80,000	50,699	29,301
10,275	147,882	137,607	(36,501,747)	(27,199,169)	9,302,578	(26,000)	(580)	25,420
			347,208	83,343	(263,865)			
			28,619,828	24,307,500	(4,312,328)			
			1,250,000	459,125	(790,875)			
			45,357	158,242	112,885			
			(456,838)	(223,534)	233,304			
6,745	4,382	(2,363)	496,431	1,431	(495,000)			
(6,745)		6,745	(305,070)	(3,089)	301,981			
	4,382	4,382	29,996,916	24,783,018	(5,213,898)			
10,275	152,264	141,989	(6,504,831)	(2,416,151)	4,088,680	(26,000)	(580)	25,420
1,346,291	1,346,291		4,149,776	4,149,776		155,964	155,964	
			3,257,405	3,257,405				
$1,356,566	**$1,498,555**	**$141,989**	**$902,350**	**$4,991,030**	**$4,088,680**	**$129,964**	**$155,384**	**$25,420**

ALLEN COUNTY FINANCIAL CONDITION

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND-PRIMARY GOVERNMENT
FOR THE YEAR ENDED DECEMBER 31, 2000

	Proprietary Fund Types		Fiduciary Fund Type	
	Enterprise	Internal Service	Non-Expendable Trust	Totals (Memorandum Only)
Operating Revenues:				
Charges for Services	$3,501,250	$2,133,803		$5,635,053
Tap-In Fees	321,409			321,409
Interest Income			$97	97
Intergovernmental	10,281			10,281
Other Operating Revenues	44,905	17,308		62,213
Total Operating Revenues	3,877,845	2,151,111	97	6,029,053
Operating Expenses:				
Personal Services	1,173,265			1,173,265
Contractual Services	516,957	147,845		664,802
Materials and Supplies	134,493	6,159		140,652
Claims		2,971,285		2,971,285
Depreciation	1,063,349			1,063,349
Total Operating Expenses	2,888,064	3,125,289		6,013,353
Operating Income (Loss)	989,781	(974,178)	97	15,700
Non-Operating Revenues (Expenses):				
Interest Income	56,543	40,780		97,323
Loss on Disposal of Fixed Assets	(27,680)			(27,680)
Interest and Fiscal Charges	(443,842)			(443,842)
Total Non-Operating Revenues (Expenses)	(414,979)	40,780		(374,199)
Net Income (Loss) Before Operating Transfers	574,802	(933,398)	97	(358,499)
Operating Transfers - Out	(2,725)			(2,725)
Net Income (Loss)	572,077	(933,398)	97	(361,224)
Depreciation on Fixed Assets Acquired by Contributed Capital	221,076			221,076
Retained Earnings/Fund Balance (Deficit) at Beginning of Year	6,774,304	281,736	19,454	7,075,494
Retained Earnings/Fund Balance at End of Year	7,567,457	(651,662)	19,551	6,935,346
Contributed Capital at Beginning of Year	14,602,122	300,000		14,902,122
Contributions During the Year from:				
Grants	100,000			100,000
Governmental Funds	836,955			836,955
Developers	54,576			54,576
Depreciation on Fixed Assets Acquired by Contributed Capital	(221,076)			(221,076)
Contributed Capital at End of Year	15,372,577	300,000		15,672,577
Total Fund Equity (Deficit) at End of Year	**$22,940,034**	**($351,662)**	**$19,551**	**$22,607,923**

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

ALLEN COUNTY FINANCIAL CONDITION

COMBINED STATEMENT OF INCOME, EXPENSES, AND CHANGES IN FUND BALANCES-DISCRETELY PRESENTED COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 2000

Income:	
Contracts	$835,711
Services	20,514
Grant Income	24,915
Rental Income	66,946
Interest Income	548
Other Income	947
Total Income	949,581
Expenses:	
Personal Services	567,287
Contract and Other Services	276,260
Materials and Supplies	30,348
Other Expenses	27,953
Interest	18,166
Depreciation	61,937
Total Expenses	981,951
Excess of Expenses Over Income	(32,370)
Other Income:	
Grant Income	60,806
Special Donations	168
Interest Income	44,840
Miscellaneous	4,576
Total Other Income	110,390
Excess of Income and Other Income Over Expenses	78,020
Fund Balance Beginning of Year	1,319,009
Fund Balance End of Year	$1,397,029

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

ALLEN COUNTY FINANCIAL CONDITION

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND-PRIMARY GOVERNMENT
FOR THE YEAR ENDED DECEMBER 31, 2000

	Enterprise Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	$3,332,400	$3,382,514	$50,114
Tap-In Fees	200,000	321,409	121,409
Intergovernmental		10,281	10,281
Interest Income	15,000	12,436	(2,564)
Other Revenue	3,000	18,988	15,988
Other Financing Sources	20	25,917	25,897
Total Revenues	3,550,420	3,771,545	221,125
Expenses:			
Personal Services	1,285,279	1,167,888	117,391
Contractual Services	1,451,419	689,378	762,041
Materials and Supplies	234,757	206,981	27,776
Claims			
Other	45,000		45,000
Capital Outlay	467,814	234,156	233,658
Debt Service			
Payment on Principal	255,276	255,276	
Interest and Fiscal Charges	417,510	395,689	21,821
Total Expenses	4,157,055	2,949,368	1,207,687
Excess of Revenues Over (Under) Expenses	(606,635)	822,177	1,428,812
Advances - Out	(1,559)	(1,559)	
Operating Transfers - In	2,267,600		(2,267,600)
Operating Transfers - Out	(3,362,231)	(2,725)	3,359,506
Excess of Revenues Over (Under) Expenses and Transfers and Advances	(1,702,825)	817,893	2,520,718
Fund Balance at Beginning of Year	2,637,547	2,637,547	
Prior Year Encumbrances Appropriated	174,493	174,493	
Fund Balance (Deficit) at End of Year	**$1,109,215**	**$3,629,933**	**$2,520,718**

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

Internal Service Fund			Non-Expendable Trust Fund		
Budget	**Actual**	**Variance Favorable (Unfavorable)**	**Budget**	**Actual**	**Variance Favorable (Unfavorable)**
$2,226,800	$2,264,204	$37,404			
100,000	44,064	(55,936)	$500	$97	($403)
210,000	17,308	(192,692)			
2,536,800	2,325,576	(211,224)	500	97	(403)
204,000	147,845	56,155			
9,000	6,159	2,841			
3,100,000	3,010,092	89,908			
300		300			
3,313,300	3,164,096	149,204			
(776,500)	(838,520)	(62,020)	500	97	(403)
800,000		(800,000)			
(900,000)		900,000			
(876,500)	(838,520)	37,980	500	97	(403)
1,135,406	1,135,406		12,401	12,401	
$258,906	**$296,886**	**$37,980**	**$12,901**	**$12,498**	**($403)**

ALLEN COUNTY FINANCIAL CONDITION

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND
PRIMARY GOVERNMENT
FOR THE YEAR ENDED DECEMBER 31, 2000

	Proprietary Fund Type		Fiduciary Fund Type	Totals
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum Only)
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities:				
Cash Received from Customers	$3,703,923	$508,977		$4,212,900
Cash Received from Other Governments	10,281			10,281
Cash Received from Quasi-External Transactions with Other Funds		1,625,392		1,625,392
Cash Payments to Employees for Services	(1,167,888)			(1,167,888)
Cash Payments for Contractual Services	(516,773)	(147,845)		(664,618)
Cash Payments for Materials and Supplies	(130,844)	(6,159)		(137,003)
Cash Payments for Claims		(3,010,092)		(3,010,092)
Other Cash Received	44,905	17,308		
Net Cash Provided by (Used for) Operating Activities	1,943,604	(1,012,419)		868,972
Cash Flows from Noncapital Financial Activities:				
Advances to other Funds	(1,559)			(1,559)
Operating Transfers to other Funds	(2,725)			(2,725)
Net Cash Used for Noncapital Financial Activities	(4,284)			(4,284)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(295,010)			(295,010)
Principal Paid on Revenue Bonds	(245,000)			(245,000)
Interest and Fiscal Charges Paid on Revenue Bonds	(434,617)			(434,617)
Principal Paid on OWDA Loans	(5,042)			(5,042)
Principal Paid on Issue II Loan	(5,234)			(5,234)
Net Cash Used for Capital and Related Financing Activities	(984,903)			(984,903)
Cash Flows from Investing Activities:				
Cash Received from Interest Earnings	55,931	40,780	$97	96,808
Net Increase (Decrease) in Cash and Cash Equivalents	1,010,348	(971,639)	97	(23,407)
Cash and Cash Equivalents at Beginning of Year	3,514,102	1,279,132	19,454	4,812,688
Cash and Cash Equivalents at End of Year	**$4,524,450**	**$307,493**	**$19,551**	**$4,789,281**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	$989,781	($974,178)	$97	$15,700
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities				
Depreciation	1,063,349			1,063,349
Interest Income			(97)	(97)
Change in Assets and Liabilities				
Increase in Accounts Receivable	(118,736)			(118,736)
Decrease in Inventory	6,900			6,900
Decrease in Accounts Payable	(6,482)			(6,482)
Increase in Contracts Payable	3,415			3,415
Increase in Accrued Wages	2,030			2,030
Increase in Compensated Absences	12,624			12,624
Decrease in Due to Other Governments	(9,277)			(9,277)
Decrease in Claims Payable		(38,241)		(38,241)
Net Cash Provided by (Used for) Operating Activities	$1,943,604	($1,012,419)		$931,185

Noncash Capital Financing Activities:

The Sewer Enterprise Fund received donated assets from developers, grants
and other funds with a fair market value of $54,576, $100,000, and $836,955, respectively.

Reconciliation of Cash and Cash Equivalents of Non-Expendable Trust Fund to Balance Sheet

Cash and Cash Equivalents - All Trust and Agency Funds	$13,627,366
Cash and Cash Equivalents - Expendable Trusts, Investment Trusts and Agency Funds	(13,607,815)
Cash and Cash Equivalents - Non-Expendable Trust Fund	**$19,551**

The notes to the finanical statements are an integral part of this statement.

