FINANCIAL CONDITION
VAN WERT COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000

JIM PETRO
AUDITOR OF STATE
STATE OF OHIO

VAN WERT COUNTY FINANCIAL CONDITION

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REPORT OF INDEPENDENT ACCOUNTANTS

Van Wert County
121 East Main Street
Van Wert, Ohio 45891

To the Board of Commissioners:

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2001 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

July 3, 2001

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VAN WERT COUNTY FINANCIAL CONDITION

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

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Capital Projects	Enterprise	Agency
Assets and Other Debits					
Assets:					
Equity in Pooled Cash and Cash Equivalents	$2,633,620	$3,267,489	$814,881	$86,968	$1,508,962
Cash and Cash Equivalents in Segregated Accounts	41,856	74,289			183,386
Cash and Cash Equivalents with Fiscal Agents			754		
Investments in Segregated Accounts		117,519			20,000
Receivables:					
Taxes	1,126,869	1,896,272			19,219,990
Accounts	244,116	58,607	23,378	207,507	364,397
Special Assessments		686,038			1,228,421
Accrued Interest	20,758				
Due from Other Funds	16,516	84,027			
Due from Other Governments	105,231	400,138		1,351	246,749
Interfund Receivable	23,142				
Materials and Supplies Inventory	24,230	221,451			
Loans Receivable	128,250		97,815		
Prepaid Items	28,246	38,288	7,141	209	
Fixed Assets (Net, where applicable, of Accumulated Depreciation)				461,235	
Other Debits:					
Amount to be Provided from General Government Resources					
Total Assets and Other Debits	4,392,834	6,844,118	943,969	757,270	22,771,905
Liabilities, Fund Equity and Other Credits					
Liabilities:					
Accounts Payable	136,311	398,194		3,862	
Contracts Payable			23,567		
Retainage Payable			754		
Accrued Wages	108,967	197,469		5,267	
Compensated Absences Payable	8,477	41,776		4,218	
Due to Other Funds	3,223	96,727		593	
Due to Other Governments	50,411	115,394		5,006	21,468,559
Interfund Payable		23,142			
Deferred Revenue	1,146,210	2,688,209	4,438		
Undistributed Monies					1,303,346
Accrued Interest Payable	3,276	21,553	5,191	654	
Notes Payable	128,250	1,349,187	428,815	60,000	
Capital Leases Payable					
Early Retirement Incentive Payable					
Loans Payable					
Total Liabilities	1,585,125	4,931,651	462,765	79,600	22,771,905
Fund Equity and Other Credits:					
Investment in General Fixed Assets					
Contributed Capital				327,760	
Retained Earnings				349,910	
Fund Balance:					
Reserved for Encumbrances	54,013	293,464	2,646		
Reserved for Materials and Supplies Inventory	24,230	221,451			
Reserved for Loans Receivable	128,250		97,815		
Reserved for Unclaimed Monies	15,007				
Unreserved	2,586,209	1,397,552	380,743		
Total Fund Equity and Other Credits	2,807,709	1,912,467	481,204	677,670	
Total Liabilities, Fund Equity and Other Credits	$4,392,834	$6,844,118	$943,969	$757,270	$22,771,905

See Accompanying Notes to the General Purpose Financial Statements

	Account Groups				
	General Fixed Assets	General Long-Term Obligations	Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
			$8,311,920	$63,501	$8,375,421
			299,531	341,181	640,712
			754		754
			137,519	1,506,828	1,644,347
			22,243,131		22,243,131
			898,005	77,119	975,124
			1,914,459		1,914,459
			20,758		20,758
			100,543		100,543
			753,469		753,469
			23,142		23,142
			245,681	175	245,856
			226,065		226,065
			73,884	2,733	76,617
	18,825,758		19,286,993	1,013,074	20,300,067
		1,175,179	1,175,179		1,175,179
	18,825,758	1,175,179	55,711,033	3,004,611	58,715,644
			538,367	10,677	549,044
			23,567		23,567
			754		754
			311,703		311,703
		689,276	743,747		743,747
			100,543		100,543
		176,030	21,815,400		21,815,400
			23,142		23,142
			3,838,857		3,838,857
			1,303,346		1,303,346
			30,674	4,675	35,349
			1,966,252	117,491	2,083,743
		216,249	216,249		216,249
		68,402	68,402		68,402
		25,222	25,222	226,065	251,287
		1,175,179	31,006,225	358,908	31,365,133
	18,825,758		18,825,758		18,825,758
			327,760		327,760
			349,910	2,645,703	2,995,613
			350,123		350,123
			245,681		245,681
			226,065		226,065
			15,007		15,007
			4,364,504		4,364,504
	18,825,758		24,704,808	2,645,703	27,350,511
	$18,825,758	$1,175,179	$55,711,033	$3,004,611	$58,715,644

