**WILLIAMS COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

OHIO AUDITOR OF STATE
**KEITH FABER**

**WILLIAMS COUNTY**
**DECEMBER 31, 2018**

**TABLE OF CONTENTS**

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

One Government Center
Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Commissioners:

***Report on the Financial Statements***

We have audited the accompanying cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio, as of December 31, 2018, and the respective changes in cash financial position and the respective budgetary comparison for the General, Auto and Gas, Enrichment Center, Job and Family Services, and Department of Aging funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

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

***Other Matters***

*Supplementary Information*

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2019, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber
Auditor of State

Columbus, Ohio

September 16, 2019

## WILLIAMS COUNTY

### STATEMENT OF NET POSITION - CASH BASIS
### DECEMBER 31, 2018

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| **Assets** | | | |
| Equity in Pooled Cash and Cash Equivalents | $ 17,390,397 | $ 4,529,614 | $ 21,920,011 |
| **Net Position** | | | |
| Restricted for: | | | |
| Debt Service | $ 800,470 | | $ 800,470 |
| Capital Projects | 6,325 | | 6,325 |
| Other Purposes | 9,942,796 | | 9,942,796 |
| Unrestricted | 6,640,806 | $ 4,529,614 | 11,170,420 |
| *Total Net Position* | $ 17,390,397 | $ 4,529,614 | $ 21,920,011 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS**
**FOR THE YEAR ENDED DECEMBER 31, 2018**

| | | Program Cash Receipts | | |
|---|---|---|---|---|
| | **Cash Disbursement** | **Charges for Services** | **Operating Grants and Contributions** | **Capital Grants and Contributions** |
| **Governmental Activities** | | | | |
| General Government: | | | | |
| Legislative and Executive | $ 3,249,699 | $ 1,891,333 | $ 50,787 | |
| Judicial | 3,542,608 | 636,214 | 1,844,473 | $ 93,686 |
| Public Safety | 4,528,232 | 184,781 | 416,889 | |
| Public Works | 5,405,181 | 763,682 | 4,702,708 | |
| Health | 1,732,131 | 1,569,585 | 14,248 | |
| Human Services | 10,149,473 | 1,372,625 | 5,547,452 | |
| Conservation and Recreation | 7,000 | | | |
| Economic Development and Assista | 1,168,353 | 10,000 | 653,315 | |
| Hospitalization | 1,291,589 | 52,455 | | |
| Other | 148,981 | 20,384 | | |
| Capital Outlay | 786,917 | 22,240 | | 784,401 |
| Debt Service: | | | | |
| Principal Retirement | 1,409,439 | 189,567 | | 196,358 |
| Interest and Fiscal Charges | 196,890 | 73,406 | | 68,149 |
| *Total Governmental Activities* | 33,616,493 | 6,786,272 | 13,229,872 | 1,142,594 |
| **Business-Type Activities** | | | | |
| Hillside | 7,332,067 | 6,885,485 | 29,113 | |
| Sanitary Sewer | 551,693 | 453,103 | | |
| *Total Business-Type Activities* | 7,883,760 | 7,338,588 | 29,113 | |
| *Totals* | $ 41,500,253 | $ 14,124,860 | $ 13,258,985 | $ 1,142,594 |

**General Cash Receipts**

Property Taxes Levied For:

General Purposes

Human Services - Enrichment Center

Human Services - Department of Aging

Sales Taxes

Grants and Entitlements not
Restricted to Specific Programs

Investment Income

Proceeds from Sale of Capital Assets

Miscellaneous

*Total General Cash Receipts*

Advances

*Total General Cash Receipts and Advances*

*Change in Net Cash Position*

Net Cash Position at Beginning of Year

*Net Cash Position at End of Year*

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Position | | |
|---|---|---|
| **Governmenta Activities** | **Business- Activities** | **Total** |
| $ (1,307,579) | | $ (1,307,579) |
| (968,235) | | (968,235) |
| (3,926,562) | | (3,926,562) |
| 61,209 | | 61,209 |
| (148,298) | | (148,298) |
| (3,229,396) | | (3,229,396) |
| (7,000) | | (7,000) |
| (505,038) | | (505,038) |
| (1,239,134) | | (1,239,134) |
| (128,597) | | (128,597) |
| 19,724 | | 19,724 |
| | | |
| (1,023,514) | | (1,023,514) |
| (55,335) | | (55,335) |
| (12,457,755) | | (12,457,755) |
| | $ (417,469) | (417,469) |
| | (98,590) | (98,590) |
| | (516,059) | (516,059) |
| (12,457,755) | (516,059) | (12,973,814) |
| | | |
| 1,949,859 | | 1,949,859 |
| 2,163,430 | | 2,163,430 |
| 1,103,868 | | 1,103,868 |
| 5,987,981 | | 5,987,981 |
| | | |
| 1,563,701 | | 1,563,701 |
| 308,934 | 62,448 | 371,382 |
| 15,947 | | 15,947 |
| 843,185 | 297,901 | 1,141,086 |
| 13,936,905 | 360,349 | 14,297,254 |
| (58,126) | | (58,126) |
| 13,878,779 | 360,349 | 14,239,128 |
| 1,421,024 | (155,710) | 1,265,314 |
| 15,969,373 | 4,685,324 | 20,654,697 |
| $ 17,390,397 | $ 4,529,614 | $ 21,920,011 |

**WILLIAMS COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS**
**GOVERNMENTAL FUNDS**
**DECEMBER 31, 2018**

| | General | Auto and Gas | Enrichment Center | Job and Family Services | Department of Aging | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| **Cash Assets** | | | | | | | |
| Equity in Pooled Cash and Cash | $5,954,457 | $ 2,028,678 | $ 2,775,706 | $ 359,969 | $ 662,052 | $ 5,609,535 | $ 17,390,397 |
| **Fund Cash Balances** | | | | | | | |
| Nonspendable | $ 34,069 | | | | | | $ 34,069 |
| Restricted | | $ 2,028,678 | $ 2,775,706 | $ 359,969 | $ 662,052 | $ 4,889,117 | 10,715,522 |
| Committed | | | | | | 488,635 | 488,635 |
| Assigned | 179,752 | | | | | 231,783 | 411,535 |
| Unassigned | 5,740,636 | | | | | | 5,740,636 |
| *Total Fund Cash Balances* | $5,954,457 | $ 2,028,678 | $ 2,775,706 | $ 359,969 | $ 662,052 | $ 5,609,535 | $ 17,390,397 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**This page intentionally left blank.**

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018**

| | General | Auto and Gas | Enrichment Center | Job and Family Services |
|---|---|---|---|---|
| **Cash Receipts** | | | | |
| Property Taxes | $ 1,949,859 | | $ 2,163,430 | |
| Sales Taxes | 5,987,981 | | | |
| Charges for Services | 1,779,042 | $ 269,691 | 293,687 | $ 737,549 |
| Licenses and Permits | 4,285 | 3,000 | | |
| Fines and Forfeitures | 93,069 | 231 | | |
| Intergovernmental | 1,944,679 | 4,701,326 | 779,525 | 2,315,015 |
| Special Assessments | 42,863 | | | |
| Investment Income | 274,085 | 28,931 | | |
| Rental Income | 26,553 | | | |
| Loan Repayments | | | | |
| Other | 269,997 | 44,258 | 12,226 | 12,740 |
| *Total Cash Receipts* | 12,372,413 | 5,047,437 | 3,248,868 | 3,065,304 |
| **Cash Disbursements** | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 2,625,281 | | | |
| Judicial | 1,333,665 | | | |
| Public Safety | 4,287,595 | | | |
| Public Works | 199,074 | 4,895,819 | | |
| Health | 94,261 | | | |
| Human Services | 920,781 | | 2,379,886 | 2,831,224 |
| Conservation and Recreation | 7,000 | | | |
| Economic Development and Assistance | 225,463 | | | |
| Hospitalization | 1,291,589 | | | |
| Other | 146,629 | | | |
| Capital Outlay | | | | |
| Debt Service: | | | | |
| Principal Retirement | 15,914 | | | |
| Interest and Fiscal Charges | 4,828 | | | |
| *Total Cash Disbursements* | 11,152,080 | 4,895,819 | 2,379,886 | 2,831,224 |
| *Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements* | 1,220,333 | 151,618 | 868,982 | 234,080 |
| **Other Financing Sources (Uses)** | | | | |
| Proceeds from Sales of Capital Assets | | 5,887 | | |
| Advances In | 100 | | | |
| Advances Out | (65,726) | | | |
| Transfers In | | | | |
| Transfers Out | (800,000) | | | (69,867) |
| *Total Other Financing Sources (Uses)* | (865,626) | 5,887 | | (69,867) |
| *Net Change in Fund Cash Balances* | 354,707 | 157,505 | 868,982 | 164,213 |
| Fund Balances at Beginning of Year | 5,599,750 | 1,871,173 | 1,906,724 | 195,756 |
| *Fund Balances at End of Year* | $ 5,954,457 | $ 2,028,678 | $ 2,775,706 | $ 359,969 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| Department of Aging | Other Governmental Funds | Total Governmental Funds |
|---|---|---|
| $ 1,103,868 | | $ 5,217,157 |
| | | 5,987,981 |
| | $ 2,719,216 | 5,799,185 |
| | 147,666 | 154,951 |
| | 169,784 | 263,084 |
| 387,060 | 5,574,256 | 15,701,861 |
| | 627,468 | 670,331 |
| 7 | 5,911 | 308,934 |
| | 106,474 | 133,027 |
| | 144,496 | 144,496 |
| 247,908 | 111,560 | 698,689 |
| 1,738,843 | 9,606,831 | 35,079,696 |
| | | |
| | 624,418 | 3,249,699 |
| | 2,208,943 | 3,542,608 |
| | 240,637 | 4,528,232 |
| | 310,288 | 5,405,181 |
| | 1,637,870 | 1,732,131 |
| 1,602,205 | 2,415,377 | 10,149,473 |
| | | 7,000 |
| | 942,890 | 1,168,353 |
| | | 1,291,589 |
| | 2,352 | 148,981 |
| | 786,917 | 786,917 |
| | | |
| | 1,393,525 | 1,409,439 |
| | 192,062 | 196,890 |
| 1,602,205 | 10,755,279 | 33,616,493 |
| | | |
| 136,638 | (1,148,448) | 1,463,203 |
| | | |
| 449 | 9,611 | 15,947 |
| | 7,500 | 7,600 |
| | | (65,726) |
| | 869,867 | 869,867 |
| | | (869,867) |
| 449 | 886,978 | (42,179) |
| 137,087 | (261,470) | 1,421,024 |
| 524,965 | 5,871,005 | 15,969,373 |
| $ 662,052 | $ 5,609,535 | $ 17,390,397 |