ALLEN COUNTY FINANCIAL CONDITION

COMBINED STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2000

Increase in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Customers	$872,397
Interest Received	45,388
Donations Received	168
Rents and Grants Received	126,955
Cash Paid to Suppliers and Employees	(902,653)
Interest Paid	(18,166)
Miscellaneous Income	5,523
Net Cash Provided by Operating Activities	129,612
Cash Flows from Investing Activities:	
Proceeds from Certificates of Deposit	234,966
Purchase of Certificates of Deposit	(123,879)
Proceeds from Investments	46,182
Purchase of Investments	(57,867)
Purchase of Equipment	(254,750)
Net Cash Used for Investing Activities	(155,348)
Cash Flows from Financing Activities:	
Proceeds from Long-Term Debt	64,238
Payment of Long-Term Debt	(11,526)
Net Cash Provided by Financing Activities	52,712
Net Increase in Cash and Cash Equivalents	26,976
Cash and Cash Equivalents at Beginning of Year	175,907
Cash and Cash Equivalents at End of Year	$202,883
Reconciliation of Net Income to Cash Provided by Operating Activities	
Excess of Income and Other Income over Expenses	$78,020
Adjustments to Reconcile Excess of Income and Other Income Over Expenses Cash Provided by Operating Activities:	
Depreciation	61,937
Increase in Assets	
Accounts Receivable	(11,731)
Prepaid Expenses	2,191
Decrease in Liabilities	
Accounts Payable and Accrued Expenses	(1,841)
Accrued Interest Expense	1,036
Net Cash Provided by Operating Activities	**$129,612**

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

ALLEN COUNTY FINANCIAL CONDITION

STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000

	Investment Trust
Revenues:	
Interest Income	$241,266
Expenses:	
Operating Expenses	
Net Increase in Assets Resulting from Operations	241,266
Distribution to Participants	(238,972)
Capital Transactions	95,889
Total Increase in Net Assets	98,183
Net Assets Beginning of Year	2,933,759
Net Assets End of Year	**$3,031,942**

The notes to the financial statement is an integral part of this statement

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

1. REPORTING ENTITY AND BASIS OF PRESENTATION

A. The County

Allen County, Ohio (The County), was established in 1831. 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 who manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, two Common Pleas Court Judges, a Probate/Juvenile Court Judge, and a Domestic Relations Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the County, including each of these departments.

B. Reporting Entity

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Allen County, this includes the Children's Services Board, the Board of Mental Retardation and Developmental Disabilities (MRDD), the Veterans' Memorial Civic and Convention Center, the Lima-Allen County Joint Parking Commission, and all departments and activities that are directly operated by the elected County officials.

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

The component unit column in the combined financial statements identifies the financial data of the County's component units. They are reported separately to emphasize that they are legally separate from the County. The discretely presented component units of Allen County are:

Marimor Industries, Inc. - Marimor Industries, Inc. (the "Workshop") is a legally separate, non-profit organization served by a self-appointing board of trustees. The Workshop was incorporated in 1968 to provide an opportunity for employment, training, and supportive services for persons with developmental disabilities. The Allen County Board of MRDD provides the Workshop with expenses and personnel for operation of the Workshop including staff salaries and benefits and certain operating expenses and fixed assets. Based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to the retarded and handicapped adults of Allen County, the Workshop is reflected as a component unit of Allen County. Marimor Industries operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from Marimor Industries, Inc., 2450 Ada Road, Lima, Ohio 45801.

1. REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

LODDI, Inc. - LODDI, Inc. (Living Options for Developmentally Disabled Individuals) is a legally separate, non-profit organization served by a self-appointing board of trustees. LODDI was incorporated on December 1, 1992, to provide lifetime affordable housing to people in Allen County with developmental disabilities. Due to a significant portion of the organization's income being received from the Allen County Board of MRDD and because MRDD assumes the responsibility for debts upon dissolution of LODDI, LODDI, Inc. is reflected as a component unit of Allen County. LODDI operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from LODDI, Inc., 2450 Ada Road, Lima, Ohio 45801.

The County participates in the following joint ventures, jointly governed organizations, and insurance pool which are discussed in Notes 21, 22, and 23 to the combined financial statements.

Mental Health and Recovery Services of Allen, Auglaize, and Hardin Counties
Lima-Allen County Downtown Construction
Lima-Allen County Regional Planning Commission
Joint Solid Waste Management District
Job Training Partnership Consortium
Western Ohio Regional Treatment and Habilitation (WORTH) Center
Lima-Allen County Joint Parking Commission
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

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 legally separate agencies, boards and commissions listed below, the County serves as fiscal agent but the organizations are not considered a part of Allen County. Accordingly, the activity of the following districts and agencies are presented as agency funds, with the exception of the Joint Solid Waste Management District and Metropolitan Park Board, which are presented as internal investment trust funds, within the County's financial statements:

Mental Health and Recovery Services of Allen, Auglaize, and Hardin Counties
Allen County Soil and Water Conservation
District Board of Health
District Court of Appeals
Family and Children First Council
Lima-Allen County Regional Planning Commission
Mid-Western Ohio Planning Commission
Special Emergency Planning Commission
Western Ohio Regional Training and Habilitation (WORTH) Center

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

The County also applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989, to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the County's accounting policies are described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The information provided in the notes to the financial statements relates generally to the primary government. Information related to the Workshop and LODDI, Inc. is specifically identified.

A. Fund Accounting

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

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

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

1. Governmental Fund Types:

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

General Fund

This fund is used to account for all financial resources of the County except those required to be accounted for in another fund. The general fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Proprietary Fund Types:

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

Enterprise Fund

This fund is used to account for operations 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.

Internal Service Fund

The internal service fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

3. Fiduciary Fund Types:

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

Expendable Trust Funds

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

Non-Expendable Trust Fund

This fund is accounted for in essentially the same manner as proprietary funds.

Investment Trust Funds

These funds are accounted for on the accrual basis.

Agency Funds

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

4. Account Groups:

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets Account Group

The general fixed assets account group is used to account for all fixed assets of the County, other than those fixed assets accounted for in the proprietary funds.

General Long-Term Obligations Account Group

The general long-term obligations account group is used to account for all long-term obligations of the County, except that accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

1. Primary Government

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and the expendable trust fund are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types, the non-expendable trust fund and the investment trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into retained earnings and contributed capital components for proprietary fund types or held in trust for pool participants for the investment trust fund. Operating statements of these funds present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of December 31, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2001 operations, have also been recorded as deferred revenue. Special assessments are recorded as deferred revenue because they do not meet the availability criteria.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Principal and interest on general and special assessment long-term obligations are recorded as fund liabilities when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types, non-expendable trust fund, and the investment trust funds. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year end.

2. Component Units

The discretely presented component units utilize the proprietary accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than investment trust and 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 do not adopt separate budgets. Budgetary modifications may only be made by resolution of the County Commissioners.

Budgetary information for Marimor Industries and LODDI (component units) is not reported because they are not included in the entity for which the “appropriated budget” is adopted and do not maintain separate budgetary records.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Tax Budget

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

2. 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 County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the estimated fund balance and projected revenue 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 the actual unencumbered balances from the preceding year. The certificate of estimated resources may be amended further during the year if the County Auditor determines, and the County Budget Commission agrees, that an estimate needs either to be increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

3. 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 appropriations resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the County Commissioners. Several supplemental 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.

4. Budgeted Level of Expenditures

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for the purposes other than those designated in the appropriation resolution without authority from 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 - Commissioners - salaries, supplies, equipment, contract repairs, travel expenses, maintenance, other expenses, etc.).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Encumbrances

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

6. 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.

D. Cash and Cash Equivalents

To improve cash management, cash received by the County, except cash in segregated accounts, is pooled and invested. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

Cash and cash equivalents that are held separately within departments of the County and not held with the County Treasurer or held separately for the County by a trustee are recorded on the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts" or "Cash and Cash Equivalents with Trustees", respectively.

Cash and cash equivalents and investments of Marimor Industries, Inc. and LODDI, Inc. are held by the component unit and are recorded on the combined balance sheet as "Cash and Cash Equivalents, or Investments, in Segregated Accounts".

Investments are reported at fair value except for commercial paper, repurchase agreements and non-negotiable certificates of deposit which are reported at cost. Fair value is based on quoted market prices. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2000.

Following Ohio statutes, the County has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General fund during 2000 amounted to $2,860,480, which includes $2,417,822 assigned from other County funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, funds included within the Treasurer's cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Receivables and Payables

Receivables and payables on the County's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

Using this criteria, the County has elected to not record child support arrearages within the Special Revenue and Agency fund types. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

F. Materials and Supplies Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and expensed in the proprietary fund types when used.

Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense in the year in which services are consumed.

H. Unamortized Bond Issuance Costs

Unamortized bond issuance costs consist of underwriting fees and other costs incurred in the issuance of bonds which are deferred and amortized over the life of the related bonds.

I. Restricted Assets

Certain proceeds of enterprise fund revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

J. Fixed Assets and Depreciation

Fixed asset values initially were determined at December 31, 1990, assigning original acquisition costs when such information was available. In cases when original costs were not practicably determinable, estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. General Fixed Assets

General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost or estimated historical cost. Assets in the general fixed assets account group are not depreciated.

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

2. Enterprise Fund Fixed Assets

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

Description	Estimated Lives
Infrastructure	15-35 years
Buildings	35 years
Machinery and Equipment	10 years
Licensed Vehicles	6 years

3. Capitalization of Interest

Interest is capitalized when necessary on all proprietary fund assets acquired with debt. The County's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period. For 2000, interest cost incurred was immaterial.

4. Component Units

Property and equipment are recorded at cost. Donated equipment is recorded at its fair market value at the date donated. Depreciation is provided on the straight-line method, with estimated useful lives of forty years for buildings and ranging from three to seven years for equipment.

K. Interfund Assets and Liabilities

Receivables and payables arising between funds for goods provided, services rendered and distributions to be made to other County funds by agency funds are classified as "due from other funds" or "due to other funds" on the balance sheet.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments.

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

M. Accrued and Long-Term Liabilities

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, and contractually required pension obligations are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Bonds, notes, loans, and capital leases are recognized as a liability of the general long-term obligations account group until due.