VAN WERT COUNTY FINANCIAL CONDITION

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

	Governmental Fund Types			Total
	General	Special Revenue	Capital Projects	(Memorandum Only)
Revenues:				
Property and Other Taxes	$976,436	$1,933,483		$2,909,919
Permissive Sales Tax	3,030,055			3,030,055
Intergovernmental	1,402,172	8,662,084	655,737	10,719,993
Charges for Services	598,667	1,622,824	102,389	2,323,880
Licenses and Permits	3,138	61,905		65,043
Fines and Forfeitures	105,131	123,525		228,656
Special Assessments	0	412,854		412,854
Interest	569,020	43,039		612,059
Other	749,273	232,636		981,909
Total Revenues	7,433,892	13,092,350	758,126	21,284,368
Expenditures:				
Current:				
General Government:				
Legislative and Executive	2,218,274	1,364,469		3,582,743
Judicial	1,043,137	22,335		1,065,472
Public Safety	2,144,891	197,526	4,083	2,346,500
Public Works	289,831	2,784,290		3,074,121
Health	26,170	48,901		75,071
Human Services	176,176	7,148,642		7,324,818
Economic Development and Assistance	27,500	289,984		317,484
Intergovernmental	345,973			345,973
Capital Outlay	236,487	1,562,897	1,293,120	3,092,504
Debt Service:				
Principal Retirement	4,883	106,933		111,816
Interest and Fiscal Charges	634	60,608	18,359	79,601
Total Expenditures	6,513,956	13,586,585	1,315,562	21,416,103
Excess of Revenues Over (Under) Expenditures	919,936	(494,235)	(557,436)	(131,735)
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	11,777			11,777
Operating Transfers - In	2,784	51,314	1,056,629	1,110,727
Operating Transfers - Out	(554,040)	(556,687)		(1,110,727)
Total Other Financing Sources (Uses)	(539,479)	(505,373)	1,056,629	11,777
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	380,457	(999,608)	499,193	(119,958)
Fund Balances (Deficit) at Beginning of Year	2,415,102	2,969,950	(17,989)	5,367,063
Increase (Decrease) in Reserve for Inventory	12,150	(57,875)		(45,725)
Fund Balances at End of Year	$2,807,709	$1,912,467	$481,204	$5,201,380

See Accompanying Notes to the General Purpose Financial Statements

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VAN WERT COUNTY FINANCIAL CONDITION

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

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property and Other Taxes	$992,385	$976,436	($15,949)	$1,927,826	$1,933,930	$6,104
Permissive Sales Tax	2,850,000	3,077,061	227,061			
Intergovernmental	1,127,438	1,396,453	269,015	8,384,729	8,603,186	218,457
Charges for Services	583,607	614,251	30,644	1,502,516	1,594,073	91,557
Licenses and Permits	2,500	3,138	638	58,871	62,116	3,245
Fines and Forfeitures	96,500	102,372	5,872	96,896	125,895	28,999
Special Assessments				189,131	189,411	280
Interest	305,700	556,840	251,140	50,500	54,717	4,217
Other	186,666	273,310	86,644	48,397	141,247	92,850
Total Revenues	6,144,796	6,999,861	855,065	12,258,866	12,704,575	445,709
Expenditures:						
Current:						
General Government:						
Legislative and Executive	3,164,641	2,259,761	904,880	1,443,737	1,373,017	70,720
Judicial	1,189,538	1,056,293	133,245	23,846	18,181	5,665
Public Safety	1,956,794	1,941,933	14,861	251,931	224,152	27,779
Public Works	27,049	25,720	1,329	2,947,837	2,780,785	167,052
Health	53,123	26,081	27,042	51,964	48,722	3,242
Human Services	192,014	174,585	17,429	7,405,869	7,215,578	190,291
Economic Development and Assistance	27,500	27,500		335,846	293,547	42,299
Intergovernmental	345,973	345,973				
Capital Outlay	310,634	292,608	18,026	2,032,608	1,903,596	129,012
Debt Service:						
Principal Retirement				26,986	26,986	
Interest and Fiscal Charges				4,206	4,206	
Total Expenditures	7,267,266	6,150,454	1,116,812	14,524,830	13,888,770	636,060
Excess of Revenues Over (Under) Expenditures	(1,122,470)	849,407	1,971,877	(2,265,964)	(1,184,195)	1,081,769
Other Financing Sources (Uses):						
Proceeds from Sale of Notes				727,040	727,040	
Proceeds from Sale of Fixed Assets	3,689	11,777	8,088	4,800		(4,800)
Advances - In	68,700	724,387	655,687		548,579	548,579
Advances - Out		(655,687)	(655,687)	(8,700)	(617,279)	(608,579)
Operating Transfers - In	2,784	2,784		54,583	54,583	
Operating Transfers - Out	(769,645)	(554,040)	215,605	(565,896)	(556,687)	9,209
Total Other Financing Sources (Uses)	(694,472)	(470,779)	223,693	211,827	156,236	(55,591)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,816,942)	378,628	2,195,570	(2,054,137)	(1,027,959)	1,026,178
Fund Balances at Beginning of Year	1,910,407	1,910,407		3,033,869	3,033,869	
Prior Year Encumbrances Appropriated	166,539	166,539		459,344	459,344	
Fund Balances at End of Year	$260,004	$2,455,574	$2,195,570	$1,439,076	$2,465,254	$1,026,178

See Accompanying Notes to the General Purpose Financial Statements

Debt Service Funds			Capital Projects Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			655,737	655,737	
			77,700	83,449	5,749
203,664	217,246	13,582			
32,252	37,814	5,562			
235,916	255,060	19,144	733,437	739,186	5,749
			11,500	11,224	276
			1,700,060	1,288,159	411,901
499,960	499,926	34			
62,332	62,128	204			
562,292	562,054	238	1,711,560	1,299,383	412,177
(326,376)	(306,994)	19,382	(978,123)	(560,197)	417,926
223,875	239,084	15,209		12,326	12,326
	112,306	112,306			
	(112,306)	(112,306)			
129,217	129,217		650,906	950,906	300,000
(3,269)	(3,269)				
349,823	365,032	15,209	650,906	963,232	312,326
23,447	58,038	34,591	(327,217)	403,035	730,252
3,873	3,873		140,887	140,887	
			257,784	257,784	
$27,320	$61,911	$34,591	$71,454	$801,706	$730,252