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - BUDGETARY BASIS GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Budgetary Basis Receipts** | | | | |
| Property Taxes | $ 1,931,600 | $ 1,949,600 | $ 1,949,859 | $ 259 |
| Sales Taxes | 5,600,000 | 5,850,000 | 5,987,981 | 137,981 |
| Charges for Services | 4,443,946 | 1,428,446 | 1,459,965 | 31,519 |
| Licenses and Permits | 4,320 | 4,320 | 4,285 | (35) |
| Fines and Forfeitures | 101,700 | 92,200 | 93,069 | 869 |
| Intergovernmental | 1,242,583 | 1,849,028 | 1,944,679 | 95,651 |
| Special Assessments | 50,000 | 43,000 | 42,863 | (137) |
| Investment Income | 135,310 | 185,310 | 274,085 | 88,775 |
| Rental Income | | | 482 | 482 |
| Other | 340,876 | 205,176 | 266,785 | 61,609 |
| *Total Budgetary Basis Receipts* | 13,850,335 | 11,607,080 | 12,024,053 | 416,973 |
| **Budgetary Basis Disbursements** | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 2,691,558 | 2,620,466 | 2,445,034 | 175,432 |
| Judicial | 1,392,102 | 1,422,501 | 1,354,473 | 68,028 |
| Public Safety | 4,120,249 | 4,361,181 | 4,301,808 | 59,373 |
| Public Works | 309,232 | 312,326 | 199,074 | 113,252 |
| Health | 116,278 | 137,785 | 99,261 | 38,524 |
| Human Services | 883,970 | 993,917 | 974,377 | 19,540 |
| Conservation and Recreation | 2,000 | 7,000 | 7,000 | |
| Economic Development and Assistance | 131,525 | 234,025 | 225,463 | 8,562 |
| Hospitalization | 4,200,000 | 1,333,104 | 1,291,589 | 41,515 |
| Other | 344,600 | 158,473 | 146,629 | 11,844 |
| Debt Service: | | | | |
| Principal Retirement | 15,914 | 15,914 | 15,914 | |
| Interest and Fiscal Charges | 4,828 | 4,828 | 4,828 | |
| *Total Budgetary Basis Disbursements* | 14,212,256 | 11,601,520 | 11,065,450 | 536,070 |
| *Excess (Deficiency) of Budgetary Basis Receipts Over (Under) Budgetary Basis Disbursements* | (361,921) | 5,560 | 958,603 | 953,043 |
| **Other Financing Sources (Uses)** | | | | |
| Advances In | | | 100 | 100 |
| Advances Out | | | (65,726) | (65,726) |
| Transfers Out | | (800,000) | (800,000) | |
| *Total Other Financing Sources (Uses)* | | (800,000) | (865,626) | (65,626) |
| *Net Change in Fund Cash Balance* | (361,921) | (794,440) | 92,977 | 887,417 |
| Fund Cash Balance at Beginning of Year | 4,630,159 | 4,630,159 | 4,630,159 | |
| *Prior Year Encumbrances Appropriated* | 102,129 | 102,129 | 102,129 | |
| *Fund Cash Balance at End of Year* | $ 4,370,367 | $ 3,937,848 | $ 4,825,265 | $ 887,417 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WILLIAMS COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
AUTO AND GAS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Budgetary Basis Receipts** | | | | |
| Charges for Services | $ 257,000 | $ 257,000 | $ 269,691 | $ 12,691 |
| Licenses and Permits | 3,000 | 3,000 | 3,000 | |
| Fines and Forfeitures | 430 | 430 | 231 | (199) |
| Intergovernmental | 5,279,000 | 5,279,000 | 4,701,326 | (577,674) |
| Investment Income | 10,000 | 10,000 | 28,931 | 18,931 |
| Other | 204,645 | 204,645 | 44,258 | (160,387) |
| *Total Budgetary Basis Receipts* | 5,754,075 | 5,754,075 | 5,047,437 | (706,638) |
| **Budgetary Basis Disbursements** | | | | |
| Current: | | | | |
| Public Works | 5,792,126 | 5,967,599 | 4,970,987 | 996,612 |
| *Excess (Deficiency) of Budgetary Basis Receipts Over (Under) Budgetary Basis Disbursements* | (38,051) | (213,524) | 76,450 | 289,974 |
| **Other Financing Sources** | | | | |
| Proceeds From Sale of Capital Assets | 17,000 | 17,000 | 5,887 | (11,113) |
| *Net Change in Fund Cash Balance* | (21,051) | (196,524) | 82,337 | 278,861 |
| Fund Cash Balance at Beginning of Year | 1,850,122 | 1,850,122 | 1,850,122 | |
| *Prior Year Encumbrances Appropriated* | 21,051 | 21,051 | 21,051 | |
| *Fund Cash Balance at End of Year* | $ 1,850,122 | $ 1,674,649 | $ 1,953,510 | $ 278,861 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - BUDGETARY BASIS ENRICHMENT CENTER FUND FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Budgetary Basis Receipts** | | | | |
| Property and Other Taxes | $ 2,121,500 | $ 2,100,500 | $ 2,163,430 | $ 62,930 |
| Charges for Services | 36,000 | 36,000 | 293,687 | 257,687 |
| Intergovernmental | 760,500 | 760,500 | 779,525 | 19,025 |
| Other | 6,000 | 6,000 | 12,226 | 6,226 |
| *Total Budgetary Basis Receipts* | 2,924,000 | 2,903,000 | 3,248,868 | 345,868 |
| **Budgetary Basis Disbursements** | | | | |
| Current: | | | | |
| Human Services | 2,988,706 | 3,117,047 | 2,383,470 | 733,577 |
| *Net Change in Fund Cash Balance* | (64,706) | (214,047) | 865,398 | 1,079,445 |
| Fund Cash Balance at Beginning of Year | 1,839,886 | 1,839,886 | 1,839,886 | |
| *Prior Year Encumbrances Appropriated* | 66,838 | 66,838 | 66,838 | |
| *Fund Cash Balance at End of Year* | $ 1,842,018 | $ 1,692,677 | $ 2,772,122 | $ 1,079,445 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS**
**AND CHANGES IN FUND BALANCE - BUDGETARY BASIS**
**JOB AND FAMILY SERVICES FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | **Original** | **Final** | **Actual** | **(Negative)** |
| **Budgetary Basis Receipts** | | | | |
| Charges for Services | $ 632,432 | $ 632,432 | $ 737,549 | $ 105,117 |
| Intergovernmental | 2,591,664 | 2,356,664 | 2,315,015 | (41,649) |
| Other | 9,800 | 9,800 | 12,740 | 2,940 |
| *Total Budgetary Basis Receipts* | 3,233,896 | 2,998,896 | 3,065,304 | 66,408 |
| **Budgetary Basis Disbursements** | | | | |
| Current: | | | | |
| Human Services | 3,407,695 | 3,056,634 | 2,923,873 | 132,761 |
| *Excess (Deficiency) of Budgetary Basis Receipts Over (Under) Budgetary Basis Disbursements* | (173,799) | (57,738) | 141,431 | 199,169 |
| **Other Financing Uses** | | | | |
| Transfers Out | | (71,061) | (69,867) | 1,194 |
| *Net Change in Fund Cash Balance* | (173,799) | (128,799) | 71,564 | 200,363 |
| Fund Cash Balance at Beginning of Year | 141,997 | 141,997 | 141,997 | |
| *Prior Year Encumbrances Appropriated* | 53,759 | 53,759 | 53,759 | |
| *Fund Cash Balance at End of Year* | $ 21,957 | $ 66,957 | $ 267,320 | $ 200,363 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - BUDGETARY BASIS DEPARTMENT OF AGING FUND FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Budgetary Basis Receipts** | | | | |
| Property and Other Taxes | $ 1,104,000 | $ 1,095,500 | $ 1,103,868 | $ 8,368 |
| Intergovernmental | 355,052 | 355,052 | 387,060 | 32,008 |
| Investment income | 4 | 4 | 7 | 3 |
| Other | 273,500 | 273,500 | 247,908 | (25,592) |
| *Total Budgetary Basis Receipts* | 1,732,556 | 1,724,056 | 1,738,843 | 14,787 |
| **Budgetary Basis Disbursements** | | | | |
| Current: | | | | |
| Human Services | 1,702,577 | 1,732,361 | 1,638,335 | 94,026 |
| *Excess (Deficiency) of Budgetary Basis Receipts Over (Under) Budgetary Basis Disbursements* | 29,979 | (8,305) | 100,508 | 108,813 |
| **Other Financing Sources** | | | | |
| Proceeds From Sale of Capital Assets | 3,000 | 3,000 | 449 | (2,551) |
| *Net Change in Fund Cash Balance* | 32,979 | (5,305) | 100,957 | 106,262 |
| Fund Cash Balance at Beginning of Year | 464,036 | 464,036 | 464,036 | |
| *Prior Year Encumbrances Appropriated* | 60,929 | 60,929 | 60,929 | |
| *Fund Cash Balance at End of Year* | $ 557,944 | $ 519,660 | $ 625,922 | $ 106,262 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF FUND NET POSITION**
**CASH BASIS**
**PROPRIETARY FUNDS**
**DECEMBER 31,2018**

| | Business-Type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Hillside | Sanitary Sewer | Total |
| **Assets** | | | |
| Equity in Pooled Cash and Cash Equivalents | $ 4,385,071 | $ 144,543 | $ 4,529,614 |
| **Net Position** | | | |
| Unrestricted | $ 4,385,071 | $ 144,543 | $ 4,529,614 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