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

Under Ohio Law, a debt retirement fund may be created and used for the payment of all tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the County's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

N. Unamortized Discounts on Bonds

In governmental funds, bond discounts are recognized in the current period. In proprietary funds, the unamortized discounts on bonds are presented as a reduction of the face amount of bonds payable and amortized over the remaining life of those bonds. On the balance sheet, the revenue bonds payable are presented net of the unamortized discount.

O. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds and is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with capital grants is expensed and closed to contributed capital at year end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

P. Reservations of Fund Equity

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, expendable resources and, therefore, are not available for expenditure. Unreserved fund balance/retained earnings indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, inventory, advances, non-expendable trust fund contributions, and loans, which represent community development block grant monies loaned to local businesses and individuals and for Craft Educational Expendable Trust fund monies loaned to college students. Retained earnings reserves have been established for plant improvement and replacement and for operations of the enterprise fund as a requirement of the revenue bond covenants.

Q. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, shared revenues, and entitlements are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred.

Grants, entitlements or shared revenues received for proprietary fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

R. Interfund Transactions

During the course of normal operations the County has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers.

Nonrecurring and nonroutine transfers of equity between funds, capital contributions to the Enterprise fund, the subsequent return of all or part of such contributions, and the transfer of residual balances of discontinued funds or projects to the General fund, Capital Projects funds, or Debt Service funds (when financed with debt proceeds) are classified as residual equity transfers.

Transactions that constitute reimbursements for expenditures or expenses initially made from a fund that are properly allocable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures and expenses in the fund that is reimbursed.

Quasi-external transactions are accounted for as revenues and expenditures or expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Use of Estimates

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

T. Total Columns on General Purpose Financial Statements

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

When the title of a statement indicates that component units are included, two total columns are presented. The first is captioned "Primary Government" to indicate that only those activities that comprise the County's legal entity have been included. The second is captioned "Reporting Entity" and includes the activity and operations of the County's legally separate discretely presented component units (see Note 1). The total column on statements which do not include component units have no additional caption.

3. ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following funds had deficit fund balances/retained earnings as of December 31, 2000:

	Deficit
Capital Projects Funds:	
Detailed Planning - Water	$2,385
Special Assessments Notes - Ditches	485,031
Internal Service Fund:	
Health Insurance Plan	651,662

B. Compliance

The deficits in the Capital Projects Funds arose from the requirement to report bond anticipation note proceeds used to finance the projects as a fund liability. The deficits will be alleviated when the bonds are issued or when the notes are paid. The deficit in the Health Insurance Plan Internal Service fund arose as a result of applying generally accepted accounting principles.

The following accounts had appropriations in excess of estimated resources for the year ended December 31, 2000:

	Estimated Revenues	Appropriations	Excess
Special Revenue Fund:			
Adult Probation	$481,452	$501,292	$19,840
Capital Projects Fund:			
Economic Development	30,750,395	31,838,234	1,087,839

4. BUDGETARY BASIS OF ACCOUNTING

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

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

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

3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds (GAAP basis) and note disclosure for proprietary fund types and non-expendable trust funds (GAAP basis).

4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

5. For proprietary funds and non-expendable trust funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

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

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

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	$1,873,063	$2,641,814	$163,212	$3,227,274	($1,640)
Increase (Decrease) Due To					
Revenue Accruals	(984,429)	(907,411)	(187)	20,509	0
Expenditure Accruals	(85,789)	(286,768)	(10,761)	(1,189,053)	0
Prepaid Items	(22,202)	743	0	640	0
Outside Cash	(711)	(10,417)	0	0	0
Revolving Loans:					
New Loans	0	0	0	0	(1,500)
Repayments	0	4,161	0	0	2,560

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
Notes Payable:					
Retired	0	0	0	(3,685,000)	0
Advances - In	163,533	85,000	0	158,242	0
Advances - Out	(156,682)	(25,000)	0	(223,534)	0
Encumbrances Outstanding at					
Year End (Budget Basis)	(480,081)	(5,256,622)	0	(725,229)	0
Budget Basis	$306,702	($3,754,500)	$152,264	($2,416,151)	($580)

Net Income (Loss)/Excess of Revenues Over (Under)
Expenses and Transfers and Advances
Proprietary Fund Types and Nonexpendable Trust

		Internal	Non-Expendable
GAAP Basis	$572,077	($933,398)	$97
Increase (Decrease) Due To			
Revenue Accruals	(119,547)	133,685	0
Expense Accruals	(62,535)	(38,241)	0
Materials and Supplies Inventory	6,900	0	0
Outside Cash	(4,368)	(566)	0
Acquisition of Fixed Assets	(231,135)	0	0
Depreciation Expense	1,063,349	0	0
Loss on Disposal of Fixed Assets	27,680	0	0
Advances-Out	(1,559)	0	0
Loan Principal Retirement	(10,276)	0	0
Bond Principal Retirement	(245,000)	0	0
Amortization of Bond Discount	6,415	0	0
Amortization of Bond Issuance Cost	3,780	0	0
Encumbrances Outstanding at Year	(187,888)	0	0
Budget Basis	$817,893	($838,520)	$97

5. DEPOSITS AND INVESTMENTS

A. Primary Government

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 demand 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. Inactive monies can be deposited or invested in the following securities:

5. DEPOSITS AND INVESTMENTS (Continued)

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;

5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;

9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio; and

10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio;

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

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

5. DEPOSITS AND INVESTMENTS (Continued)

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

At year-end, the County had $176,970 in undeposited cash on hand which is included on the balance sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents".

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

At year-end, the carrying amount of the County's deposits was $1,680,305, and the bank balance was $2,982,836. Of the bank balance, $1,035,362 was covered by federal depository insurance. The remaining amount of $1,947,474 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed and for some deposits collateral was held by pledging financial institutions' trust department in the County's name, noncompliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

The County's investments are categorized below to give an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered for which the securities are held by the County or by the County's agent in the County's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. Money market funds, mutual funds, and STAR Ohio are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Federal Farm Credit Bank Notes	$2,341,702	$2,341,702	$2,341,702
Federal Home Loan Bank Notes	9,871,960	9,871,960	9,871,960
Federal Home Mortgage Corporation Notes	2,630,500	2,630,500	2,630,500
Federal National Mortgage Association Notes	8,693,282	8,693,282	8,693,282
Commercial Paper	6,191,774	6,191,774	6,191,774
Repurchase Agreements	605,050	605,050	605,050
	$30,334,268	30,334,268	30,334,268
STAR Ohio		20,307,129	20,307,129
U.S. Treasury Security Money Market Fund		705,495	705,495
Bank One Money Market		617,382	617,382
Grand Total		$51,964,274	$51,964,274

5. DEPOSITS AND INVESTMENTS (Continued)

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, *"Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting"*.

A reconciliation between the classification of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	$53,821,549	$0
Cash on Hand	(176,970)	
Investments:		
Federal Farm Credit Bank Notes	(2,341,702)	2,341,702
Federal Home Loan Bank Notes	(9,871,960)	9,871,960
Federal Home Mortgage Corporation Notes	(2,630,500)	2,630,500
Federal National Mortgage Association Notes	(8,693,282)	8,693,282
Commercial Paper	(6,191,774)	6,191,774
Repurchase Agreements	(605,050)	605,050
STAR Ohio	(20,307,129)	20,307,129
U.S. Treasury Security Money Market	(705,495)	705,495
Bank One Money Market	(617,382)	617,382
GASB Statement No. 3	$1,680,305	$51,964,274

B. Component Units

Marimor Industries, Inc. - At year end, the carrying amount of Marimor Industries, Inc. deposits was $184,722. The investments are carried at fair market values. Of these investments, mutual funds have a fair value of $230,741 and the long-term certificates of deposit have a fair value of $308,872, for a total investment amount of $539,613.

LODDI, Inc. - At year end, the carrying amount of LODDI, Inc. deposits was $18,161.

These amounts are classified as "Cash and Cash Equivalents and Investments in Segregated Accounts" on the balance sheet. There are no statutory guidelines regarding the deposit of funds by the not-for-profit corporations.

6. INVESTMENT POOL

The County serves as fiscal agent for the Metropolitan Park Board and the Joint Solid Waste Management District which are legally separate entities. The County pools the monies of these entities with the County's for investment purposes. The County cannot allocate its investments between the internal and external investment pools. The investment pool is not registered with the Securities Exchange Commission as an investment company. The fair value of investments is determined annually. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of the interest that it earns. Condensed financial information for the investment pool is as follows:

Statement of Net Assets

Assets	
Equity in Pooled Cash and Cash Equivalents	$50,606,962
Interest Receivable	419,943
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	1,372,305
Total Assets	$52,399,210
Net Assets Held in Trust for Pool Participants	
Internal Portion	$49,367,268
External Portion	3,031,942
Total Net Assets Held in Trust for Pool Participants	$52,399,210

Statement of Changes in Net Assets

Revenues	
Interest	$3,655,394
Expenses	
Operating Expenses	0
Net Increase in Assets Resulting from Operations	3,655,394
Distribution to Participants	(3,180,679)
Capital Transactions	2,211,002
Total Increase in Net Assets	2,685,717
Net Assets Beginning of Year	49,713,493
Net Assets End of Year	$52,399,210

At year end, the carrying amount of the pools deposits was $1,324,233 and the bank balance was $1,615,027. Of the bank balance, $200,000 was covered by federal depository insurance and $1,415,027 was uninsured and uncollaterized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC. At year end, the investments of the pool classified according to GASB Statement No. 3 were as follows:

6. INVESTMENT POOL (Continued)

	Category 3	Fair Value
Federal Farm Credit Bank Notes	$2,341,702	$2,341,702
Federal Home Loan Bank Notes	9,871,960	9,871,960
Federal Home Mortgage Corporation Notes	2,630,500	2,630,500
Federal National Mortgage Association Notes	8,693,282	8,693,282
Commercial Paper	6,191,774	6,191,774
	$29,729,218	29,729,218
STAR Ohio		20,150,644
Bank One Money Market		617,382
Total Investments		$50,497,244

STAR Ohio accounts have an interest rate of 6.45 percent. Other investments interest rates and maturities are as follows:

	Interest Rate	
Federal Farm Credit Bank Notes	5.125 - 5.90%	April 2001 - September 2003
Federal Home Loan Bank Notes	4.875 - 5.62%	March 2001 - December 2003
Federal Home Mortgage	4.75 - 5.26%	January 2001 - December 2001
Federal National Mortgage	5.07 - 6.37%	January 2001 - February 2004
Commercial Paper	6.47 - 6.55%	January 2001 - February 2001

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, *"Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*".