VAN WERT COUNTY FINANCIAL CONDITION

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - ALL ENTERPRISE FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 2000

	Primary Government		
	Enterprise	Component Units	Total Reporting Entity (Memorandum Only)
Operating Revenues:			
Charges for Services	$389,344	$12,924	$402,268
Public Support		11,775	11,775
Subsidy from County Board		172,587	172,587
Program Services		62,932	62,932
Gross Sales		228,015	228,015
Other Operating Revenues	3,758	16,868	20,626
Total Operating Revenues	393,102	505,101	898,203
Operating Expenses:			
Personal Services	179,653	196,404	376,057
Contractual Services	60,254		60,254
Materials and Supplies	29,793		29,793
Program Services		345,991	345,991
Management/General Expense		10,051	10,051
Depreciation	38,951	53,796	92,747
Total Operating Expenses	308,651	606,242	914,893
Operating Income (Loss)	84,451	(101,141)	(16,690)
Non-Operating Revenues (Expenses):			
Grants		61,466	61,466
Interest		95,225	95,225
Loss on Disposal of Fixed Assets	(3,743)		(3,743)
Interest and Fiscal Charges	(3,505)	(18,823)	(22,328)
Total Non-Operating Revenues (Expenses)	(7,248)	137,868	130,620
Net Income	77,203	36,727	113,930
Retained Earnings at Beginning of Year-Restated (Note 3)	272,707	2,608,976	2,881,683
Retained Earnings at End of Year	349,910	2,645,703	2,995,613
Contributed Capital at Beginning of Year	285,949		285,949
Contributions	41,811		41,811
Contributed Capital at End of Year	327,760		327,760
Total Fund Equity at End of Year	$677,670	$2,645,703	$3,323,373

See Accompanying Notes to the General Purpose Financial Statements.

VAN WERT COUNTY FINANCIAL CONDITION

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY BUDGET (NON GAAP BASIS) AND ACTUAL - ALL ENTERPRISE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	$341,700	$373,668	$31,968
Other	1,853	2,407	554
Total Revenues	343,553	376,075	32,522
Expenses:			
Personal Services	178,108	177,105	1,003
Contractual Services	65,308	63,338	1,970
Materials and Supplies	17,699	14,262	3,437
Capital Outlay	43,767	41,505	2,262
Total Expenses	304,882	296,210	8,672
Excess of Revenues Over Expenses Before Operating Transfers	38,671	79,865	41,194
Operating Transfers - Out	(23,494)	(23,494)	
Excess of Revenues Over Expenses and Operating Transfers	15,177	56,371	41,194
Fund Equity at Beginning of Year	20,819	20,819	
Prior Year Encumbrances Appropriated	3,779	3,779	
Fund Equity at End of Year	$39,775	$80,969	$41,194

See Accompanying Notes to the General Purpose Financial Statements.

VAN WERT COUNTY FINANCIAL CONDITION

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

	Primary Government		
	Enterprise	**Component Units**	**Total Reporting Entity (Memorandum Only)**
Increase (Decrease) in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received From Customers and Support	$373,668	$273,939	$647,607
Other Operating Receipts	2,407	16,868	19,275
Cash Paid for Employee Services and Benefits	(177,105)	(196,404)	(373,509)
Cash Paid to Suppliers	(88,961)	(153,544)	(242,505)
Net Cash Provided by (Used in) Operating Activities	110,009	(59,141)	50,868
Cash Flows from Noncapital Financing Activities:			
Grants		61,466	61,466
Operating Transfers - Out	(23,494)		(23,494)
Net Cash Provided by (Used in) Noncapital Financing Activities	(23,494)	61,466	37,972
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(24,145)	(109,750)	(133,895)
Note Principal Payments		(8,834)	(8,834)
Loan Principal Payments		(10,175)	(10,175)
Note Interest Payments		(6,905)	(6,905)
Loan Interest Payments		(11,154)	(11,154)
Net Cash Used in Capital and Related Financing Activities	(24,145)	(146,818)	(170,963)
Cash Flows from Investing Activities:			
Interest		60,187	60,187
Purchase of Investments		(83,110)	(83,110)
Sale of Investments		94,482	94,482
Net Cash Provided by Investing Activities		71,559	71,559
Net Increase (Decrease) in Cash and Cash Equivalents	62,370	(72,934)	(10,564)
Cash and Cash Equivalents at Beginning of Year	24,598	477,616	502,214
Cash and Cash Equivalents at End of Year	86,968	404,682	491,650
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	84,451	(101,141)	(16,690)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	38,951	53,796	92,747
Write off of Notes Payable/Receivable		20,833	20,833
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(17,047)	(31,970)	(49,017)
Decrease in Due from Other Funds	20		20
Increase in Prepaid Items	(209)	(963)	(1,172)
Increase in Accounts Payable	1,923	304	2,227
Increase in Accrued Wages	536		536
Increase in Compensated Absences Payable	1,434		1,434
Decrease in Due to Other Funds	(44)		(44)
Decrease in Due to Other Governments	(6)		(6)
Net Cash Provided by (Used in) Operating Activities	$110,009	($59,141)	$50,868

Non-Cash Transactions:
During 2000, the General Fund and Recycle Ohio Special Revenue Fund purchased a building and vehicles for the Waste Disposal and Recycling Enterprise Funds from grant monies. The total fair market value was $1,990 and $39,821, respectively.