# WILLIAMS COUNTY

## STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET POSITION - CASH BASIS - PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

| | Business-Type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Hillside | Sanitary Sewer | Total |
| **Operating Cash Receipts** | | | |
| Charges for Services | $ 6,885,485 | $ 453,103 | $ 7,338,588 |
| Other Operating Cash Receipts | 31,757 | | 31,757 |
| *Total Operating Cash Receipts* | 6,917,242 | 453,103 | 7,370,345 |
| **Operating Cash Disbursements** | | | |
| Personal Services | 4,826,498 | 215,520 | 5,042,018 |
| Contractual Services | 1,147,014 | 299,334 | 1,446,348 |
| Materials and Supplies | 554,277 | 16,925 | 571,202 |
| Capital Outlay | 253,650 | | 253,650 |
| Other | 162,828 | 1,326 | 164,154 |
| *Total Operating Cash Disbursements* | 6,944,267 | 533,105 | 7,477,372 |
| *Operating Loss* | (27,025) | (80,002) | (107,027) |
| **Nonoperating Cash Receipts (Disbursements)** | | | |
| Debt Service: | | | |
| Principal Retirement | (216,000) | (5,052) | (221,052) |
| Interest and Fiscal Charges | (171,800) | (13,536) | (185,336) |
| Investment Income | 62,448 | | 62,448 |
| Intergovernmental Revenue | 29,113 | | 29,113 |
| Other Nonoperating Revenue | 263,354 | 2,790 | 266,144 |
| *Total Nonoperating Cash Receipts (Disbursements)* | (32,885) | (15,798) | (48,683) |
| *Changes in Net Position* | (59,910) | (95,800) | (155,710) |
| Net Position at Beginning of Year | 4,444,981 | 240,343 | 4,685,324 |
| *Net Position at End of Year* | $ 4,385,071 | $ 144,543 | $ 4,529,614 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF FUND NET POSITION - CASH BASIS**
**FIDUCIARY FUND**
**DECEMBER 31, 2018**

| | Agency |
|---|---|
| **Assets** | |
| Equity in Pooled Cash and Cash Equivalents | $ 4,671,500 |
| Equity in Cash and Cash Equivalents in Segregated Accounts | 282,272 |
| *Total Assets* | $ 4,953,772 |
| **Net Position** | |
| Deposits Held and Due to Others | $ 4,953,772 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

Williams County (the County) was created in 1840. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, County Treasurer, County Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, and two Common Pleas Court Judges (a Probate Court Judge and a Domestic Relations/Juvenile Court Judge). Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the County, including each of these departments.

### Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Williams County, this includes the Children's Services Board, the Department of Job and Family Services, the Williams County Solid Waste Management Board, the Williams County Emergency Management Agency, and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organizations governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt, or the levying of taxes. The County has no component units.

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

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

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

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

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

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

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

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

Williams County Public Library
Williams Metropolitan Housing Authority
Williams County Regional Airport Authority
Williams County Port Authority
Williams County Transportation Improvement District
Williams County Land Reutilization Corporation

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of Accounting

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

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

### B. Fund Accounting

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

**Governmental Funds:**

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

<u>General Fund</u> - 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.

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

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

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

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

Department of Aging Fund - This fund accounts for property taxes and various federal and state grants used to provide public assistance to senior citizens, pay their providers of medical assistance, and for certain public social services.

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

**Proprietary Funds:**

These funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The County classifies these as enterprise funds. The following are the County's Enterprise funds:

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

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

**Fiduciary Funds:**

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

### C. Basis of Presentation and Measurement Focus

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

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

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

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

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

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

*Basis of Presentation*

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

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

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

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

### D. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

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

**Estimated Resources**

The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources which states the projected resources of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2018.

**Appropriations**

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

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

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

### Budgeted Level of Expenditures

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for the purpose other than those designated in the appropriation resolution of the Commissioners. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation. Commissioners' appropriations are made to fund, department, and object level (i.e. General Fund - Commissioner - salaries, supplies, equipment, contract repairs, travel expense, maintenance, other expenses, etc.)

### Encumbrances

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

### Lapsing of Appropriations

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

### E. Cash and Investments

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

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

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

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

During 2018, the County invested in nonnegotiable certificates of deposit. Investments are reported at cost.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General fund during 2018 were $274,085 which includes $209,983 assigned from other County funds.

### F. Restricted Assets

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

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

**G. Inventory and Prepaid Items**

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

**H. Capital Assets and Depreciation**

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not included in the value of capital assets. Depreciation has not been reported for any capital assets.

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

**I. Interfund Receivables / Payables**

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

**J. Compensated Absences**

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

The note reports the accrual of vacation benefits earned if the employees right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are reported in the note as an accrual using the termination method. The amount is based on an estimate of the amount of accumulated sick leave that will probably be paid as termination benefits. There are no amounts restricted by enabling legislation.

**K. Pensions/Other Postemployment Benefit (OPEB)**

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension/OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

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

### L. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

### M. Long-Term Obligations

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

### N. Net Position

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

### O. Fund Balance

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

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

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

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

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

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

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

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

### P. Interfund Activity

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

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

## NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

| Fund Cash Balance | General | Auto and Gas | Enrichment Center | Job and Family Services | Department of Aging |
|---|---|---|---|---|---|
| Cash Basis | $5,954,457 | $2,028,678 | $2,775,706 | $359,969 | $662,052 |
| Funds Budgeted Elsewhere | (950,522) | | | | |
| Adjustment for Encumbrances | (178,670) | (75,168) | (3,584) | (92,649) | (36,130) |
| Budget Basis | $4,825,265 | $1,953,510 | $2,772,122 | $267,320 | $625,922 |

## NOTE 3 – BUDGETARY BASIS OF ACCOUNTING – (Continued)

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

## NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero coupon Unites States treasury security that is a direct obligation of the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;

3. Written repurchase agreements in the securities listed above;

4. Bonds and other obligations of the State of Ohio or its political subdivisions;

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

6. No-load money market mutual funds;

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

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value;

9. Up to twenty-five percent of the County's average portfolio in either of the following

   a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase.

   b. Bankers' acceptances eligible for purchases by the Federal Reserve System and which mature within 180 days after purchase.

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

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;

11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency of instrumentality, and/or highly rated commercial paper; and,

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

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

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

At year end, the County had $41,193 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

<u>Deposits</u>

At fiscal year-end, the carrying amount of the County's deposits was $26,832,590 and the bank balance was $27,133,986. Of the bank balance, $24,585,181 was covered by federal depository insurance and $2,548,805 was protected by eligible securities held by the pledging financial institution's trust department or agent, in the County's name. Ohio Revised Code § 135.18 states the County must require a depository to provide as security an amount equal to the funds on deposit at all times.

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

## NOTE 5 – INTERFUND TRANSFERS

Interfund cash transfers for the year ended December 31, 2018 were as follows:

| | Transfers In | Transfers Out |
|---|---|---|
| Governmental Activities: | | |
| General | | $ 800,000 |
| Job and Family Services | | 69,867 |
| Other Governmental Funds: | | |
| Child Support Enforcement | $ 38,197 | |
| State Child Welfare Fund | 31,670 | |
| Debt Service - East Annex | 800,000 | |
| | $ 869,867 | $ 869,867 |

Transfers were used to move unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorization and to reallocate public assistance monies between job and family services programs.

## NOTE 6 – PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected on real property (other than public utility property) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2018. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. In 2018, the first payment was due February 15, with the remainder payable by July 20.

Public utility real and tangible personal property taxes collected in the current year are levied in the preceding calendar year on assessed values determined as of December 31, the lien date. Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

The full tax rate for all County operations for the year ended December 31, 2018, was $8.10 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

| | |
|---|---|
| Real Property | $ 765,495,470 |
| Public Utility | 35,750,940 |
| Total Assessed Value | $ 801,246,410 |

## NOTE 7 – PERMISSIVE SALES AND USE TAX

In 1988, the County Commissioners, by resolution, imposed a one percent tax on all retail sales, except sales of motor vehicles, made in the County, or on the storage, use, or consumption in the County of tangible personal property, including automobiles. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Office of Budget and Management (OBM) the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. OBM then has five days in which to draw the warrant payable to the County.

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

Proceeds of the tax are credited entirely to the General fund. Sales and Use tax revenue for 2018 amounted to $5,987,981.

## NOTE 8 – TAX ABATEMENTS

Real estate taxes on various properties in the County were abated in accordance with Community Reinvestment Area agreements and Enterprise Zone Program agreements. The Community Reinvestment Area program is a direct incentive tax exemption program benefiting property owners who renovate existing or construct new buildings. The Enterprise Zone program can provide tax exemptions for a portion of the value of new real property investment when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are not eligible (except as noted within rare circumstances).