A reconciliation between the classification of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	$51,979,267	$0
Cash on Hand	(157,790)	0
Investments:		
Federal Farm Credit Bank Notes	(2,341,702)	2,341,702
Federal Home Loan Bank Notes	(9,871,960)	9,871,960
Federal Home Mortgage Corporation Notes	(2,630,500)	2,630,500
Federal National Mortgage Association	(8,693,282)	8,693,282
Commercial Paper	(6,191,774)	6,191,774
STAR Ohio	(20,150,644)	20,150,644
Bank One Money Market	(617,382)	617,382
GASB Statement No. 3	$1,324,233	$50,497,244

7. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Taxes collected on real property (other than public utility) 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 reappraisal was completed in 2000. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20, unless extended.

Public utility real, and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Taxes collected on tangible personal property (other than public utility property) in one calendar year are levied in the prior calendar year on assessed values as of December 31 of the current year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semiannually. The first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing district their portion of taxes collected. The collection and distribution of taxes for the County and for all subdivisions within the County is accounted for through agency funds. The amount of the County's tax collections which will flow through an agency fund is reported as "Taxes Receivable" on the combined balance sheet in both the agency fund and the governmental fund which will receive the tax distribution.

Accrued property taxes receivable represents delinquent taxes outstanding, and real, public utility, and tangible personal property taxes which were measurable and unpaid as of December 31, 2000. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2000 operations.

The full tax rate for all County operations for the year ended December 31, 2000, was $7.70 per $1,000 of assessed value. The assessed values of real, public utility, and tangible personal property upon which 2000 property tax receipts were based are as follows:

Real Property	$1,114,016,560
Public Utility Personal Property	121,455,450
Tangible Personal Property	376,988,118
Total Assessed Value	$1,612,460,128

8. PERMISSIVE SALES AND USE TAX

In 1967, the County Commissioners by resolution imposed a one percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection.

8. PERMISSIVE SALES AND USE TAX (Continued)

The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited to the General Fund, the Motor Vehicle License Tax, 911 Systems, and the Jail Maintenance Special Revenue Funds, the General Obligation Bond Retirement Debt Service Fund, and the Building and Expansion and Economic Development Capital Projects Funds. Amounts that are to be received within the available period are accrued as revenue.

9. RECEIVABLES

Receivables at December 31, 2000, consisted of taxes, interest, special assessments, accounts (billings for user charged services, including unbilled utility services), loans, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

The County has three types of loans receivable. Some represent zero to six percent loans for home improvements granted to eligible County residents under the Federal Community Development Block Grant program. These loans are to be repaid over periods ranging from ten to thirty years. Some loans are zero interest loans for college tuition granted to recipients of the Craft Educational Trust Scholarship. Beginning three years after the recipient graduates from college, sixty percent of the awarded scholarship is to be repaid over the next five years. The remaining forty percent is not required to be repaid and therefore is not recorded as part of loans receivable. Additionally, the County has loaned money to the Port Authority of Allen County for economic development. This money will be repaid to the County with zero interest.

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

	Amount
General Fund:	
Defense of Indigents	$167,047
Juvenile Court - Detention Facility	73,237
Local Government	23,705
Sheriff's Contracts	22,520
Juvenile Court - Rehabilitation	18,193
Parking Garage Joint Venture	9,947
Juvenile Court - Food Subsidy	5,408
Fines and Costs	1,998
Miscellaneous	464
Total General Fund	322,519
Special Revenue Funds:	
Job and Family Services Underpayment	720,042
Motor Vehicle License Tax	206,817
Title XIX	141,658
Gasoline Tax - Excise	117,393
County Engineer Sales	31,398
MRDD Waiver	12,326

9. RECEIVABLES (Continued)

Special Revenue Funds: (Continued)	Amount
Fines and Costs	18,012
Permissive Motor Vehicle License Tax	17,348
Children's Services - Room and Board	8,091
Young Safe Drivers Grant	7,329
Marimor - Hot Lunch/Breakfast Grant	6,301
Miscellaneous	4,373
Total Special Revenue Funds	1,291,088
Agency Funds:	
Local Government	390,790
Library Local Government	317,838
Gasoline Tax - Excise	50,957
Motor Vehicle License Tax	31,058
Permissive Motor Vehicle License Tax	16,468
Total Agency Funds	807,111
Total All Funds	$2,420,718

10. FEDERAL FOOD STAMP PROGRAM

During 2000, the County's Department of Job and Family Services did not distribute Federal food stamps through contracting issuance centers. The issuance of these stamps to entitled recipients was converted to an electronic card system during 1999. During 2000, the Department of Job and Family Services returned all but the minimum amount of food stamps required by law to carry on hand. Therefore, the inventory of the stamps has greatly decreased during 2000. The inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. Federal food stamps activity for the year was as follows:

Balance at Beginning of Year	$770,784
Amount Received for Distribution	0
Amount Distributed to Entitled Recipients	748,538
Balance at End of Year	$22,246

11. FIXED ASSETS

A summary of the enterprise funds' and the component units' fixed assets at December 31, 2000, follows:

	Primary	Component
Land	$51,219	$75,334
Buildings	7,717,680	614,289
Machinery and Equipment	722,229	505,441
Licensed Vehicles	533,090	0
Infrastructure	28,869,354	0
Total	37,893,572	1,195,064
Less Accumulated Depreciation	(13,149,672)	(427,835)
Fixed Assets Net of Accumulated Depreciation	$24,743,900	$767,229

11. FIXED ASSETS (Continued)

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

	Balance December 31, 1999	Additions	Deletions	Balance December 31, 2000
Land	$5,094,777	$129,043	$0	$5,223,820
Buildings	37,897,549	4,867,744	0	42,765,293
Machinery and Equipment	1,391,917	218,651	229,107	1,381,461
Licensed Vehicles	4,626,247	757,556	98,519	5,285,284
Computers	1,487,744	12,484	11,359	1,488,869
Office Furniture and Equipment	6,270,328	744,177	151,275	6,863,230
Construction in Progress	3,046,138	5,741	3,046,138	5,741
Total	$59,814,700	$6,735,396	$3,536,398	$63,013,698

12. RISK MANAGEMENT

A. Insurance Coverages

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2000, the County contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Maximum	Deductible
Nationwide	MRDD School District Liability	$5,000,000	1,000
Webb Insurance	CSEA Theft, Disappearance, and Destruction:		
	Outside	5,000	None
	Inside	20,000	None
	Treasurer’s Commercial Crime-Inside	100,000	None
	Treasurer’s Commercial Crime-Outside	20,000	None
Folsom-Somerville	Fleet Insurance	1,000,000	100 to 500
	Excess Liability	3,000,000	None
	Boiler & Machinery	3,000,000	250
	General Liability - Voting Places	1,000,000	None
	Inland Marine - Voting Machines/Data	472,300	None
	Law Enforcement Liability	2,000,000	25,000
	General Liability	2,000,000	None
	Public Officials	2,000,000	15,000
	Buildings and Business - Personal Property	116,517,500	500
	Earthquake	2,000,000	5%
	Inland Marine - Heavy Equipment	1,663,367	200 to 500
	Commercial Crime	100,000	1,000
	Aviation Liability	2,000,000	1,000
	Aviation Physical Damage	210,000	5%

12. RISK MANAGEMENT (Continued)

Company	Type of Coverage	Maximum	Deductible
Stolly Insurance	Blanket Bond - Treasurer	50,000	None
	Commercial Crime (per employee)	25,000	None
Petroleum Storage Tank Compensation Board	Underground Storage	1,000,000	11,000
Lawyers Professional Liability Insurance	Prosecuting Attorney		
	Professional Liability	1,000,000	5,000
	Personal Injury	1,000,000	5,000
	Criminal Defense	50,000	500
	Disciplinary Proceedings	10,000	500

Settled claims have not exceeded coverage in the aggregate for the past three years. There has not been a significant reduction in coverage from the prior year. The County pays all elected officials' bonds by statute.

For 2000, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan ("the Plan"), an insurance purchasing pool (see Note 23). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays it workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's executive committee calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plans' selections criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

B. Self-Insurance Program

The County established an Employee Health Insurance Fund (an internal service fund) to account for and finance employee health benefits. The Employee Health Care Plan is responsible for $75,000 in claims per individual per year. After that, stop-loss covers up to a lifetime maximum of $1,925,000 per covered person. In addition, stop loss insurance is purchased for claims in excess of $3,025,409 in the aggregate. The County had one occurrence in which settled claims exceeded coverage by the fund on an individual level for 1999 and one in 2000. Settled claims did not exceed coverage provided by the fund in the aggregate for the past three years.

12. RISK MANAGEMENT (Continued)

All funds of the County except for the funds of the Child Support Enforcement Agency, Public Assistance, Health Department, and Marimor School participate in the program and make payments to the Employee Health Insurance Fund based on estimates of the annual cost of claims. These rates are paid by the fund from which the employees' compensation is paid.

Claims payable is based on the requirement of Governmental Accounting Standards Board Statement No. 30, "*Risk Financing Omnibus*", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Claims payable at December 31, 2000 are estimated by the third party administrator at $659,155.

Year	Beginning of Year	Current-Year Claims and Changes in Estimates	Claims Payments	End of Year
2000	$697,396	$2,971,285	$3,009,526	$659,155
1999	365,703	2,519,334	2,187,641	697,396

13. DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System (PERS)

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

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For law enforcement employees, the employee contribution is 9 percent. PERS instituted a temporary employer contribution rate rollback for calendar year 2000. For the County, the employer rate was 10.84 percent of covered payroll. For law enforcement employees, the employer rate was 15.7 percent of covered payroll. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's contributions to PERS for the years ended December 31, 2000, 1999, and 1998, were $2,067,041, $2,627,398, and $2,474,212, respectively; 90.48 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000 is recorded as a liability in the respective funds.

B. State Teachers Retirement System (STRS)

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary to fund pension obligations and the County is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions to STRS for the years ending December 31, 2000, 1999, and 1998, were $52,194, $50,197, and $83,105, respectively; 87.59 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000 is recorded as a liability in the respective fund.

14. POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System:

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "*Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers*". A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care based on authority granted by State statute. The employer contribution rate was rolled back for the year 2000. The employer contribution rate for 2000 was 10.84 percent of covered payroll for employees not engaged in law enforcement; 4.3 percent was the portion that was used to fund health care. The employer contribution rate for law enforcement employees for 2000 was 15.7 percent; 4.3 percent was used to fund health care.

Benefits are funded on an entry age normal actuarial cost method of valuation. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

As of December 31, 1999, the actuarial value of the Retirement System's net assets available for OPEB were $10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $12,473.6 million and $1,668.1 million, respectively. The number of active contributing participants was 401,339. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The County's actual contributions for 2000 which were used to fund OPEB were $1,261,268.

14. POSTEMPLOYMENT BENEFITS (Continued)

For the calendar year 2000, PERS enacted a temporary employer contribution rate rollback. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was twenty percent for those other than law enforcement, and six percent for law enforcement. PERS reallocated employer contributions from 4.2 percent to 4.3 percent at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

B. State Teachers Retirement System:

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

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8.0 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled $69,593 during 2000.

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

15 OTHER EMPLOYEE BENEFITS

A. Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. The County currently has different policies regarding vacation leave. All of the policies state that the County employees are paid for all earned, unused vacation leave at the time of termination of employment with more than one year of service with the County. Employees earn sick leave at varying rates based on whether the employee is union or non-union. Upon retirement, employees with ten or more years of service are paid one-fourth of accumulated sick leave up to a maximum of thirty days.

Unpaid compensated absences of $66,226 and $53,251, respectively, were reported as an accrued liability in the general and special revenue funds. The balance of the liability for governmental funds is reported in the general long-term obligations account group in the amount of $2,014,082. The accrual for unpaid compensated absences of $74,033 was reported in the enterprise fund.

16. CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County entered into capitalized leases for office equipment. During 2000, the County entered into five additional leases for copying equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *"Accounting for Leases",* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the accounts "Capital Outlay" and "Inception of Capital Leases" for governmental funds. Capital leases are reported as a liability in the general long-term obligations account group. Capital lease payments are reflected as debt service expenditures for the governmental funds. Equipment acquired by lease has been capitalized in the General Fixed Assets Account Group at an amount equal to the present value of the future minimum lease payments at the time of acquisition. The carrying value of leased assets in the General Fixed Assets Account Group is $107,509.

A corresponding liability was recorded in the general long-term obligations account group. Principal payments in 2000 totaled $22,617 for the governmental funds.

Future minimum lease payments through 2005 for the governmental funds are as follows:

Year	General Long-Term Obligation Account Group
2001	$30,778
2002	27,653
2003	22,546
2004	8,291
2005	4,610
Total	93,878
Less: Amount Representing Interest	(19,032)
Present Value of Net Minimum Lease Payments	$74,846

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

17. LONG-TERM DEBT

The changes in the County's long-term obligations during the year consisted of the following:

General Long-Term Obligations:	Balance 12/31/99	Additions	Reductions	Balance 12/31/00
Bond Anticipation Notes:				
General Obligation Notes:				
East Side of Interstate 75	$2,825,000	$4,610,000	$5,150,000	$2,285,000
Fort Shawnee Industrial Drive		2,200,000	1,100,000	1,100,000
West Side of Interstate 75	2,439,000	4,800,000	4,839,000	2,400,000
Downtown	1,298,000	2,540,000	2,568,000	1,270,000
Civic Center	4,658,000	4,450,000	4,658,000	4,450,000
Total General Obligation Notes	11,220,000	18,600,000	18,315,000	11,505,000
Special Assessment Notes:				
Bath Township Trustees	750,000	1,330,000	1,430,000	650,000
Ditch Improvement	70,000	70,000	70,000	70,000
Bellinger Ditch #1188	0	132,000	0	132,000
Lehman Road Group #1182	6,000	5,000	6,000	5,000
Dug Run Ditch #1151	0	358,000	0	358,000
Hamernik Ditch #1193	0	52,500	0	52,500
East Road Waterline	55,000	50,000	55,000	50,000
Ft. Shawnee Phase II Water	5,000	0	5,000	0
Ottawa River Bend	100,000	95,000	100,000	95,000
Allentown Sewer Improvement	875,000	865,000	875,000	865,000
Allentown Road Sewer	20,000	10,000	20,000	10,000
Findlay Road Sewer Project	0	2,650,000	0	2,650,000
Oakview Subdivision Sewer	0	90,000	0	90,000
Total Special Assessment Notes	1,881,000	5,707,500	2,561,000	5,027,500
Total Bond Anticipation Notes	$13,101,000	$24,307,500	$20,876,000	$16,532,500

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

17. LONG-TERM DEBT (Continued)

General Obligation Bonds:	Balance 12/31/99	Additions	Reductions	Balance 12/31/00
1993 County Office Building -	3,140,000	0	130,000	3,010,000
1993 County Justice Center -	8,715,000	0	350,000	8,365,000
1994 Justice Center Escrow Bond - 5.00 to 6.00%	65,000	0	30,000	35,000
Total General Obligation Bonds	11,920,000	0	510,000	11,410,000
Special Assessment Bonds:				
1980 Sewer Project T-1p -	20,000	0	20,000	0
1983 Bath-Perry Sewer - 9.75%	20,000	0	4,000	16,000
1985 St. John's Waterline -	45,000	0	5,000	40,000
1990 Project #17-700, 17-800 - 5.90 to 7.20%	470,000	0	30,000	440,000
1991 Waterline Improvement - 4.75 to 6.90%	540,000	0	30,000	510,000
1992 Various Purpose Issue - 2.90 to 6.30 %	385,000	0	25,000	360,000
1993 Project #17-400, 17-500, 11-880 6.00%	3,085,000	0	335,000	2,750,000
1994 Ft. Shawnee Waterline Improvement - 6.50%	2,725,000	0	120,000	2,605,000
Total Special Assessment	7,290,000	0	569,000	6,721,000
Compensated Absences	1,799,465	214,617		$2,014,082
Issue II Loan Payable - 0.00%	147,341	0	3,684	143,657
Capital Leases Payable	63,387	34,076	22,617	74,846
Total Other Long-Term Obligations	2,010,193	248,693	26,301	2,232,585
Total General Long-Term Obligations	34,321,193	24,556,193	21,981,301	36,896,085
Enterprise Fund Obligations:				
Revenue Bonds:				
1993 Sewer System Revenue Bonds - 3.1 to 5.75%	7,656,960	3,780	245,000	7,415,740
Other Long-Term Obligations:				
Issue II Loan Payable - 0.00%	343,939	0	10,276	333,663
Total Enterprise Fund	8,000,899	3,780	255,276	7,749,403
TotaLong-Term Obligations	$42,322,092	$24,559,973	$22,236,577	$44,645,488

The General Obligation and Special Assessment notes payable have been reported in General Long Term Debt Account Group, since the obligations have been re-issued after the balance sheet date for the purpose of refinancing those short-term obligations on a long-term basis.

17. LONG-TERM DEBT (Continued)

All general obligation bonds are supported by the full faith and credit of the County. General obligation bonds are presented as a liability in the general long-term obligations account group and will be paid from unvoted property taxes.

Special assessment debt is backed by the full faith and credit of the County and will be paid from the proceeds of special assessments levied against benefitted property owners. In the event that property owners fail to make their special assessment payments, the County is responsible for providing the resources to meet annual principal and interest payments.

The Issue II loan reflected in the enterprise fund will be paid from operating revenues of the sewer enterprise fund. The Issue II loan reflected in the General Long Term Obligations Account Group will be repaid from resources of the governmental funds.

On April 1, 1993, the County issued $9,000,000 sewer system revenue bonds at 98.95% for twenty-five years with interest rates ranging from 3.10% to 5.75% for the construction of new treatment facilities in the American-Bath Subdistrict and Shawnee #2 Subdistrict to be paid from the enterprise fund. During 2000, $3,780 of the discount was amortized and $64,260 remains to be amortized in future years. In conjunction with the issuance of the sewer system revenue bonds, the County entered into a trust agreement with Bank One Trust Company. This trust agreement requires that the County establish various accounts for the repayment of debt. Certain restricted assets in the sewer fund are held by the trustees in accordance with the trust agreement.

Restricted assets relating to the sewer revenue bonds consisted of the following at December 31, 2000:

Restricted assets held by the trustee for future debt service	$704,719
Restricted assets held by the trustee for current debt service	776
Restricted assets held by the County for operations	1,213,638
Restricted assets held by the County for replacement and improvement	39,091
Restricted assets held by the County for	

The 1993 Sewer System Revenue Bonds maturing on December 1, 2013 and December 1, 2018, are subject to mandatory sinking fund redemption prior to maturity from funds in the Sinking Fund subaccount of the Bond Account. The Bond Account was created by the Bond Legislation by lot by the Trustee without action by the County at par plus accrued interest to the date of redemption in the following principal amounts on December 1, of each of the following years:

2007	$345,000
2008	365,000
2009	385,000
2010	405,000
2011	430,000
2012	455,000
2013	480,000
2014	505,000
2015	535,000
2016	560,000
2017	595,000

17. LONG-TERM DEBT (Continued)

Unless previously redeemed, the remaining principal amount of $625,000 will mature at stated maturity (December 1, 2018). 1993 bonds as may be outstanding and mature on or after December 1, 2003, are also subject to redemption prior to maturity at the option of the County in whole or in part on or after December 1, 2002, or any interest payment date thereafter, at the percentage of the principal amount thereof set forth as follows, plus accrued interest to the redemption date:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2002 through November 30, 2003	102%
December 1, 2003 through November 30, 2004	101
December 1, 2004 and thereafter	100

The County Office Building, County Justice Center, and Project #17-400, 17-500, and 11-880 bonds maturing on or after December 1, 2004, are subject to redemption prior to maturity at the option of the County in whole or in part, in inverse order of maturity, on December 1, 2002, or thereafter, at the percentage of the principal amount thereof set forth as follows, plus accrued interest to the redemption date:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2002 through November 30, 2003	102%
December 1, 2003 through November 30, 2004	101
December 1, 2004 and thereafter	100