See Accompanying Notes to the General Purpose Financial Statements.

1. REPORTING ENTITY AND BASIS OF PRESENTATION

Van Wert County, Ohio (The County), was created in 1820 but was not organized until 1837. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a joint Probate/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 budgeting and taxing authority, contracting body and the chief administrators of public services for the County, including each of these departments.

A. 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 of the County are not misleading.

1. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Van Wert County, this includes the Children's Services Board, the Board of Mental Retardation and Developmental Disabilities, the Child Support Enforcement Agency, the Community Corrections Planning Board, the Lincolnway Home, the Van Wert County Veterans Services, and all departments and activities that are directly operated by the elected County officials. Van Wert County Brumback Public Library is included as part of the primary government.

Van Wert County Brumback Public Library

The Brumback Library was constructed and donated to Van Wert County per the will of the late J. S. Brumback and a contract made between the heirs of the estate and the Van Wert County Commissioners in 1898. The Library was established as a free public library for the benefit of the citizens of Van Wert County, Ohio, at that time. The law was enacted under Section 891a Revised Statute found on page 355 of Volume 93. The Statute provides: "Any County accepting such a bequest, donation or gift shall be bound to faithfully carry out the agreement so made to provide and maintain such a library." It is therefore the legal duty of the Board of County Commissioners to faithfully comply with the terms of the contract and maintain and operate the library as a County Library.

2. Component Units

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

1. REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

Blended Component Unit

The Library Enrichment Foundation of the Brumback Library is a component unit that is blended with the primary government. It is blended with the primary government because it is so intertwined with the primary government that it is, in substance, the same as the primary government.

Library Enrichment Foundation of the Brumback Library

The Library Enrichment Foundation of the Brumback Library was formed for the purpose of supporting and promoting charitable, educational, scientific, and literary purposes of the Brumback Library. Membership in the Foundation consists solely of the Trustees of the Brumback Library and the Director of the Brumback Library. The board of the Foundation and the Brumback Library are the same. The Brumback Library is part of the primary government, and the primary government may affect the activities, programs and projects of the Foundation; therefore, it would be misleading to exclude the Library Enrichment Foundation of the Brumback Library from the financial statements of the primary government. The Foundation is considered a component unit and blended with the primary government.

3. Discretely Presented Component Units

The component unit column in the combined financial statements identifies the financial data of the County's discretely presented component units, Thomas Edison Center, Van Wert Housing Services, Inc., the Van Wert County Port Authority, and the Van Wert County Airport Authority. They are reported separately to emphasize that they are legally separate from the County. Condensed financial information for the component units is presented in Note 22.

Thomas Edison Center

Thomas Edison Center is a legally separate, not-for-profit corporation, served by a board appointed by the Van Wert County Board of MRDD. The workshop, under contractual agreement with the Van Wert County Board of Mental Retardation and Developmental Disabilities, provides sheltered employment for mentally retarded or handicapped individuals in Van Wert County. The Van Wert County Board of MRDD provides the workshop with personnel necessary for the operation of the habilitation services to the clients, land and buildings for the operation of the center, maintenance and repair of the buildings, and professional staff to supervise and train clients of the Thomas Edison Center. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the retarded and handicapped adults of Van Wert County, the workshop is reflected as a component unit of Van Wert County. Separately issued financial statements can be obtained from the Thomas Edison Center at P.O. Box 604, Van Wert, Ohio 45891.

1. REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

Van Wert Housing Services, Inc.

The Van Wert Housing Services, Inc. is a legally separate not-for-profit corporation served by a board appointed by the Van Wert County Board of MRDD. The corporation, under contractual agreement with the Van Wert County Board of MRDD, has agreed to acquire, manage and maintain residential properties. The Van Wert County Board of MRDD makes grants available to assist in the purchase of the properties. The Van Wert County Board of MRDD is financially accountable for the Van Wert Housing Services, Inc. The Van Wert County Board of MRDD has maintained a legal interest through a note and a second mortgage on the property purchased by the corporation. In the event of default or violation of the contract terms, Van Wert County Board of MRDD has the right to assume the mortgage and the right to insist on the transfer of title of the property. Separately issued financial statements can be obtained from the Van Wert Housing Services, Inc. at P.O. Box 604, Van Wert, Ohio 45891.

Van Wert County Port Authority

The Van Wert County Port Authority is a legally separate organization created to maintain and operate the rail property located within the County. The Board of the Port Authority is appointed by the Van Wert County Commissioners. The Van Wert County Commissioners have potential to receive financial benefit from the Port Authority, since the County is entitled to any surplus of the Port Authority. The County is also financially accountable for the Authority. The Van Wert County Auditor is the fiscal agent for the Port Authority.

Van Wert County Airport Authority

The Van Wert County Airport Authority is a legally separate organization created by resolution of the Van Wert County Commissioners on December 20, 1974. The Board of the Airport Authority is made up of five members, each with a term of five years. The members were originally appointed by the Van Wert County Commissioners; subsequent appointments are made by the Board of Trustees of the Regional Airport Authority, subject to the approval of the Board of Van Wert County Commissioners. The County has issued debt for the Airport Authority in the County's name, making the County financially accountable for the Airport Authority.