For 2018, the County had the following Community Reinvestment Area Program agreements allowed by Ohio Revised Code Section 3735.671:

**NOTE 8 – TAX ABATEMENTS – (continued)**

| Property Owner | Tax District | Abatement Period (Tax Years) | Market Value of Abated Property | Tax Abated by County | Tax Abated for Other Entities | Total Tax Abated for 2018 |
|---|---|---|---|---|---|---|
| A-Stamp Ind. | City of Bryan | 01/17-01/24 | $298,520 | $846 | $5,872 | $6,718 |
| Baltosser Properties | Stryker Village | 01/15-12/24 | 100,730 | 286 | 2,035 | 2,321 |
| Colon, Russell & Colon, David | West Unity Village | 01/12-12/21 | 545,110 | 1,545 | 10,749 | 12,294 |
| Drewfund LLC | Stryker Village | 01/10-12/19 | 56,400 | 160 | 1,139 | 1,299 |
| G R Ellis LLC | City of Bryan | 01/11-12/20 | 1,248,000 | 3,538 | 24,548 | 28,086 |
| J & R Holdings (Bryan Area Animal Hospital | City of Bryan | 01/17-01/27 | 443,900 | 1,258 | 8,732 | 9,990 |
| Krebs, Terry Trustee (Laub Auto) | City of Bryan | 01/17-01/24 | 105,510 | 299 | 2,075 | 2,374 |
| Leffel-Terebinski Enterprises | City of Bryan | 01/15-12/21 | 171,960 | 488 | 3,382 | 3,870 |
| Minteq International Inc | City of Bryan | 01/11-12/20 | 333,030 | 944 | 6,551 | 7,495 |
| MLZ Realty (Best One Tire) | City of Bryan | 01/17-01/27 | 632,060 | 1,792 | 12,433 | 14,225 |
| Nihart Enterprises | City of Bryan | 01/10-12/19 | 791,080 | 2,243 | 15,561 | 17,804 |
| Rupp & Roach Ltd | West Unity Village | 01/13-12/27 | 124,100 | 352 | 2,447 | 2,799 |
| Square Feet Unlimited | Montpelier Village | 01/06-12/20 | 1,201,000 | 3,405 | 20,076 | 23,481 |
| Swanson, David Trustee | City of Bryan | 01/17-01/24 | 242,680 | 688 | 4,774 | 5,462 |
| Swanson, David Trustee | City of Bryan | 01/17-01/27 | 646,530 | 1,833 | 12,717 | 14,550 |
| Titan Tire | City of Bryan | 01/09-12/18 | 7,286,100 | 20,656 | 143,318 | 163,974 |
| Troder Properties LLC | City of Bryan | 01/08-12/17 | 2,539,840 | 7,200 | 49,959 | 57,159 |
| Troder Properties LLC | City of Bryan | 01/14-12/20 | 200,700 | 569 | 3,948 | 4,517 |
| Total | | | $16,967,250 | $48,102 | $330,316 | $378,418 |

For 2018, the County had the following Enterprise Zone Program agreements allowed by Ohio Revised Code Sections 5709.61 through 5709.69:

## NOTE 8 – TAX ABATEMENTS – (continued)

| Property Owner | Tax District | Abatement Period (Tax Years) | Market Value of Abated Property | Tax Abated by County | Tax Abated by Other Entities | Total Tax Abated for 2018 |
|---|---|---|---|---|---|---|
| CBC Acquisition/Chase Brass & Copper | Holiday City - Jefferson Twp | 01/12-12/21 | $1,329,900 | $3,770 | $24,387 | $28,157 |
| Edgerton Forge | Edgerton Village | 01/14-12/28 | 332,350 | 942 | 5,876 | 6,818 |
| KLJ Limited Partnership | Pioneer Village | 01/13-12/22 | 201,520 | 571 | 3,653 | 4,224 |
| L & R Rentals LLC | Jefferson Twp - Montpelier EVSD | 01/09-12/17 | 295,740 | 838 | 5,006 | 5,844 |
| Menard Inc | Holiday City - Madison Twp | 01/08-12/17 | 22,500,880 | 63,790 | 421,635 | 485,425 |
| Menard Inc | Holiday City - Madison Twp | 01/09-12/18 | 772,850 | 2,191 | 14,482 | 16,673 |
| Menard Inc | Holiday City - Madison Twp | 01/13-12/27 | 27,073,960 | 76,755 | 507,328 | 584,083 |
| Moore Industries | Montpelier Village | 01/16-12/25 | 419,100 | 1,188 | 7,006 | 8,194 |
| RDIRE, LLC | Holiday City - Jefferson Twp | 01/12-12/21 | 937,020 | 2,656 | 17,183 | 19,839 |
| Square Feet Unlimited | Montpelier Village | 01/12-12/26 | 1,151,000 | 3,263 | 19,241 | 22,504 |
| Total | | | $55,014,320 | $155,964 | $1,025,797 | $1,181,761 |

## NOTE 9 - RISK MANAGEMENT

### A. Property and Liability

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the County contracted with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The CORSA program has a $2,500 deductible. Coverages provided by CORSA are as follows:

| Liability | |
|---|---|
| General Liability | $1,000,000 Each Occurrence |
| Law Enforcement Liability | $1,000,000 Each Occurrence |
| Automobile Liability | $1,000,000 Each Occurrence |
| Errors and Omissions Liability | $1,000,000 Each Occurrence |
| Ohio Stop Gap/Employer's Liability | $1,000,000 Each Occurrence |
| Employee Benefits Liability | $1,000,000 Each Occurrence |
| Privacy and Security Liability | $5,000,000 Each Occurrence |
| Attorney Disciplinary Proceedings | $25,000 Each Occurrence |
| Declatory, Injunctive or Equitable Relief | $25,000 Each Occurrence |
| Uninsured/Underinsured Motorists | $250,000 Each Occurrence |

| Property | |
|---|---|
| Building and Contents (inc. Electronic Data Processing Equipment) | Replacement Cost |
| Flood and Earthquake | $100,000,000 |
| Valuable Papers/Accounts Receivable | $2,500,000/$1,000,000 |
| Auto Physical Damage | Actual Cash Value |
| Automatic Acquisition | $5,000,000 |
| Bridges | $8,762 |
| Contractors Equipment | Replacement Cost |
| Errors and Omissions | $250,000 |
| Fine Arts | $1,000,000 |
| Law Enforcement & Therapy Canines | $20,000 |
| Mobile Medical Equipment | $250,000 |
| Pollutant Cleanup/Removal | $10,000 |
| Property In Transit | $100,000 |
| Service Interruption Property Damage | $2,500,000 |
| Sewer Lines | $7,250,000 |
| Collapse | Replacement Cost |
| Equipment Breakdown | $100,000,000 |
| Extra Expense / Gross Earnings | $2,500,000 |

| Crime | |
|---|---|
| Employee Dishonesty/Faithful Performance | $1,000,000 Each Occurrence |
| Money and Securities (inside) | $1,000,000 Each Occurrence |
| Money and Securities (outside) | $1,000,000 Each Occurrence |
| Depositor's Forgery | $1,000,000 Each Occurrence |
| Money Orders and Counterfeit Currency | $1,000,000 Each Occurrence |
| Fund Transfer Fraud | $500,000 Each Occurrence |
| Computer Fraud | $500,000 Each Occurrence |
| Dog Warden Blanket Bond | $2,000 Bond Limit |

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

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

| | 2018 | 2017 |
|---|---|---|
| Cash and Investments | $ 117,707,869 | $ 117,772,432 |
| Actuarial liabilities | $ 21,120,000 | $ 20,130,002 |

## B. Workers Compensation Group Rating Program

For 2018, the County participated in the County Commissioners' Association Organization Workers' Compensation Group Rating Program (the Program), an insurance purchasing pool (Note 15).

**NOTE 9 - RISK MANAGEMENT – (continued)**

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

Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate. In order to allocate the savings derived by formation of the Program and to maximize the number of participants in the Program, annually the Program's executive committee calculates the total savings which accrued to the Program through its formation. This savings is then compared to the overall savings percentage of the Program.

The Program's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Program is limited to counties that can meet the Program's selection criteria. The firm of Comp. Management, Inc. provided administrative, cost control, and actuarial services to the Program. Each year, the County pays an enrollment fee to the Program to cover the costs of administering the Program. In 2018, the County remitted $3,273 to CCAO Service Corporation for this administration.

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

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

The County participates in the County Employee Benefits Consortium of Ohio (CEBCO) which is a group purchasing consortium available to county governments in Ohio (Note 15). The County pays annual premiums into the program for medical, dental, and prescription drug. CEBCO has an agreement with the County Risk Sharing Authority (CORSA) AAA and the County Commissioners Association of Ohio (CCAO) to provide administrative services for claims processing. In 2018, the County remitted $4,349,579 to CEBCO.

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

**Net Pension Liability/Net OPEB Liability**

Pensions and OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability and the net OPEB liability represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

## NOTE 10 - DEFINED BENEFIT PENSION PLANS – (continued)

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the pension disclosures. See Note11 for the OPEB disclosures.

### Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. County employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

## NOTE 10 - DEFINED BENEFIT PENSION PLANS – (continued)

| Group A | Group B | Group C |
|---|---|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| **State and Local** | **State and Local** | **State and Local** |
| **Age and Service Requirements:** | **Age and Service Requirements:** | **Age and Service Requirements:** |
| Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age 62 with 5 years of service credit or Age 57 with 25 years of service credit |
| **Formula:** | **Formula:** | **Formula:** |
| 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| **Public Safety** | **Public Safety** | **Public Safety** |
| **Age and Service Requirements:** | **Age and Service Requirements:** | **Age and Service Requirements:** |
| Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age 52 with 25 years of service credit or Age 56 with 15 years of service credit |
| **Law Enforcement** | **Law Enforcement** | **Law Enforcement** |
| **Age and Service Requirements:** | **Age and Service Requirements:** | **Age and Service Requirements:** |
| Age 52 with 15 years of service credit | Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age 48 with 25 years of service credit or Age 56 with 15 years of service credit |
| **Public Safety and Law Enforcement** | **Public Safety and Law Enforcement** | **Public Safety and Law Enforcement** |
| **Formula:** | **Formula:** | **Formula:** |
| 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 |

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

**NOTE 10 - DEFINED BENEFIT PENSION PLANS – (continued)**

| | State and Local | Public Safety | Law Enforcement |
|---|---|---|---|
| **2018 Statutory Maximum Contribution Rates** | | | |
| Employer | 14.0 % | 18.1 % | 18.1 % |
| Employee * | 10.0 % | ** | *** |
| | | | |
| **2018 Actual Contribution Rates** | | | |
| Employer: | | | |
| Pension **** | 14.0 % | 18.1 % | 18.1 % |
| Post-employment Health Care Benefits **** | 0.0 | 0.0 | 0.0 |
| | | | |
| Total Employer | 14.0 % | 18.1 % | 18.1 % |
| | | | |
| Employee | 10.0 % | 12.0 % | 13.0 % |

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $1,916,130 for year 2018.