The Various Purpose Issue and the Project #17-700, 17-800 bonds maturing on or after December 1, 2003, are subject to redemption prior to maturity at the option of the County on or after December 2, 2002, in inverse order of maturity and by lot within a maturity, as a whole at any time or in part on any interest payment date, at the following percentages of the principal amount of the Bonds called for redemption:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2002 through November 30, 2003	102%
December 1, 2003 through November 30, 2004	101
December 1, 2004 and thereafter	100

The Waterline Improvement bonds maturing on or after December 1, 2002, are subject to option redemption, as a whole at anytime or in part on any interest payment date in inverse order of maturity and by lot within a maturity, at the option of the County on or after December 1, 2001 as follows:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2001 through November 30, 2002	102%
December 1, 2002 through November 30, 2003	101
December 1, 2003 and thereafter	100

The Fort Shawnee Waterline Improvement bonds maturing on and after December 1, 2005 are subject to optional redemption on any date on and after December 1, 2004, in whole or in part, in inverse order of maturity and by lot within any maturity, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued interest to the date of redemption:

17. LONG-TERM DEBT (Continued)

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2004 through November 30, 2005	102%
December 1, 2005 through November 30, 2006	101
December 1, 2006 and thereafter	100

The Bath-Perry Sewer and the St. Johns Waterline bonds maturing on or after December 1, 2001, are subject to redemption prior to maturity at the option of the County on or after December 1, 2000, in inverse order of maturity, either in whole, or in part, at the following percentages of the principal amount of the bonds called for redemption:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2000 through November 30, 2001	102%
December 1, 2001 through November 30, 2002	101
December 1, 2002 and thereafter	100

Compensated absences liabilities will be paid from the fund from which the employees' salaries are paid. Compensated absences are presented net because it is not practical to determine the actual increases or decreases. Capital lease obligations will be paid from the fund that maintains custody of the related asset.

In 1998, the County issued economic development revenue bonds and health care facilities revenue bonds in the amount of $11,000,000 and $4,800,000, respectively, to provide financial assistance to private-sector entities for the acquisition, construction, renovating, and equipping of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loan or lease and the trust agreements.

Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The County is not obligated in any way to pay the debt and related charges on revenue bonds from any of its funds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2000, the aggregate principal amount payable on these bonds is $15,355,000.

In 1999, the County issued health care facilities revenue bonds in the amount of $1,500,000, to provide financial assistance to the Mennonite Memorial Home Project for the acquisition, construction, renovating, and equipping of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loan or lease and the trust agreements. Upon repayment of the bonds, ownership of the acquired facilities transfers to Mennonite Memorial Home. The County is not obligated in any way to pay the debt and related charges on revenue bonds from any of its funds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2000, the principal amount payable on these bonds is $1,425,000.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000.

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

17. LONG-TERM DEBT (Continued)

The effects of the debt limitations described above at December 31, 2000, are an overall debt margin of $24,424,325 and an unvoted debt margin of $1,737,423.

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

Primary Government

Governmental Funds

Years	Issue II Loan	General Obligation Bonds	Special Assessment Bonds	Total
2001	$7,367	$1,126,950	$990,580	$2,124,897
2002	7,367	1,116,815	969,734	2,093,916
2003	7,367	1,120,965	973,097	2,101,429
2004	7,367	1,113,125	973,942	2,094,434
2005	7,367	1,113,425	1,168,040	2,288,832
2006 - 2010	36,835	5,598,620	2,951,685	8,587,140
2011 - 2015	36,835	5,588,905	1,208,285	6,834,025
2016 - 2020	33,152			33,152
	$143,657	$16,778,805	$9,235,363	$26,157,825

Enterprise Funds

Years	Issue II Loans	Revenue Bonds	Total
2001	$20,551	$674,085	$694,636
2002	20,550	676,590	697,140
2003	20,551	673,090	693,641
2004	20,550	673,670	694,220
2005	20,551	673,182	693,733
2006 - 2010	102,754	3,373,498	3,476,252
2011 - 2015	102,755	3,373,678	3,476,433
2016 - 2017	25,401	2,027,750	2,053,151
	$333,663	$12,145,543	$12,479,206

Component Units

	Outstanding 12/31/99	Issued	Retired	Outstanding 12/31/00
Component Unit Obligations				
LODDI, Inc.				
MortgageNotes Payable	$164,971	$64,238	$11,526	$217,683

The mortgage notes payable for the component unit LODDI, Inc. are a result of LODDI purchasing properties located within Allen County. The notes are currently held by The Commercial Bank of Delphos, Ohio and Fifth-Third Bank, Western Ohio. The notes will be repaid with operating revenues.

17. LONG-TERM DEBT (Continued)

The following is a summary of the component units' future annual debt service requirements for the notes payable:

	Mortgage Loans (Principal only)
2001	$13,750
2002	14,932
2003	16,148
2004	17,401
2005	18,678
Thereafter	136,774
	$217,683

18. NOTES PAYABLE

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

	Balance 12/31/99	Additions	Reductions	Balance 12/31/00
Special Assessment Notes				
Bath Township Sewer - 4.25%	$3,165,000	$0	$3,165,000	$0
Bellinger Ditch #1188 - 4.30%	162,000	0	162,000	0
Dug Run Ditch #1151 - 4.30%	358,000	0	358,000	0
Total Notes Payable	$3,685,000	$0	$3,685,000	$0

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50% of anticipated revenue collections. The County has issued bond anticipation notes which will be rolled over annually until paid in full or bonds are issued. The note liability is reflected in the fund which received the proceeds. The special assessment notes are backed by the full faith and credit of the County. The notes were rolled over into long-term notes and are now presented in the Long-Term Debt (Note 17).

19. INTERFUND TRANSACTIONS

Interfund balances at December 31, 2000, consist of the following individual fund receivables and payables:

	Due To/From Other Funds		Advances To/From Other Funds	
	Receivable	Payable	Receivable	Payable
General Fund	$52,733	$37,416	$1,196,990	$1,970,500

19. INTERFUND TRANSACTIONS (Continued)

	Due To/From Other Funds		Advances To/From Other Funds	
	Receivable	Payable	Receivable	Payable
Special Revenue Funds:				
MVGT	3,316			
Auditor $2 Transfer Fee				300,000
Job and Family Services	37,416	98,318		
Sheriff's Law Enforcement				7,000
Child Support Enforcement Agency		52,733	1,300,000	
MRDD	1,627		1,047,538	
Children's Services	87,556			
Ditch Maintenance		731		105,500
Civic Center				85,000
Total Special Revenue Funds	129,915	151,782	2,347,538	497,500
Debt Service Fund				
Special Assessments Bond Retirement				7,535
Capital Projects Funds				
Detailed Planning - Water Projects				34,500
Detailed Planning - Sewer Projects		2,585		213,888
Marimor Permanent Improvement				1,047,538
Special Assessment Notes - Ditches				776,955
Building and Expansion			755,500	
Total Capital Projects Funds		2,585	755,500	2,072,881
Enterprise Fund				
Sewer			248,388	
Agency Fund				
Health Department	9,135			
Total Agency Funds	9,135			
Total All Funds	$191,783	$191,783	$4,548,416	$4,548,416

20. CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS

Balance Sheets

	Marimor Industries	LODDI	Total Component Units
Assets:			
Current Assets	$853,790	$22,745	$876,535
Property, Plant, and Equipment (Net of accumulated depreciation)	158,646	608,583	767,229
Total Assets	$1,012,436	$631,328	$1,643,764
Liabilities:			
Current Liabilities	$27,521	$15,281	$42,802
Long-Term Mortgages Payable	0	203,933	203,933
Total Liabilities	27,521	219,214	246,735
Equity:			
Fund Balance-Unreserved	984,915	412,114	1,397,029
Total Liabilities and Equity	$1,012,436	$631,328	$1,643,764

20. CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS (Continued)

Operating Statements

	Marimor Industries	LODDI	Total Component Units
Income	$881,140	$68,441	$949,581
Expenses:			
Expenses Excluding Depreciation	858,447	61,567	920,014
Depreciation	47,711	14,226	61,937
Total Expenses	906,158	75,793	981,951
Excess of Expenses Over Income	(25,018)	(7,352)	(32,370)
Other Income	49,584	60,806	110,390
Excess of Income and Other Income Over Expenses	24,566	53,454	78,020
Fund Balance at Beginning of Year	960,349	358,660	1,319,009
Fund Balance at End of Year	$984,915	$412,114	$1,397,029

21. JOINT VENTURE

A. Mental Health and Recovery Services of Allen, Auglaize, and Hardin Counties

The Mental Health and Recovery Services of Allen, Auglaize and Hardin Counties, is a three county political organization whose general purpose is to provide leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming, while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services.

The Board of Trustees of the Mental Health and Recovery Services Board of Allen, Auglaize and Hardin Counties consists of eighteen members. Four members are appointed by the Director of the Ohio Department of Mental Health and four members appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services. The remaining members are appointed by the County Commissioners of Allen, Auglaize and Hardin Counties in the same proportion as each county's population bears to the total population of the three counties combined. The degree of control exercised by any participating government is limited to its representation on the Board.

The Mental Health and Recovery Services is a joint venture since continued participation by the County is necessary for the continued existence. Allen County acts as the fiscal agent for the Mental Health and Recovery Services Board. The Board receives tax revenue from the three counties and receives federal and state funding through grant monies which are applied for and received by the Board of Trustees.

The Mental Health and Recovery Services Board is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. The County did not contribute to the Mental Health and Recovery Services Board in 2000 and does not anticipate any future contributions. Complete financial statements can be obtained from the Alcohol, Drug Addition and Mental Health Services Board, Allen County, Ohio.

21. JOINT VENTURE (Continued)

B. Lima-Allen County Downtown Construction

The County and the City of Lima entered into a joint funding agreement for the construction and funding of certain facilities, including the expansion of the Veterans' Memorial Civic and Convention Center, a parking garage, and a pedestrian overhead walkway (skywalk) from the Civic Center addition to the parking garage. The Civic Center expansion was constructed by the County and is owned by the County. The skywalk was constructed by the County and is jointly owned by the County and the City. The parking garage was constructed by the City and is owned by the City.

The operation and maintenance costs associated with the skywalk and the parking garage are the joint responsibility of the County and the City. The City and the County share equally the net revenue/(loss) derived from the garage. For the year 2000, this amounted to a loss of $126,226, of which the County was responsible for $63,113.