As the custodian of public funds, the County Treasurer 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. Accordingly, the activity of the following districts and agencies are presented as agency funds within the County's financial statements:

Van Wert County General Health District
Van Wert County Soil and Water Conservation District
Van Wert County Law Library

1. REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

The County is associated with certain organizations which are defined as Joint Ventures, Jointly Governed Organizations, Related Organizations, and an Insurance Purchasing Pool. The County's Joint Ventures, the Van Wert County Emergency Management Agency (EMA), the Van Wert County Regional Planning Commission (the Commission), and the Van Wert County Swimming Pool (the Pool), are presented in Note 23 of the general purpose financial statements. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Jointly Governed Organizations of the County, the Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board), the Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio (the CIC), the Van Wert County Council on Aging, Inc. (the Council), the West Central Partnership, Inc. (the Partnership), and the Maumee Valley Resource Conservation and Development Area (the MV-RCD Area), are presented in Note 24 of the general purpose financial statements. A jointly governed organization is governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility on the part of the participating governments. The Related Organizations, the Van Wert County Hospital Commission (Commission) and the Local Emergency Planning Committee (LEPC) are presented in Note 25. A related organization is an organization for which the County appoints a majority of the governing board but for which there is no potential benefit or burden and no authority to impose the will of the County. The Insurance Purchasing Pool, the County Commissioners' Association of Ohio Service Corporation (CCAOSC) is presented in Note 26 of the general purpose financial statements. An insurance purchasing pool is an organization with a group of governments to pool funds or resources to purchase commercial insurance policies.

B. Basis of Presentation - Fund Accounting

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

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

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

1. REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

1. Governmental Fund Types:

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

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

2. Proprietary Fund Type:

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

Enterprise Funds

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

1. REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

3. Fiduciary Fund Type:

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

Agency Funds

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

4. Account Groups:

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

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for all fixed assets of the County, other than those fixed assets accounted for in the enterprise funds.

General Long-Term Obligations Account Group

The General Long-Term Obligations Account Group is used to account for all long-term obligations of the County, except those accounted for in the enterprise funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Van Wert County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989, to the enterprise funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the County's accounting policies are described below. Separate information for discretely presented component units can be found in Note 22.

A. Measurement Focus and Basis of Accounting

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Enterprise fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

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

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: state-levied locally shared taxes (including gasoline tax), interest, permissive sales tax, federal and state grants and entitlements, amounts due from the Van Wert County Airport Authority for funds borrowed, amounts due from other funds for goods, services, or prior advances, and charges for current services. Major revenue sources not susceptible to accrual include fines and forfeitures and licenses and permits which are not considered measurable until received.

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due, and costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Budgetary Process

The budgetary process is prescribed by provisions of the 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. All funds, other than agency funds, legally are required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each department and fund. Advances-in and advances-out are not required to be budgeted since they represent a cash flow resource. Budgetary modifications may only be made by resolution of the County Commissioners. Budgetary information has not been presented for the Library Enrichment Foundation of the Brumback Library (blended component unit) because it is not included in the entity for which the "appropriated budget" is adopted nor does the entity maintain separate budgetary records. Budgetary information has also not been presented for the discretely presented component units.

1. Tax Budget

A budget of estimated revenues and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the estimated beginning of year fund balance and projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs either to be increased or decreased.The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

3. Appropriations

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. The annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the Commissioners. Several supplemental appropriation resolutions were legally enacted by the County Commissioners during the year, however none of them were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

4. Budgeted Level of Expenditures/Expenses

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

5. Encumbrances

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

6. Lapsing of Appropriations

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

C. Cash and Cash Equivalents

Cash balances of the County's funds, except cash held by a trustee or fiscal agent and in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, funds included within the Treasurer's cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents.

During 2000, the County invested in certificates of deposit and STAR Ohio. The Library Enrichment Foundation of the Brumback Library invests in corporate stock.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating investment contracts such as nonnegotiable certificates of deposit which are reported at cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2000.

Cash and cash equivalents that are held separately by the component units and within departments of the County and not held with the County Treasurer are recorded on the balance sheet as "Cash and Cash Equivalents in Segregated Accounts."

Cash and cash equivalents that are held separately in accounts at a financial institution for retainages and not held with the County Treasurer are recorded on the balance sheet as "Cash and Cash Equivalents with Fiscal Agents" and represent deposits.

Investments that are held separately by the Van Wert Housing Services, Inc. and the Library Enrichment Foundation of the Brumback Library and within the departments of the County and not held with the County Treasurer are recorded on the balance sheet as "Investments in Segregated Accounts."

Interest revenue is distributed to the funds according to statutory requirements. Interest revenue of $569,020 was credited to the General Fund during 2000, which includes $430,823 assigned from other county funds. Interest revenue of $43,039 was also credited to the special revenue funds.

D. Receivables and Payables

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

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

E. Inventory of Supplies

Inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased. Reported supplies inventory is equally offset by a fund balance reserve in the governmental fund types which indicates that it does not constitute available expendable financial resources even though it is a component of net current assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

G. Estimates

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

H. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet. Short-term interfund loans or the short-term portion of advances are classified as “Interfund Receivable” and “Interfund Payable”.

I. Fixed Assets

The fixed asset values were initially determined at December 31, 1989 assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated fixed assets are capitalized at fair market value on the date donated. The County maintains a capitalization threshold of five hundred dollars.