**Net Pension Liability**

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

| | OPERS |
|---|---|
| Proportion of the Net Pension Liability | |
| Current Measurement Date | 0.102990% |
| Prior Measurement Date | 0.099140% |
| | |
| Change in Proportionate Share | 0.003850% |
| | |
| Proportionate Share of the Net Pension Liability | $16,013,337 |

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include

**NOTE 10 - DEFINED BENEFIT PENSION PLANS – (continued)**

assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

| | |
|---|---|
| Wage Inflation | 3.25 percent |
| Future Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA | 3 percent, simple through 2018, then 2.15% simple |
| Investment Rate of Return | 7.5 percent |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

## NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Fixed Income | 23.00 % | 2.20 % |
| Domestic Equities | 19.00 | 6.37 |
| Real Estate | 10.00 | 5.26 |
| Private Equity | 10.00 | 8.97 |
| International Equities | 20.00 | 7.88 |
| Other investments | 18.00 | 5.26 |
| Total | 100.00 % | 5.66 % |

***Discount Rate*** The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---|---|---|---|
| County's proportionate share of the net pension liability | $28,612,682 | $16,012,885 | $5,518,204 |

## NOTE 11 - POSTEMPLOYMENT BENEFITS

### Net OPEB Liability

For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. This GASB pronouncement had no effect on beginning net position as reported January 1, 2018, as the net OPEB liability is not reported in the accompanying financial statements. See note 10 for a description of the net OPEB liability.

### Plan Description – Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**NOTE 11 - POSTEMPLOYMENT BENEFITS – (continued)**

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The County's contractually required contribution was $0 for 2018.

**NOTE 11 - POSTEMPLOYMENT BENEFITS – (continued)**

***Net OPEB Liability***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

| | OPERS |
|---|---|
| Proportion of the Net OPEB Liability: | |
| Current Measurement Date | 0.100850% |
| Proportionate Share of the Net OPEB Liability | $10,951,567 |

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|---|---|
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 3.85 percent |
| Prior Measurement date | 4.23 percent |
| Investment Rate of Return | 6.50 percent |
| Municipal Bond Rate | 3.31 percent |
| Health Care Cost Trend Rate | 7.5 percent, initial<br>3.25 percent, ultimate in 2028 |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement

**NOTE 11 - POSTEMPLOYMENT BENEFITS – (continued)**

back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Fixed Income | 34.00 % | 1.88 % |
| Domestic Equities | 21.00 | 6.37 |
| Real Estate Investment Trust | 6.00 | 5.91 |
| International Equities | 22.00 | 7.88 |
| Other investments | 17.00 | 5.39 |
| Total | 100.00 % | 4.98 % |

***Discount Rate*** A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially

## NOTE 11 - POSTEMPLOYMENT BENEFITS – (continued)

determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

| | 1% Decrease (2.85%) | Current Discount Rate (3.85%) | 1% Increase (4.85%) |
|---|---|---|---|
| County's proportionate share of the net OPEB liability | $14,549,630 | $10,951,302 | $8,040,771 |

***Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| County's proportionate share of the net OPEB liability | $10,478,315 | $10,951,302 | $11,440,424 |

## NOTE 12 - LONG-TERM DEBT

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

## NOTE 12 - LONG-TERM DEBT – (continued)

| | Interest Rates | Balance at 12/31/17 | Increase | Decrease | Balance at 12/31/18 | Amounts Due in One Year |
|---|---|---|---|---|---|---|
| Governmental Activities: | | | | | | |
| OPWC Loans | 0% | $ 91,878 | | $ 13,782 | $ 78,096 | $ 4,594 |
| OWDA Loans | 0%-6.13% | 2,284,034 | | 349,721 | 1,934,313 | 367,451 |
| USDA Special Assessment Bonds | 5.13% | 622,914 | | 20,145 | 602,769 | 21,177 |
| USDA Revenue Bonds | 4.63%-5.13% | 831,278 | | 14,929 | 816,349 | 15,285 |
| Court of Appeals Loan | 4.16% | 107,038 | | 15,914 | 91,124 | 16,568 |
| Building Improvement Note, Series 2015 | 2.53% | 1,500,000 | | 1,000,000 | 500,000 | 250,000 |
| Total Governmental Activities | | 5,437,142 | | 1,414,491 | 4,022,651 | 675,075 |
| Business-Type Activities: | | | | | | |
| USDA Revenue Bonds | 5.00% | 3,436,000 | | 216,000 | 3,220,000 | 227,000 |
| Total Business-Type Activities | | 3,436,000 | | 216,000 | 3,220,000 | 227,000 |
| Total Long-Term Obligations | | $ 8,873,142 | | $ 1,630,491 | $ 7,242,651 | $ 902,075 |

The Ohio Public Works Commission (OPWC) loans were obtained for wastewater improvement projects and are to be retired with general governmental revenues. A portion of receipts for related sanitary sewer bills are allocated to applicable debt service funds for the repayment of the debt. In the case there are insufficient funds in the debt service funds to pay the principal & interest, the Sanitary Sewer enterprise fund will pay the remainder of the debt service.

The Ohio Water Development (OWDA) loans were obtained for wastewater improvement projects and are to be retired with general governmental revenues or special assessments. A portion of receipts for related sanitary sewer bills are allocated to applicable debt service funds for the repayment of the debt. In the case there are insufficient funds in the debt service funds to pay the principal & interest, the Sanitary Sewer enterprise fund will pay the remainder of the debt service.

The United States Department Agriculture (USDA) special assessment bonds are backed by the full faith and credit of the County. In the event that an assessed property owner fails to make payments, the County will be required to pay the related debt. Repayment of debt for the Nettle Lake Sewer Project is made from a debt service fund.

A portion of the USDA revenue bonds pledge sewer fund income derived from the acquired and constructed assets to pay debt service for the Nettle Lake and Melbern sanitary sewer projects. The bond indentures have certain restrictive covenants and principally require that debt reserves be maintained and charges for services to customers be sufficient to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties. The revenue bonds are prepayable at any time in whole or in part at the sole option of the County at a price of par plus interest accrued to the date of prepayment. A portion of receipts for related sanitary sewer bills are allocated to applicable debt service funds for the repayment of the debt. In the case there are insufficient funds in the debt service funds to pay the principal & interest, the Sanitary Sewer enterprise fund will pay the remainder of the debt service.

**NOTE 12 - LONG-TERM DEBT – (continued)**

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

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

The Building Improvement Notes, Series 2015 were issued for the purpose of renovating county facilities.

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

Governmental Activities:

| Year | OPWC Loans | | | OWDA Loans | | |
|---|---|---|---|---|---|---|
| Ended | Principal | Interest | Total | Principal | Interest | Total |
| 2019 | $ 4,594 | | $ 4,594 | $ 367,451 | $ 81,850 | $ 449,301 |
| 2020 | 9,188 | | 9,188 | 386,196 | 63,105 | 449,301 |
| 2021 | 9,188 | | 9,188 | 367,086 | 43,284 | 410,370 |
| 2022 | 9,188 | | 9,188 | 112,907 | 27,913 | 140,820 |
| 2023 | 9,188 | | 9,188 | 117,680 | 23,139 | 140,819 |
| 2024 - 2028 | 36,750 | | 36,750 | 482,421 | 42,325 | 524,746 |
| 2029 - 2030 | | | | 100,572 | 1,714 | 102,286 |
| | $ 78,096 | | $ 78,096 | $ 1,934,313 | $ 283,330 | $ 2,217,643 |

| Year | USDA Special Assessment Bonds | | | USDA Revenue Bonds | | |
|---|---|---|---|---|---|---|
| Ended | Principal | Interest | Total | Principal | Interest | Total |
| 2019 | $ 21,177 | $ 30,892 | $ 52,069 | $ 15,285 | $ 38,793 | $ 54,078 |
| 2020 | 22,263 | 29,807 | 52,070 | 16,658 | 38,050 | 54,708 |
| 2021 | 23,404 | 28,666 | 52,070 | 17,051 | 37,241 | 54,292 |
| 2022 | 24,603 | 27,466 | 52,069 | 17,463 | 36,412 | 53,875 |
| 2023 | 25,864 | 26,205 | 52,069 | 18,897 | 35,562 | 54,459 |
| 2024 - 2028 | 150,616 | 109,731 | 260,347 | 107,811 | 163,223 | 271,034 |
| 2029 - 2033 | 193,375 | 66,972 | 260,347 | 135,520 | 134,362 | 269,882 |
| 2034 - 2038 | 141,467 | 14,741 | 156,208 | 132,664 | 99,189 | 231,853 |
| 2039 - 2043 | | | | 105,000 | 72,844 | 177,844 |
| 2044 - 2048 | | | | 127,000 | 46,666 | 173,666 |
| 2049 - 2052 | | | | 123,000 | 14,522 | 137,522 |
| | $ 602,769 | $ 334,480 | $ 937,249 | $ 816,349 | $ 716,864 | $ 1,533,213 |

## NOTE 12 - LONG-TERM DEBT – (continued)

| Year Ended | Court of Appeals Loan Principal | Court of Appeals Loan Interest | Court of Appeals Loan Total | Building Improvement Note, Series 2015 Principal | Building Improvement Note, Series 2015 Interest | Building Improvement Note, Series 2015 Total |
|---|---|---|---|---|---|---|
| 2019 | $ 16,568 | $ 4,160 | $ 20,728 | $ 250,000 | $ 12,650 | $ 262,650 |
| 2020 | 17,440 | 3,448 | 20,888 | 250,000 | 6,325 | 256,325 |
| 2021 | 18,094 | 2,680 | 20,774 | | | |
| 2022 | 18,966 | 1,866 | 20,832 | | | |
| 2023 | 20,056 | 1,002 | 21,058 | | | |
| | $ 91,124 | $ 13,156 | $ 104,280 | $ 500,000 | $ 18,975 | $ 518,975 |

Business-Type Activities:

| Year Ended | USDA Revenue Bonds Principal | USDA Revenue Bonds Interest | USDA Revenue Bonds Total |
|---|---|---|---|
| 2019 | $ 227,000 | $ 161,000 | $ 388,000 |
| 2020 | 237,000 | 150,060 | 387,060 |
| 2021 | 250,000 | 137,800 | 387,800 |
| 2022 | 263,000 | 125,300 | 388,300 |
| 2023 | 275,000 | 112,150 | 387,150 |
| 2024 - 2028 | 1,599,000 | 340,318 | 1,939,318 |
| 2029 | 369,000 | 18,450 | 387,450 |
| | $ 3,220,000 | $ 1,045,078 | $ 4,265,078 |

### Conduit Debt

There are several series of Hospital Facility Revenue Bonds for facilities used by private corporations and other entities with the aggregate original issue amount of $12,905,428. The bonds do not represent or constitute debt or pledge of faith and credit of the taxing power of the County nor is the County obligated in any way to pay debt charges on these debt issues from its resources. The debt has been excluded entirely from the County's debt presentation.

## NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS

### A. Regional Planning Commission

The County participates in the Williams County Regional Planning Commission (the Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among thirty-four members comprised of the Board of County Commissioners, County Auditor, County Engineer, member of the Health Department, a member of Soil and Water, three members appointed by the City of Bryan, representatives from eight villages, and representatives from eight townships within the County. Each member's control over the operation of the Commission is limited to its representation on the Board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. In 2018, the County did not contribute to the operations of the Commission. Financial records can be obtained from Vickie Grimm, Williams County Auditor, One Courthouse Square, Second Floor, Bryan, Ohio 43506-1791

## NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS – (continued)

### B. Maumee Valley Planning Organization

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

The County provides resources to the executive council based on a membership fee and services provided to the County. MVPO exercises total control over the operation of MVPO including budgeting, contracting, and designating management. The County has no ongoing financial interest or responsibility for MVPO. In 2018, the County contributed $113,282 in dues and loan and grant administrative fees. Financial records can be obtained from Brett Kolb, Fulton County Auditor, 152 South Fulton Avenue, Suite 165, Wauseon, Ohio 43567-3310.

## NOTE 14 - JOINT VENTURES WITHOUT EQUITY INTEREST

### A. Corrections Commission of Northwest Ohio

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

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

The Commission Team exercises total control over the operation of CCNO including budgeting, contracting, and designating management. The continued existence of the CCNO is dependent upon the continued participation of Williams County. The County has no ongoing interest or responsibility for CCNO. In 2018, the County contributed $2,934,824 for CCNO's operations. Complete financial statements can be obtained from the Corrections Commission of Northwest Ohio, 03151 County Road 24.25, Stryker, Ohio 43557.

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

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

## NOTE 14 - JOINT VENTURES WITHOUT EQUITY INTEREST – (continued)

The District is governed by a Board of Trustees made up of thirteen members, three from each County and one at-large. The Board of Trustees exercises total control over the operation of the Center including budgeting, contracting, and designating management. The County has no ongoing financial interest or responsibility for the Center. Continued existence of Northwest Ohio Juvenile Detention Training and Rehabilitation Center is dependent upon the continued participation of Williams County. In 2018, the County contributed $283,099 for the Center's operations. Completed financial statements can be obtained from Brett Kolb, Fulton County Auditor, 152 South Fulton Avenue, Suite 165, Wauseon, Ohio 43567-3310.

### C. Four County Solid Waste District

The Four County Solid Waste District (the District) is a joint venture among Defiance, Fulton, Paulding, and Williams counties. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and landfilling. The District was created in 1989. The District is governed and operated through a twelve-member board of directors comprised of three commissioners from each county. Financial records are maintained by the Williams County Auditor in Bryan, Ohio. The District's sole revenue source is derived from a waste disposal fee for in-district and out-of-district waste.

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

### D. Quadco Rehabilitation Center

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

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

The County contracted with the Northwest Ohio Waiver Administration Council (NOWAC) to provide services including administration of payments to Quadco. For the year ended December 31, 2018, the County remitted $125,894 through NOWAC, as well as $31 directly to Quadco to supplement its operations.

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

## NOTE 14 - JOINT VENTURES WITHOUT EQUITY INTEREST – (continued)

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

The Four County Board of Alcohol, Drug Addiction, and Mental Health Services (ADAMHS Board) is a four County political organization whose general purpose is to provide leadership in planning for and supporting community-based alcohol, drug addiction, and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming, while respecting, protecting, and advocating the rights of persons as consumers of alcohol, drug addiction, and mental health services.

The governing board of the ADAMHS Board consists of eighteen members. Four members are appointed by the Ohio Director of Alcohol and Drug Addiction Services, four are appointed by the Ohio Director of Mental Health Services, three each are appointed by Defiance and Fulton counties and two each are appointed by Henry and Williams counties. The governing board exercises total control over the operation of the ADAMHS Board including budgeting, contracting, and designating management.

The main sources of revenue of the ADAMHS Board are state and federal grants and a property tax levy covering the entire four county area. Outside agencies are contracted by the Board to provide services for the ADAMHS Board. The ADAMHS Board operates autonomously from the County and the County has no financial responsibility for the operations of the ADAMHS Board. The County does have indirect access to the net resources of the ADAMHS Board. In the event the County withdrew from the ADAMHS Board, it would be entitled to a share of the state and federal grants that are currently being received by the ADAMHS Board. This access to net resources of the ADAMHS Board has not been explicitly defined nor is it currently measurable. In 2018, the County collected and remitted $883,333 in property taxes to the ADAMHS Board's operations. Complete financial statements can be obtained from Jill R. Little, Defiance County Auditor, 221 Clinton Street, Defiance, Ohio 43512.

### F. Multi-Area Task Force

The Multi-Area Task Force (Task Force) is a joint venture among Defiance, Williams, Fulton, and Putnam counties and Defiance and Bryan City. The Task Force is jointly controlled by the chief law enforcement officer of each respective entity. The main source of revenue for the Task Force is from federal grants and local matching funds from the entities. The County has no ongoing financial interest or responsibility for the Task Force. In 2018, the County contributed $25,000 to the Task Force's operations. Information can be obtained from the Defiance County Sheriff's Office, 113 Beide Street, Defiance, Ohio 43512.

## NOTE 15 - GROUP INSURANCE POOLS

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

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

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board.

No county may have more than one representative on the board at any time.

Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. Financial statements may be obtained by contacting the County Commissioners' Association of Ohio in Columbus, Ohio.

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

The County is participating in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan as established under § 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners' Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates; approving the selection of a third party administrator; reviewing and approving proposed third party fees, fees for risk management services, and general management fees; determining ongoing eligibility of each participant; and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of the CCAOSC and the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member on the group executive committee in any year and each elected member shall be a County Commissioner.

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

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

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

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

## NOTE 16 - RELATED ORGANIZATIONS

### A. Williams Metropolitan Housing Authority

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

### B. Williams County Public Library

The Williams County Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the County Commissioners and the Common Pleas Judge. The Board of Trustees possesses its own contracting and budgeting authority; hires and fires personnel; and does not depend on the County for operational subsidies. Although the County does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Williams County Public Library, Peggy Disbro, Clerk-Treasurer, at 107 East High Street, Bryan, Ohio 43506-1702.

### C. Williams County Regional Airport Authority

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

Although the County has no obligation to provide financial resources to the Airport Authority, the County Commissioners have, in prior years, allocated certain funds to the Airport Authority. In 2018, the County contributed $78,554 to the Airport Authority for operating expenses.

### D. Williams County Port Authority

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

## NOTE 16 - RELATED ORGANIZATIONS – (continued)

The Port Authority is governed by a Board of Directors comprised of seven members, each of whom serves a term of four years. All members of the Board of Directors are appointed by this Board except for the two members recommended by the Mayor of the City of Bryan. The Board of Directors has the authority to exercise all the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Port Authority serves as custodian of its own funds and maintains all records and accounts independent of Williams County. Williams County has no obligation to provide financial resources to the Port Authority. In 2018, the County contributed $0 for Port Authority expenses.

### E. Williams County Transportation Improvement District

The Williams County Transportation Improvement District (WCTID) is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The WCTID was specifically created pursuant to Chapter 5540 of the Ohio Revised Code, as amended. The WCTID was created by action of the Board of Williams County Commissioners on August 10, 2015. The WCTID is governed by a Board of Trustees that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members of whom five are voting and two are non-voting. Each Board member serves a term of two years and there are no term limits for reappointment. The five voting Board members are appointed by the Board of Williams County Commissioners. Complete financial statements of the WCTID may be obtained from Julie Beagle, Secretary-Treasurer at One Courthouse Square, 2nd Floor, Bryan, Ohio 43506.

### F. Williams County Land Reutilization Corporation

The Williams County Land Reutilization Corporation (WCLRC) is a community improvement corporation designed to strengthen neighborhoods in the County by returning vacant and abandoned properties back to the tax rolls through strategic real estate acquisitions and community partnerships in the redevelopment of Williams County properties. The WCLRC was specifically created pursuant to Chapter 1724 of the Ohio Revised Code. The WCLRC was created by action of the Board of Williams County Commissioners on July 18, 2016. Pursuant to provisions in the Ohio Revised Code, the WCLRC is a legally separate organization that receives funding through the collection of delinquent taxes. Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. Complete financial statements of the WCLRC may be obtained from Vickie Grimm, Secretary-Treasurer at One Courthouse Square, 2nd Floor, Bryan, Ohio 43506.