The City of Lima has agreed to enter into a long-term lease agreement with the County offering the County a one-half ownership interest in the parking garage, which will be operated and maintained by the Lima-Allen County Joint Parking Commission (JPC),in accordance with the rules and regulations established for the JPC (see Note 22). As of December 31, 2000, this lease has not been executed.

22. JOINTLY GOVERNED ORGANIZATIONS

A. Lima-Allen County Regional Planning Commission

The Lima-Allen County Regional Planning Commission is a political organization as established and set forth under Section 713.21 et seq. of the Ohio Revised Code. Representation on the Commission consists of six delegates and six alternates appointed by the Allen County Board of Commissioners, one delegate and one alternate for each 5,000 persons determined by the last federal decennial census from each municipal corporation and each of the townships participating in the Commission; provided that in no event shall any cooperating municipality or township have less than one delegate and one alternate to the Commission.

Each participating municipality and township contributes in each calendar year twenty cents per capita according to the latest federal census.

Duties of the Commission include making studies, maps, plans and other reports of the County and adjoining areas, showing recommendations for systems of transportation, highways, park and recreational facilities, water supply, sewerage disposal, garbage disposal, civic centers and other public improvements and land uses which affect the development of the region.

The Commission has the authority to employ an Executive Director, engineers, accountants, attorneys, planners and others as may be necessary and set their compensation.

In 2000, the County paid membership fees of $76,828, which represents 10 percent of total revenue. Complete financial statements can be obtained from the Lima-Allen County Regional Planning Commission, Allen County, Ohio.

22. JOINTLY GOVERNED ORGANIZATIONS (Continued)

B. Joint Solid Waste Management District

Allen County participates in a Multi-County Solid Waste District (the District), along with Champaign, Hardin, Marion, Shelby and Union Counties. The District was established following the requirements of House Bill 592. The Board of Directors consists of County Commissioners from each county. Initial funding for the District was contributed by each county based on its individual county's population as compared to the total of all participating counties' populations.

Allen County, being the largest of the six counties, initially contributed 33 percent of the total funds contributed, and is the fiscal agent for the District. In 1994, the District became self-supporting and does not anticipate having to rely on future support coming from funds given to the District by the six counties involved.

The County did not contribute to the Joint Solid Waste Management District in 2000 and does not anticipate any future contributions. However, the potential exists that a contribution could be needed in the future. Complete financial statements can be obtained from the Joint Solid Waste District, Allen County, Ohio.

C. Job Training Partnership Consortium

The Governor has designated Allen, Auglaize, Hardin and Mercer Counties as a Service Delivery Area. A Job Training Partnership Agreement between the Allen, Auglaize, Hardin and Mercer County Consortium and the Private Industry Council (PIC) was entered into pursuant to the provisions of the Job Training Partnership Act of 1982 (the Act) Public Law 97-300. Funds for the operations of the JTPA are received through grant revenue from the State of Ohio.

The Allen County Job Training Partnership #2 Office has been designated by the PIC as the Administrative Entity, responsible for the administration of the job training plan as formulated by the combined efforts of the Administrative Entity, the Chief Elected Official from each of the four counties and the PIC. Each Board of County Commissioners must choose a Chief Elected Official (CEO) to represent the County in the JTPA.

The CEO is responsible for approving job training plans, grants, policies and operating guidelines for the administration of the programs, delegation of duties for the programs and appointment/termination of the Director of the Job Training Partnership #2 Office. The Private Industry Council is responsible for assisting the CEOs in approving job training plans, grants, policies and operating guidelines for the administration of the training programs and the adoption of a Code of Regulations (By-Laws).

The County did not contribute to the Job Training Partnership Consortium in 2000 and does not anticipate any future contributions. However, the potential exists that a contribution could be needed in the future. Complete financial statements can be obtained from JTPA, Allen County, Ohio.

D. Western Ohio Regional Treatment and Habilitation (WORTH) Center

The Western Ohio Regional Treatment and Habilitation (WORTH) Center is a residential probation center created in 1991 under Section 2301.51 of the Ohio Revised Code. The WORTH Center is operated by the Judicial Corrections Board for the district comprised of Allen, Auglaize, Hancock, Hardin, Mercer, Paulding, Putnam, and Van Wert Counties for men from the eight counties placed on probation by the Common Pleas Court that otherwise would be sentenced to incarceration in a state penal institution.

22. JOINTLY GOVERNED ORGANIZATIONS (Continued)

Training and counseling are personalized to meet the needs of each offender and are designed to establish an ongoing treatment plan that will accompany the offender upon release from the WORTH Center. The Center is located in Allen County and the County acts as the fiscal agent.

The Judicial Corrections Board of the WORTH Center consists of ten judges of the eight member counties who are appointed by the presiding judge of the court of common pleas of Allen County. The County has entered into a sublease with the Department of Rehabilitation and Correction which stipulates that the WORTH Center building constructed by the Ohio Building Authority will revert to the County's ownership after 20 years from the start of the WORTH Center project. The County does not contribute to the Center nor does it anticipate doing so in the future. Complete financial statements can be obtained from the WORTH Center, Allen County, Ohio.

E. Lima-Allen County Joint Parking Commission

The County and the City of Lima have established a joint parking commission (JPC) which will be responsible for developing and implementing a joint City-County parking system for the Central Business District, and will have management control over the downtown parking garage and various downtown surface lots placed under the administration of the JPC by the respective parties.

The JPC establishes policies for the operation of the parking system under it's control, including rates to be charged.

The JPC is comprised of two members, one appointed by the Mayor of the City of Lima, and one appointed by the President of the Board of County Commissioners.

23. INSURANCE POOL

A. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

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

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services, and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers.

The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a County Commissioner.

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)**

24. RELATED PARTY TRANSACTIONS

Marimor Industries, Inc., a discretely presented component unit of Allen County, has entered into a contract with the Allen County Board of Mental Retardation/Developmental Disabilities (MRDD), whereby the MRDD has agreed to pay specified overhead expenses for the workshop. The additional income and related expenses are not reflected in the financial statements of the component unit. In 2000, the contribution to Marimor Industries, Inc. for salaries, retirement, employee benefits, worker's compensation, repairs, supplies, equipment, medicare, and other expenses was $2,487,771.

25. CONTRACTUAL COMMITMENTS

The County had entered into various contracts with outstanding amounts at December 31, 2000, as follows:

Company	Project	Amount
Malcom Pirnie Inc.	GIS Phase I	$115,000
Poggemeyer Design Group	Economic Development	112,726
S.E. Johnson Co.	Bath Township Ditch	102,057
Degen Excavating Co.	Chipman Sewer Improvement	127,664
Total Contractual Commitments		$457,447

26. CONTINGENT LIABILITIES

A. Pending Litigation

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

B. Grants

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

27. SUBSEQUENT EVENTS

On January 23, 2001, the County authorized the issuance of a $76,500 note at 5.11% for the construction of the Spencerville Joint County Ditch #1209.

On March 1, 2001, the County authorized an agreement for engineering services with Fanning/Howey Associates, Inc. for the Beaverdam Water and Wastewater Improvement Project at a cost not to exceed $128,500.

27. SUBSEQUENT EVENTS (Continued)

On March 1, 2001, the County authorized a contract with Wade and Associates, Inc. to perform an inflow/infiltration study for the Shawnee #2 basin collection system at a cost not to exceed $365,000.

On March 6, 2001, the County authorized the issuance of a $2,132,158, twenty year loan, with the United States Department of Agriculture, Rural Development, at five percent interest for the Findlay Road Sewer Improvement Project.

On March 6, 2001, the County authorized the renewal of a one year $70,000 note at 4.77 percent interest for the Bear Ditch #1156.

On March 15, 2001, the County authorized the purchase of a new 911 call system at a cost not to exceed $160,000.

On March 20, 2001, the County awarded a contract for the North Leonard Avenue Sewer Improvement Project to Degen Excavating for an amount not to exceed $278,747.

On April 17, 2001, the County entered into a contract with Ziakam Construction, Inc. for $887,294, for the construction of the High Street Bridge, No. ALL-CR507. This will be funded by an Issue II grant.

On April 26, 2001, the County authorized the renewal of the Oakview Subdivision DPA note, in the amount of $90,000, with Bank One for one year at a rate not to exceed six percent.

On May 15, 2001, the County awarded a contract for the construction of infrastructure for the Industrial Park East to Underground Utilities at a cost not to exceed $2,062,673. The start date of this project is mid to late June 2001, with completion required by September 2002.

ALLEN COUNTY FINANCIAL CONDITION

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Direct:						
Water and Waste Disposal Systems for Rural Communities		10.760	$664,500		$664,500	
Passed Through Ohio Department of Agriculture:						
Nutrition Cluster						
National School Breakfast Program						
Marimor School (Note 4)	05-PU-99	10.553	$12,034		$12,034	
Detention Center (Note 4)	05-PU-99	10.553	11,941		11,941	
Total National School Breakfast Program			23,975		23,975	
National School Lunch Program						
Marimor School (Note 4)	03-PU-99	10.555	23,035		23,035	
Detention Center (Note 4)	03-PU-99	10.555	18,438		18,438	
Total National School Lunch Program			41,473		41,473	
Food Distribution Program						
Marimor School (Note 4)	N/A	10.550		$5,154		$5,151
Detention Center (Note 4)	N/A	10.550		4,651		5,008
Total Food Distribution Program				9,805		10,159
Total Nutrition Cluster			65,448	9,805	65,448	10,159
Total U.S. Department of Agriculture			729,948	9,805	729,948	10,159
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Special Education Cluster						
Special Education Grants to States	6B-SF-99	84.027	9,744			
(IDEA Part B)	6B-SF-00	84.027	28,021		41,224	
	6B-SF-01	84.027	22,472		18,003	
Total Special Education Grants to States			60,237		59,227	
Special Education-Preschool Grant	PG-S1-99	84.173			442	
	PG-S1-00	84.173			16,901	
	PG-S1-01	84.173	24,775		8,359	
Total Special Education - Preschool Grant			24,775		25,702	
Subtotal Special Education Cluster			85,012		84,929	
Innovative Education Program Strategies	C2-S1-99C	84.298	663		663	
	C2-S1-00	84.298	4,413		4,413	
	C2-S1-01	84.298	901			
Total Innovative Education Programs			5,977		5,076	
Total U.S. Department of Education			90,989		90,005	
U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY						
Passed Through Governor's Office:						
Emergency Management Assistance	N/A	83.534	24,155		24,155	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed Through Ohio Department of Mental Retardation and Developmental Disablilities:						
Marimor School Social Services Block Grant						
Title XX	N/A	93.667	93,744		93,744	
Title XIX-CAFS	N/A	93.778	1,722,177		1,722,177	
Total U.S. Department of Health and Human Services			1,815,921		1,815,921	