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

1. General Fixed Assets

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Enterprise Fund Fixed Assets

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

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

Description	Estimated Lives
Buildings	20-40 years
Machinery and Equipment	5-20 years
Furniture and Fixtures	5 years
Vehicles	10 years

J. Contributed Capital

Contributed capital represents donations by private sources, resources from other funds, grants restricted for capital construction, and assets whose construction was financed by special assessments. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Because the County did not prepare financial statements in accordance with generally accepted accounting principles prior to 1989, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to enterprise funds have been classified as retained earnings.

K. Capitalization of Interest

The County's policy is to capitalize net interest on enterprise fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, interest costs incurred on construction projects in enterprise funds were not material.

L. Compensated Absences

The County follows the provisions of Governmental Accounting Standards Board Statement No. 16, “Accounting for Compensated Absences”. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the County's termination policy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The County records a liability for accumulated unused sick leave for all employees after 20 years of current service with the County and employees with 10 years of current service and over the age of 60. For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the General Long-Term Obligations Account Group. In enterprise funds, the entire amount of compensated absences is reported as a fund liability.

M. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, entitlements and shared revenues, are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants and entitlements received for enterprise fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

N. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences, early retirement incentive payable, and contractually required contributions are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty-one days after year end are generally considered not to have been paid with current available financial resources. Capital leases and long-term loans are recognized as a liability of the General Long-Term Obligations Account Group until due.

Long-term obligations financed by enterprise funds are reported as liabilities in the appropriate enterprise funds.

Under Ohio law, a debt retirement fund may be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the special revenue and capital projects funds, and the General Long-Term Obligations Account Group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund.

To comply with GAAP reporting requirements, the County's debt retirement fund has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Reserves of Fund Balance

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available expendable financial resources and, therefore, are not available for expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, materials and supplies inventory, loans receivable, and unclaimed monies.

P. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expense in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All remaining interfund transfers are reported as operating transfers.

Q. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. When the title of a statement indicates that component units are included, two total columns are presented. The first is captioned “Total Primary Government (Memorandum Only)” to indicate that only those activities that comprise the County's legal entity have been included. The second is captioned “Total Reporting Entity (Memorandum Only)”and includes the activity and operations of the County's legally separate discretely presented component units (See Note 22). The total column on statements which do not include component units have no additional caption.

3. PRIOR PERIOD ADJUSTMENTS

A restatement was necessary for fixed assets in the enterprise funds and the General Fixed Assets Account Group. Fixed assets were reduced in the enterprise funds by $7,614 from $445,585 to $437,971 due to double booking of assets last year. The effect of these changes on the opening fund balances in the enterprise funds was a decrease of $7,614 from $280,321 to $272,707. Fixed assets were increased in the General Fixed Assets Account Group by $277,832, due to not picking up all fixed assets. This adjustment increased the beginning balance in the General Fixed Assets Account Group from $17,479,920 to $17,757,752.

4. BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis). Material encumbrances are disclosed in the notes for the enterprise funds (GAAP basis).

4. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

5. State statute requires short-term note debt to be repaid from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

6. Although not part of the appropriated budget, the Library Enrichment Foundation of the Brumback Library Special Revenue Fund is included as part of the reporting entity when preparing financial statements that conform with GAAP.

7. Advances - In and Advances - Out are operating transactions (budget basis) as opposed to balance sheet transactions.

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

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses

	All Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	$380,457	($999,608)	$0	$499,193
Adjustments:				
Revenue Accruals	(420,723)	6,813	0	(10,816)
Expenditure Accruals	535,204	245,528	0	(1,987)
Unrecorded Cash	(3,744)	(74,723)	0	0
Prepaid Items	6,240	13,273	0	7,141
Encumbrances	(174,302)	(667,398)	0	(11,366)
Debt Principal Payments	0	(4,600)	(499,926)	0
Proceeds from Sale of Notes	0	727,040	239,084	12,326
Advances	68,700	(68,700)	0	0
Transfers	0	3,269	125,948	(105,723)
Change in Fair Value of Cash Equivalents	0	15,335	0	0
Reallocation for Debt Activity	(13,204)	(203,943)	192,932	14,267
Activity of Nonbudgeted Fund	0	(20,245)	0	0
Budget Basis	$378,628	($1,027,959)	$58,038	$403,035

Net Income/Excess of Revenues Over
Expenses and Operating Transfers

	Enterprise
GAAP Basis	$77,203
Adjustments:	
Revenue Accruals	(17,027)
Expense Accruals	6,930
Prepaid Items	209
Capital Outlay	(24,145)
Loss on Disposal of Fixed Assets	3,743
Transfers	(23,494)
Depreciation	38,951
Encumbrances	(5,999)
Budget Basis	$56,371

5. COMPLIANCE AND ACCOUNTABILITY

A. Compliance

The Human Services Special Revenue Fund had appropriations of $1,823,423 which were greater than estimated resources plus carryover balances of $1,823,366 by $57 during 2000.

B. Accountability

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

	Deficit Fund Balance
Special Revenue Funds:	
Human Services	$183,813
Ditch Maintenance	1,101,233
Probate/Juvenile Court Computer System	1,262
Federal Exxon	289
Capital Projects Funds:	
South Delphos Area Sewer	48,076
Airport Construction	1,399
Human Services Building Construction	272,842

The deficits in the Human Services and Federal Exxon Special Revenue Funds were caused by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The deficits in the Ditch Maintenance and Probate/Juvenile Court Computer System Special Revenue Funds, South Delphos Area Sewer, Airport Construction, and Human Services Building Construction Capital Projects Funds arose from the requirement to report bond and revenue anticipation note liabilities in the fund which received the note proceeds. The deficit will be alleviated when the bonds are issued or when the notes are paid.