## NOTE 17 - CONTINGENCIES

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

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

## NOTE 18 – COMPENSATED ABSENCES

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

Accumulated, unused sick leave is paid, up to a maximum of 90 days, depending on length of service of the employee who retires. As of December 31, 2018, the liability for compensated absences was $893,132 for the entire County.

## NOTE 19 – CAPITAL ASSETS

A summary of the capital assets at December 31, 2018 is as follows:

| | Governmental Funds | Business-Type Funds | Total All Funds |
|---|---|---|---|
| Land | $ 1,050,327 | $ 336,017 | $ 1,386,344 |
| Land Improvements | 4,885,260 | 395,599 | 5,280,859 |
| Building and Improvements | 18,385,747 | 9,481,647 | 27,867,394 |
| Machinery, Furniture, and Equipment | 5,870,899 | 999,254 | 6,870,153 |
| Vehicles | 5,577,998 | 454,375 | 6,032,373 |
| Infrastructure | | 16,340,010 | 16,340,010 |
| Total | $ 35,770,231 | $ 28,006,902 | $ 63,777,133 |

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

## NOTE 20 – INTERFUND RECEIVABLES / PAYABLES

In 2018, The General Fund advanced $58,226 to the Northwest Water District Agency fund. In 2018, the Water District repaid $100 towards prior year advances. At December 31, 2018, $183,026 is owed to the General fund from the Northwest Water District Agency fund.

The balance due from the Northwest Water District Agency fund includes loans made for project and operation expenses and will be paid back from user charges.

The General Fund also advanced $7,500 to the Victims Assistance Special Revenue fund to cover expenses of the Victims Assistance program that were charged to a reimbursement grant in 2018. This amount is expected to be repaid within one year.

## NOTE 21 - FUND BALANCE

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

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

| Fund Balance | General | Auto and Gas | Enrichment Center | Job and Family Services | Department of Aging | Other Governmental | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| Nonspendable For: | | | | | | | |
| Unclaimed Funds | $34,069 | | | | | | $34,069 |
| Restricted For: | | | | | | | |
| Legislative & Executive Programs | | | | | | $837,681 | 837,681 |
| Judicial Programs | | | | | | 1,054,088 | 1,054,088 |
| Public Safety Programs | | | | | | 199,143 | 199,143 |
| Public Works Projects | | $2,028,678 | | | | 649,067 | 2,677,745 |
| Human Service Programs | | | $2,775,706 | $359,969 | $662,052 | 639,136 | 4,436,863 |
| Economic Development | | | | | | 632,739 | 632,739 |
| Health Programs | | | | | | 70,468 | 70,468 |
| Debt Service | | | | | | 800,470 | 800,470 |
| Capital Projects | | | | | | 6,325 | 6,325 |
| Total Restricted | | 2,028,678 | 2,775,706 | 359,969 | 662,052 | 4,889,117 | 10,715,522 |
| Committed For: | | | | | | | |
| Health Programs | | | | | | 488,635 | 488,635 |
| Total Committed | | | | | | 488,635 | 488,635 |
| Assigned for: | | | | | | | |
| Unpaid Obligations (encumbrances) | 179,752 | | | | | | 179,752 |
| Capital Projects | | | | | | 231,783 | 231,783 |
| Total Assigned | 179,752 | | | | | 231,783 | 411,535 |
| Unassigned | 5,740,636 | | | | | | 5,740,636 |
| Total Fund Balance | $5,954,457 | $2,028,678 | $2,775,706 | $359,969 | $662,052 | $5,609,535 | $17,390,397 |

## NOTE 22 – CONTRACTUAL COMMITMENTS

As of December 31, 2018, the County had the following outstanding contractual purchase commitments for engineering, architect and construction services for various road and bridge improvements, county website development, Community Development Block Grant projects, and various real estate appraisal related services.

| Vendor | Contract Amount | Amount Paid as of 12/31/2018 | Outstanding Balance |
|---|---|---|---|
| CivicPlus | $ 50,000 | $ 19,800 | $ 30,200 |
| Core Construction | 462,102 | $ 215,068 | 247,034 |
| Lexur Appraisal Services | 405,238 | 394,193 | 11,045 |
| Vernon Nagel Inc | 557,310 | 534,810 | 22,500 |
| Woolpert Inc | 47,909 | - | 47,909 |
| Total | $ 1,522,559 | $ 1,163,871 | $ 358,688 |

## NOTE 23 – OTHER CASH RECEIPTS

Department of Aging Other cash receipts primarily consisted of $203,020 in project income related to receipts for meals served at the County's senior centers and delivered to home bound seniors within the County.

## NOTE 24 - COMPLIANCE

Ohio Administrative Code Section 117-2-03 (B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

**WILLIAMS COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED DECEMBER 31, 2018**

| FEDERAL GRANTOR<br>*Pass Through Grantor*<br>Program / Cluster Title | Federal CFDA Number | Pass Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|---|---|---|---|
| **U.S. DEPARTMENT OF AGRICULTURE**<br>***Direct Assistance*** | | | | |
| Conservation Reserve Program | 10.069 | 1964 | | $ 29,113 |
| **Total U.S. Department of Agriculture** | | | | **29,113** |
| **U.S. DEPARTMENT OF LABOR**<br>***Passed Through Montgomery County WIA Area 7*** | | | | |
| Workforce Innovatino and Opportunity Act (WIOA) Cluster | | | | |
| WIOA Adult Program | 17.258 | 2016-7186-1 / 2018-7186-1 | | 18,773 |
| WIOA Youth Activities | 17.259 | 2016-7186-1 / 2018-7186-1 | $ 19,670 | 35,541 |
| WIOA Dislocated Worker Formula Grants | 17.278 | 2016-7186-1 / 2018-7186-1 | | 1,976 |
| Total WIOA Cluster | | | | 56,290 |
| Employment Service Cluster | | | | |
| Employment Service/Wagner-Peyser Funded Activities | 17.207 | 2016-7186-1 / 2018-7186-1 | | 9,004 |
| Trade Adjustment Assistance | 17.245 | 2016-7186-1 / 2018-7186-1 | | 1,673 |
| **Total U.S. Department of Labor** | | | | **66,967** |
| **U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**<br>***Passed Through The Area Office of Aging of Northwestern Ohio, Inc*** | | | | |
| Aging Cluster: | | | | |
| Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers | 93.044 | | | 48,589 |
| Nutrition Services Incentive Program | 93.053 | | | 47,031 |
| Special Programs for the Aging, Title III, Part C, Nutrition Services | 93.045 | | | 76,169 |
| Total Aging Cluster | | | | 171,789 |
| ***Passed Through the Ohio Department of Job and Family Services*** | | | | |
| Supplemental Nutrition Assistance Program (SNAP) Cluster: | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | G-1819-11-5825 | | 201,953 |
| Promoting Safe and Stable Families | 93.556 | G-1819-11-5825 | | 42,976 |
| Temporary Assistance for Needy Families (TANF) Cluster: | | | | |
| Temporary Assistance for Needy Families | 93.558 | G-1819-11-5825 | 3,336 | 1,074,502 |
| Child Support Enforcement | 93.563 | G-1819-11-5825 | | 385,122 |
| Child Care and Development Fund (CCDF) Cluster: | | | | |
| Child Care and Development Block Grant | 93.575 | G-1819-11-5825 | 23,831 | 23,831 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | G-1819-11-5825 | | 90,862 |
| Foster Care, Title IV-E | 93.658 | G-1819-11-5825 | | 285,853 |
| Adoption Assistance | 93.659 | G-1819-11-5825 | | 63,727 |
| Social Services Block Grant | 93.667 | G-1819-11-5825 | | 300,200 |
| Chafee Foster Care Independence Program | 93.674 | G-1819-11-5825 | | 1,503 |
| Children's Health Insurance Program | 93.767 | G-1819-11-5825 | | 73,346 |
| Medicaid Cluster: | | | | |
| Medical Assistance Program | 93.778 | G-1819-11-5825 | | 322,437 |
| Total Passed Through Ohio Job and Family Services | | | | 2,866,312 |
| ***Passed Through Ohio Department of Developmental Disabilities*** | | | | |
| Social Services Block Grant | 93.667 | 1801OHSOSR | | 26,114 |
| Medicaid Cluster: | | | | |
| Medical Assistance Program | 93.778 | 1805OH5ADM | | 58,522 |
| Medical Assistance Program | 93.778 | 1905OH5ADM | | 20,998 |
| Total Medical Assistance Program | | | | 79,520 |
| Total Passed Through Ohio Department of Developmental Disabilities | | | | 105,634 |

(Continued)