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF JUSTICE:						
Passed Through Ohio Department of Criminal Justice:						
Local Law Enforcement Block Grant	N/A	16.592			133,597	
		16.592	130,016			
		16.592	89,695			
Total Local Law Enforcement Block Grant			219,711		133,597	
Gang Prevention	N/A	16.579	33,900		33,900	
Drug Control and System Improvement	N/A	16.579	78,896		78,896	
Total Gang Prevention and Drug Control and System Improvement			112,796		112,796	
Total U.S. Department of Justice			332,507		246,393	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION:						
Passed Through Ohio Department of Public Safety:						
Young Safe Drivers/Cops in Shops/Party Crashers		20.600			19,844	
		20.600	18,636			
Total Young Safe Drivers/Cops in Shops/Party Crashers			18,636		19,844	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:						
Passed Through Ohio Department of Development:						
Community Development Block Grant - Entitlement Grants						
Formula Allocation Program FY 98	N/A	14.228			197,436	
Formula Allocation Program FY 99		14.228	284,000		218,470	
Total Community Development Block Grant - Entitlement Grants			284,000		415,906	
Total U.S. Department of Housing and Urban Development			284,000		415,906	
TOTAL FEDERAL FINANCIAL ASSISTANCE			$3,296,156	$9,805	$3,342,172	$10,159

See accompanying notes to the Schedule of Federal Awards Expenditures.

ALLEN COUNTY FINANCIAL CONDITION

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1: GENERAL

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial programs of Allen County, Ohio. The County reporting entity is defined in Note 1 of the County's general-purpose financial statements. All federal financial assistance passed through other governmental agencies is included in the schedule.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Federal Financial Assistance has been prepared on a basis of cash receipts and disbursements, consequently, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligation is incurred.

NOTE 3: COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS (CDBG)

The Allen County CDBG received periodic loan repayments from individuals awarded loans for rehabilitation programs. In addition, the County received payments from individuals who did not reside in a rehabilitated dwelling for the required ten-year period. The activity for the loan fund is scheduled below and is not reflected in the federal receipts, expenditures, and cash balances on the schedule of federal financial assistance.

The loan receivable activity and cash balances available for loan under the revolving loan program for 2000 are as follows:

Rehabilitation Loans	Loans Receivable	Cash Balance
Beginning Balance	$107,483	$23,671
Other Revenue	0	46,361
Loan Principal Repayment Receipts	(4,162)	4,162
Loan Interest Repayment Receipts	0	4,288
Interest on Bank Account	0	948
Grant Disbursements	0	(16,605)
Ending Balance	$103,321	$ 62,825

In addition to the rehabilitation loans under the direct control of Allen County, the County also provides oversight for the CDBG Small Business Revolving Loans administered by the Allen County Port Authority whose 2000 activity is as follows:

Small Business Revolving Loans	Loans Receivable	Cash Balance
Beginning Balance	$176,317	$322,488
Loan Repayment Receipts	(35,948)	57,054
Loans Written Off	(25,221)	0
Loan Disbursements	0	(8,720)
Ending Balances	$115,148	$370,822

The ending cash balance is the total amount available for loan by the revolving loan program. Additional information on the Revolving Loan Program is provided in the audit of the Allen County Port Authority.

NOTE 4: FOOD SERVICES PROGRAMS - MARIMOR SCHOOL AND DETENTION CENTER

The Allen County Department of Mental Retardation and Development Disabilities (Marimor School) and the Allen County Youth Detention Home, received federal assistance through the National School Lunch and Donated Food Programs. The National School Lunch program is reimbursing in nature and revenues are considered expended when received. The above departments are allowed a selection from a pool of foods, when available, under the Food Distribution Program.

STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

Allen County
301 North Main Street
Lima, Ohio 45801

To the Board of Commissioners:

We have audited the financial statements of Allen County, (the County), as of and for the year ended December 31, 2000, and have issued our report thereon dated July 18 2001, which indicated we did not audit the financial statements of Marimor Industries, Inc. and LODDI, Inc. and our opinion insofar as it relates to the amounts included for Marimor Industries, Inc. and LODDI, Inc., is based on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. The financial statements of Marimor Industries, Inc. and LODDI, Inc. were not audited in accordance with Government Auditing Standards and accordingly this report does not extend to those component units.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-60202-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated July 18, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2000-60202-002.

Internal Control Over Financial Reporting
(Continued)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated July 18, 2001.

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

Jim Petro
Auditor of State

July 18, 2001

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

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

Allen County
301 North Main Street
Lima, Ohio 45801

To the Board of Commissioners:

Compliance

We have audited the compliance of Allen County, (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2000. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

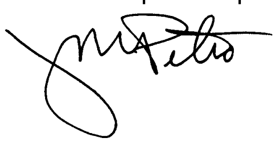
The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance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

Internal Control Over Compliance
(Continued)

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely effect the County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings as item 2000-60202-003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not disclose all matters in internal control that are also considered to be material weaknesses. However, we consider the reportable condition listed as item 2000-60202-003 to be a material weakness.

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



Jim Petro
Auditor of State

July 18, 2001

ALLEN COUNTY FINANCIAL CONDITION

SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2000
OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weakness conditions reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material non-compliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material internal control weakness conditions reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any other reportable internal control weakness conditions reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	Yes
(d)(1)(vii)	**Major Programs (list):**	93.778-Title XIX/CAFS
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2000
OMB CIRCULAR A -133 § .505

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

Finding Number-2000-60202-001	Noncompliance

Debt Covenant

Pursuant to Allen County Resolution 168-93, dated March 25, 1993, and Section 133.08, Ohio Revised Code, $9,000,000 of sewer system revenue bonds, were issued for the purpose of constructing certain improvements to the County's sewer system. Per the fourth requirement of the bond legislation in section 7 "Application of Pledged Revenues," which states "Commencing on May 20, 1993 and continuing on the twentieth day of each month thereafter until a total amount of $800,000 is on deposit, there shall be paid the sum of $10,000 into the Replacement and Improvement Account, which shall be held by the County. Thereafter no payments shall be made for so long as a balance of $800,000 is maintained in the Replacement and Improvement Account.

Monthly payments shall be made in the sum of $10,000, and if at any time said balance is less than $800,000, the payments shall continue until the balance in the Replacement and Improvement Account equals $800,000; thereafter such monthly payments shall cease for so long as said balance is maintained and such monthly payments shall resume again if at any time said balance is less than $800,000 and shall continue until said balance is established.

Interest earnings on the Replacement and Improvement Account shall be paid into the Surplus Account if the balance in the Replacement and Improvement Account is $800,000, and interest earnings on the Replacement and Improvement Account shall be deposited in the Replacement and Improvement Account if the balance in the Replacement and Improvement Account is less than $800,000. The Replacement and Improvement Account shall be used to provide for replacements and improvements to the System."

Based upon the terms of the debt covenant, the beginning balance and dates of deposits and withdrawals, the County should have deposited $120,000 into the Replacement and Improvement Account during 2000. The balance of the account was $39,091, at December 31, 2000, and monthly deposits had not been made during the year 2000.

Finding Number 2000-60202-002	Material Weakness

Self Insurance Program

The County established an Employee Health Insurance Fund to account for and finance employee health benefits. The Employee Health Care Plan is responsible for $75,000 in claims per individual per year and then the stop-loss insurance covers up to a lifetime maximum of $1,925,000 per covered person. Additional stop-loss insurance has been purchased for claims in excess of $3,025,409 in the aggregate.

During the year 2000, revenues in the Employee Health Insurance Fund increased by 7 percent and expenditures increased by 28 percent which results in possible shortcomings if funding is unavailable. The fund cash balance at December 31, 2000 was $296,886; however, claims payable in the amount $659,155 were outstanding at year-end resulting in $ 362,269 in unfunded claims. Also, the fund cash balance at June 30, 2001, was a negative ($327,340).

In order to determine the future financial condition of the Employee Health Insurance Fund, the County should perform an analysis on the condition of the fund and determine a course of action. This analysis could consider an increase in premiums to the employee, or the stop-loss amount could be decreased. The County should take into consideration the most cost efficient approach.

SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2000
OMB CIRCULAR A -133 § .505

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2000-60202-003
CFDA Title and Number	All CFDA Numbers and Titles
Federal Award Number/Year	All Federal Award Numbers
Federal Agency	All Federal Agencies
Pass-Through Agency	All Pass-Through Agencies

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, requires federal recipients and subrecipients to identify in their accounts all federal awards received and expended, as well as the federal programs under which they were granted. The accounts utilized by the County do not differentiate federal fund receipts from other local receipts, in all instances. In assessing the appropriateness and completeness of the County's identification of federal programs, it must be determined whether the required reports for Federal awards include all activity of the reporting period, are supported by applicable accounting records, and are fairly presented in accordance with program requirements.

In addition, OMB Circular A-133, Subpart C, Section 300(d), states that the County shall prepare appropriate financial statements, including the schedule of federal awards expenditures for the period covered by the County's financial statements. The Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through agency.

The County did not prepare the schedule of federal awards expenditures for the audit year 2000.

Examination of the accounting records determined that the County does not have a system in place to differentiate federal program revenues and expenditures from state and local revenues and expenditures. It is difficult to compare receipts and expenditures for a department, or for a specific project and identify federal transactions. The lack of proper identification of federal transactions in the accounting records could result in significant misstatements of the schedule of federal award expenditures and could also result in the loss of federal funding.

Allen County should evaluate the current accounting records and make the necessary changes to enable the proper identification of all federal transactions. Further, the County should prepare the schedule of federal awards expenditures for the period covered by the financial statements.

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

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

ALLEN COUNTY FINANCIAL CONDITION

ALLEN 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
AUGUST 7, 2001