6. DEPOSITS AND INVESTMENTS

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

Monies held by the County which are not considered active are classified as inactive.

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

6. DEPOSITS AND INVESTMENTS (Continued)

Inactive monies are permitted to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

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

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

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

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

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

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

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

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

6. DEPOSITS AND INVESTMENTS (Continued)

At year-end, the County had $42,992 in undeposited cash on hand which is included on the balance sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3 “Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements”.

1. Deposits

At year-end, the carrying amount of the County's deposits was $6,936,530, and the bank balance was $7,428,818. Of the County’s deposits, $63,501 consisted of deposits for the Port Authority, a discretely presented component unit for which the County Auditor is the fiscal agent. Of the bank balance, $838,904 was covered by federal deposit insurance and $6,589,914 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution’s trust department in the County’s name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

2. Investments

The County’s investments are categorized below to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held in the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. STAR Ohio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Primary Government		
	Category 1	Unclassified	Fair Value
STAR Ohio	$0	$1,726,464	$1,726,464
Stock	107,239	0	107,239
Total	$107,239	$1,726,464	$1,833,703

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the general purpose financial statements and the classifications per GASB Statement No. 3 is as follows:

6. DEPOSITS AND INVESTMENTS (Continued)

	Primary Government	
	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	$8,612,205	$137,519
Cash on Hand	(42,992)	0
Port Authority Component Unit	63,501	0
Investments:		
Certificates of Deposit	30,280	(30,280)
STAR Ohio	(1,726,464)	1,726,464
GASB Statement 3	$6,936,530	$1,833,703

7. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property (other than public utility) located in the County. Property tax revenue received during 2000 for real and public utility property taxes is for 1999 taxes and property tax revenue received during 2000 for tangible personal property (other than public utility) is for 2000 taxes.

The 2000 real property taxes are levied after October 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2000 real property taxes are collected in and intended to finance 2001.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 88 percent of cost). The 2000 public utility property taxes became a lien December 31, 1999, are levied after October 1, 2000, and are collected in 2001 with real property taxes.

The 2000 tangible personal property taxes are levied after October 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are 25 percent of assessed valuations.

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, 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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

7. PROPERTY TAXES (Continued)

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to each subdivision its portion of the taxes. The collection and distribution of taxes for the County and for all subdivisions within the County is accounted for through agency funds of the County. The amount of the County's tax collections which will flow through an agency fund is reported as "Taxes Receivable" on the combined balance sheet in both the agency fund and the governmental fund which will receive the tax distribution. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2000. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2000 operations. The receivable is offset by deferred revenue.

The full tax rate for all County operations for the year ended December 31, 2000, was $8.10 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

Agricultural/Residential Real Property	$294,194,140
Other Real Property	47,315,180
Tangible Personal Property	52,051,780
Public Utility Personal Property	23,208,830
Total Assessed Value	$416,769,930

8. PERMISSIVE SALES AND USE TAX

The County Commissioners by resolution imposed a 1.5 percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General Fund. Amounts received within the available period are accrued as revenue. Sales and use tax revenue in 2000 amounted to $3,030,055.

9. RECEIVABLES

Receivables at December 31, 2000, consisted of taxes, accounts (billings for user charged services), special assessments, interest, due from other funds, intergovernmental receivables arising from grants, interfund, and loans. All receivables are considered collectible in full except County Home resident charges, Probate Court fees, and Juvenile Court receivables. A summary of accounts receivable for County Home resident charges, Probate Court fees, and Juvenile Court receivables, as well as other receivables owed to the County is as follows:

9. RECEIVABLES (Continued)

	County Home Resident Charges	Recycling Receivable	Probate Court Fees	Juvenile Court Receivable	Other Accounts Receivable	Total Accounts Receivable
Receivable	$2,404,576	$207,507	$13,145	$172,853	$638,350	$3,436,431
Allowance for Uncollectibles	(2,393,378)	0	(5,219)	(139,829)	0	(2,538,426)
Net Accounts Receivable	$11,198	$207,507	$7,926	$33,024	$638,350	$898,005

A summary of intergovernmental receivables follows:

General Fund	
Estate Tax Reimbursement	$895
Advertising Reimbursement	1,635
Local Government	47,438
Local Government Revenue Assistance	9,345
Bureau of Workers' Compensation Refund	28,125
Indigent Defense Grant	12,788
Sheriff Reimbursement	1,422
Election Costs	1,679
State Issue Advertising Reimbursement	1,904
Total General Fund	105,231
Special Revenue Funds	
Motor Vehicle License Tax	$49,919
Gasoline Tax	117,393
Gasoline Tax Refund	591
Library and Local Government	71,173
CAFS	62
Federal Weatherization-HHS Grant	2,737
Federal Weatherization-DOE Grant	10,789
Early Intervention Grant	1,072
Residential Waiver	20,439
Social Security	479
Federal STR Grant	1,107
HEAP Grant	11,297
Bureau of Workers' Compensation Refund	44,256
9-1-1 Operation Grant	512
Child Protective Allocation	45,901
Foster Care Grant	22,411
Total Special Revenue Funds	400,138

9. RECEIVABLES (Continued)

Enterprise Fund	
Bureau of Workers' Compensation Refund	1,351
Agency Funds	
Library and Local Government	15,624
Local Government	47,828
Local Government Revenue Assistance	9,422
Medicare/Medicaid	2,167
Wellness Block Grant	3,872
Emergency Management-LEPC Grant	66,346
Emergency Management-EMPG Grant	19,546
Special Emergency Planning	1,125
Federal Community Service Block Grant	12,167
Gasoline Tax	50,957
Motor Vehicle License	17,695
Total Agency Funds	246,749
Total All Funds	$753,469

A. Loans Receivable

The County has three loans receivable with the Van Wert County Airport Authority. Two of the loans are for construction of T-hangars, while the third loan is for removal of underground fuel tanks. The loans are repaid yearly as principal and interest come due. At December 31, 2000, the total amount of loans receivable in the General Fund and the Airport Construction Capital Projects Fund is $128,250 and $97,815, respectively.