**WILLIAMS COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED DECEMBER 31, 2018**

| **FEDERAL GRANTOR** *Pass Through Grantor* **Program / Cluster Title** | **Federal CFDA Number** | **Pass Through Entity Identifying Number** | **Passed Through to Subrecipients** | **Total Federal Expenditures** |
|---|---|---|---|---|
| Total All Social Services Block Grants - CFDA #93.667 | | | | 326,314 |
| Total Medicaid Cluster - CFDA #93.778 | | | | 401,957 |
| **Total U.S. Department of Health and Human Services** | | | | **3,143,735** |
| **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | |
| ***Passed Through Ohio Development Services Agency*** | | | | |
| HOME Investment Partnerships Program (Chip) | 14.239 | B-C-16-1DA-2 | | 96,503 |
| Community Development Block Grants/State's Program | 14.228 | B-C-16-1DA-1 | | 218,570 |
| Community Development Block Grants/State's Program | 14.228 | B-F-16-1DA-1 | | 62,404 |
| Community Development Block Grants/State's Program | 14.228 | B-E-17-1DA-1 | | 215,067 |
| Community Development Block Grants/State's Program | 14.228 | B-F-17-1DA-1 | | 93,455 |
| Total Community Development Block Grants/State's Program | | | | 589,496 |
| **Total U.S. Department of Housing and Urban Development** | | | | **685,999** |
| **U.S. DEPARTMENT OF HOMELAND SECURITY** | | | | |
| ***Passed Through the Ohio Department of Public Safety*** | | | | |
| ***Emergency Management Agency*** | | | | |
| Emergency Management Performance Grant | 97.042 | EMC-2017-EP-00006-S01 | | 44,936 |
| **Total U.S. Department of Homeland Security** | | | | **44,936** |
| **ELECTION ASSISTANCE COMMISSION** | | | | |
| ***Passed Through the Ohio Secretary of State*** | | | | |
| HAVA Election Security Grants | 90.404 | | | 6,930 |
| **Total Election Assistance Commission** | | | | **6,930** |
| **U.S. DEPARTMENT OF JUSTICE** | | | | |
| ***Direct Assistance*** | | | | |
| Bulletproof Vest Partnership Program | 16.607 | 2018BUBX18093949 | 4,347 | 4,347 |
| ***Passed Through The Ohio Attorney General*** | | | | |
| Crime Victim Assistance | 16.575 | 2018-VOCA-109308711 | | 71,970 |
| Crime Victim Assistance | 16.575 | 2019-VOCA-132134910 | | 20,067 |
| Crime Victim Assistance | 16.575 | 2018-VOCA-128424249 | | 1,080 |
| Crime Victim Assistance | 16.575 | 2018-VOCA-130296883 | | 2,512 |
| Total Crime Victim Assistance | | | | 95,629 |
| ***Passed Through the Ohio Department of Public Safety*** | | | | |
| ***Office of Criminal Justice Services*** | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2017-JG-LLE-5113 | | 5,962 |
| **Total U.S. Department of Justice** | | | | **105,938** |
| **U.S. DEPARTMENT OF TRANSPORTATION** | | | | |
| ***Passed Through the Ohio Department of Transportation*** | | | | |
| Highway Planning and Construction Cluster: | | | | |
| Highway Planning and Construction | 20.205 | 103460 | | 812 |
| Highway Planning and Construction | 20.205 | 103664 | | 520,555 |
| Highway Planning and Construction | 20.205 | 105125 | | 37,463 |
| Total Highway Planning and Construction Cluster | | | | 558,830 |
| ***Passed Through the Ohio Department of Public Safety,*** | | | | |
| ***Ohio State Highway Patrol*** | | | | |
| Highway Safety Cluster: | | | | |
| State and Community Highway Safety | 20.600 | STEP 2018-WILLIAMS COUNTY SHERIFF'S-00077 | | 9,642 |
| State and Community Highway Safety | 20.600 | STEP 2019-WILLIAMS COUNTY SHERIFF'S-00051 | | 3,609 |
| Total Hghway Safety Cluster | | | | 13,251 |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | IDEP 2018-WILLIAMS COUNTY SHERIFF'S-00077 | | 13,642 |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | IDEP 2019-WILLIAMS COUNTY SHERIFF'S-00051 | | 5,076 |
| Total Repeat Offenders for Driving While Intoxicated (DWI) | | | | 18,718 |
| **Total U.S. Department of Transportation** | | | | **590,799** |
| **Total** | | | | **$ 4,674,417** |

*The accompanying notes are an integral part of this schedule.*

This page intentionally left blank.

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## 2 CFR 200.510(b)(6)
## FOR THE YEAR ENDED DECEMBER 31, 2018

### NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Williams County (the County's) under programs of the federal government for the year ended December 31, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

### NOTE C – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### NOTE D - SUBRECIPIENTS

The County passes certain federal awards received from the U.S. Department of Justice, Ohio Department of Job and Family Services and Montgomery County WIOA Area 7 to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

### NOTE E - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balance on the County's local program income account as of December 31, 2018 is $632,700.

### NOTE F - MATCHING REQUIREMENTS

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

## NOTE G – TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2018, the County made allowable transfers of $235,394 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent approximately $1,074,502 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2018 and the amount transferred to the Social Services Block Grant program.

| | |
|---|---|
| Temporary Assistance for Needy Families (TANF) | $1,309,896 |
| Transfer to Social Services Block Grant (SSBG) | (235,394) |
| Total | $1,074,502 |

## NOTE H – COST REPORT SETTLEMENTS

During the calendar year, the County Board of Development Disabilities received a notice of liability owed for the 2014 Cost Report to the Ohio Department of Developmental Disabilities (ODODD) for the Medicaid Program (CFDA #93.778) in the amount of $450. The Cost Report liability was for the settlement of the differences between the statewide payment rates and the rates calculated based upon actual expenditures for Medicaid services. This liability is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in the prior reporting periods and the liability was invoiced by the ODODD.

One Government Center
Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

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

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio (the County) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 16, 2019, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified materials weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-002 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-001.

***County's Response to Findings***

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and corrective action plan. We did not subject the County's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of this Report***

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

Keith Faber
Auditor of State

Columbus, Ohio

September 16, 2019

OHIO AUDITOR OF STATE
KEITH FABER

One Government Center
Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Commissioners:

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

We have audited Williams County, Ohio's (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Williams County's major federal programs for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal programs.

***Management's Responsibility***

The County's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on each Major Federal Program***

In our opinion, Williams County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2018.

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

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

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Keith Faber

Keith Faber
Auditor of State

Columbus, Ohio

September 16, 2019

**WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS**
**2 CFR § 200.515**
**DECEMBER 31, 2018**

## 1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---|---|---|
| ***(d)(1)(i)*** | **Type of Financial Statement Opinion** | Unmodified |
| ***(d)(1)(ii)*** | **Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?** | Yes |
| ***(d)(1)(ii)*** | **Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?** | No |
| ***(d)(1)(iii)*** | **Was there any reported material noncompliance at the financial statement level (GAGAS)?** | Yes |
| ***(d)(1)(iv)*** | **Were there any material weaknesses in internal control reported for major federal programs?** | No |
| ***(d)(1)(iv)*** | **Were there any significant deficiencies in internal control reported for major federal programs?** | No |
| ***(d)(1)(v)*** | **Type of Major Programs' Compliance Opinion** | Unmodified |
| ***(d)(1)(vi)*** | **Are there any reportable findings under 2 CFR § 200.516(a)?** | No |
| ***(d)(1)(vii)*** | **Major Programs (list):** | Temporary Assistance for Needy Families Cluster<br>Highway Planning and Construction Cluster<br>Community Development Block Grant/State's Program - CFDA #14.228 |
| ***(d)(1)(viii)*** | **Dollar Threshold: Type A\B Programs** | Type A: > $ 750,000<br>Type B: all others |
| ***(d)(1)(ix)*** | **Low Risk Auditee under 2 CFR §200.520?** | No |

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

### FINDING NUMBER 2018-001

**Material Noncompliance**

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

**Ohio Admin. Code § 117-2-03(B)** further clarifies the requirements of Ohio Rev. Code § 117.38, which requires the County to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP).

As a cost savings measure, the County prepared financial statements that, although formatted similar to financial statements prescribed by Governmental Accounting Standards Board Statement No. 34, report on the basis of cash receipts and cash disbursements, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumably material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38, the County may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the County's ability to evaluate and monitor the overall financial condition of the County. To help provide the users with more meaningful financial statements, the County should prepare its annual financial statements according to generally accepted accounting principles.

**Officials' Response:**

See corrective action plan.

### FINDING NUMBER 2018-002

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following error was identified for the fiscal year ended December 31, 2018:

The Ohio Department of Transportation (ODOT) paid money on behalf of the County to vendors in the amount of $1,244,642 in 2017. This activity was reported on the County's 2017 financial statements. However, this activity was improperly recorded again on the County's 2018 financial statements and accounting records.

This error was not identified and corrected prior to the County preparing its financial statements due to deficiencies in the County's internal controls over financial statement monitoring. The accompanying financial statements have been adjusted to reflect these changes. Additional errors in smaller relative amounts were also noted.

To help ensure the County's financial statements and notes are complete and accurate, the County should adopt policies and procedures, including final review of the statements and notes to the financial statements by the County Auditor to help identify and correct errors and omissions.

**Officials' Response:**

See corrective action plan.

## 3. FINDINGS FOR FEDERAL AWARDS

None.

# Williams County Auditor
## Vickie L. Grimm

One Courthouse Square
Bryan, Ohio 43506
Phone 419-636-5639
Fax 419-636-8584
E-mail: auditor@wmsco.org


**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**
**2 CFR 200.511(b)**
**DECEMBER 31, 2018**

| Finding Number | Finding Summary | Status | Additional Information |
|---|---|---|---|
| 2017-001 | Finding first reported in 2001. Ohio Admin. Code § 117-2-03 (B) – for not reporting in accordance with generally accepted accounting principles. | Not corrected. Reissued as finding 2018-001 in this report. | Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient. |
| 2017-002 | 2 C.F.R. § 2400.101 – for failure to disburse Community Development Block Grant funds below $5,000 within 30 days of receipt. | Fully corrected. | |

# Williams County Auditor
## Vickie L. Grimm

One Courthouse Square
Bryan, Ohio 43506
Phone 419-636-5639
Fax 419-636-8584
E-mail: auditor@wmsco.org


**CORRECTIVE ACTION PLAN**
**2 CFR § 200.511(c)**
**DECEMBER 31, 2018**

| Finding Number | Planned Corrective Action | Anticipated Completion Date | Responsible Contact Person |
|---|---|---|---|
| 2018-001 | Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient. | N/A | Vickie Grimm, County Auditor |
| 2018-002 | Management is aware and understands the importance of the information presented on the financial statements and will ensure that future on-behalf-of transactions are identified and reported in the appropriate fiscal year. | FY2019 | Vickie Grimm, County Auditor |

**This page intentionally left blank.**

OHIO AUDITOR OF STATE
**KEITH FABER**

**WILLIAMS COUNTY**

**CLERK'S CERTIFICATION**

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

Susan Babbitt

**CLERK OF THE BUREAU**

**CERTIFIED**
**OCTOBER 8, 2019**