10. FIXED ASSETS

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

Buildings	$309,347
Machinery and Equipment	143,564
Furniture and Fixtures	11,357
Vehicles	218,599
Total	682,867
Less accumulated depreciation	(221,632)
Net Book Value	$461,235

10. FIXED ASSETS

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

	Restated Balance at December 31, 1999	Additions	Deletions	Balance at December 31, 2000
Land	$150,952	$0	$0	$150,952
Land Improvements	20,399	0	0	20,399
Buildings	11,638,142	640,562	0	12,278,704
Machinery and Equipment	2,247,406	181,174	146,009	2,282,571
Furniture and Fixtures	488,700	65,709	12,771	541,638
Vehicles	3,207,153	508,397	164,056	3,551,494
Construction-in-Progress	5,000	0	5,000	0
Total General Fixed Assets	$17,757,752	$1,395,842	$327,836	$18,825,758

11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2000, the County contracted with Midwest Pool Management, Inc. for liability, property and crime insurance.

Coverages provided by Midwest Pool Management, Inc. are as follows:

Liability	
(A) General, Auto, Law and Nursing Home Liability Combined (per occurrence)	$1,000,000
(B) Public Official Errors and Omissions Liability (per occurrence - included above)	1,000,000
Aggregate	1,000,000
(C) Excess Liability, General, Liquor, Auto, Law, Public Official Liability and Miscellaneous Errors and Omissions (per occurrence and annual aggregate)	4,000,000
Property (per occurrence)	174,168,831
Flood and Earthquake (annual aggregate)	35,000,000
Boiler and Machinery	30,000,000
Crime Insurance:	
Faithful Performance	250,000
Money and Securities	250,000
Employee Dishonesty	250,000
Depositors Forgery	250,000

The County pays all elected officials' bonds by statute. Settled claims have not exceeded coverage in the last three years. There has been no material change in this coverage from the prior year.

11. RISK MANAGEMENT (Continued)

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation. For 2000, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program provided by the County Commissioners' Association of Ohio Service Corporation (CCAOSC), a workers' compensation insurance purchasing pool (See Note 26). The intent of the CCAOSC is 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 counties in the CCAOSC. Each participant pays its workers' compensation premium to the State based on the rate for the CCAOSC rather than its individual rate. In order to allocate the savings derived by formation of the CCAOSC, and to maximize the number of participants in the CCAOSC, annually the CCAOSC's executive committee calculates the total savings which accrued to the CCAOSC through its formation. This savings is then compared to the overall savings percentage of the CCAOSC. The CCAOSC's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the CCAOSC is limited to counties that can meet the CCAOSC's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the CCAOSC. Each year, the County pays an enrollment fee to the CCAOSC to cover the costs of administering the CCAOSC.

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

Beginning January 1, 1994, the County elected to enter into an agreement with Mercer, Hancock, and Auglaize counties to form the Midwest Employee Benefit Consortium, a risk-sharing pool, to provide for health, dental and life insurance. Since then, Shelby County has also become a member. The Pool is governed by a Board of Trustees consisting of five trustees, appointed by each of the Counties from the County Commissioners. The Board elects a President, Vice President, Treasurer, and Secretary. The Board is responsible for its own financial matters and the Pool maintains its own books of account. Budgeting and financing of the Pool is subject to the approval of the Board. Settled claims have not exceeded coverage in the last three years.

The County pays monthly contributions to the Pool, which are used to purchase excess loss insurance for the Pool, pay current claims and related claim settlement expenses and to establish and maintain sufficient reserves. The plan is non-contributing for employees and is owned and operated by the Pool. The members' contributions represent 115 percent of the expected costs of the Pool, which will allow the Pool to establish excess reserves for future operations. The funds are maintained in a bank trust account established for the sole purpose and benefit of the Pool's operations.

The Pool has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the Pool for medical claims paid to an individual in excess of $75,000 per year, with an individual lifetime maximum of $950,000 per person. The aggregate excess loss coverage has been structured to indemnify the Pool for aggregate claims in excess of 120 percent of projected claims. In the event that the losses of the consortium in any year exceeds amounts paid to the Pool, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of all county members of the Pool. No such loss has occurred in the past three years.

11. RISK MANAGEMENT

The County currently has no specified percentage share of the Pool. The only time at which a percentage share would be calculated occurs if the Pool votes to terminate. After a vote to terminate the Pool, the Board would wind-up the Pool's business as quickly as practicable, but in any event would complete this process no later than twelve months after the termination date. During such period, the Pool would continue to pay all claims and expenses until the Pool's funds are exhausted. After payment of all claims and expenses, or upon the termination of the aforesaid twelve month period, any remaining surplus funds held by the Pool would be distributed according to the determination of the Board. The County's payment for health insurance coverage to the Midwest Employee Benefit Consortium in 2000 was $1,320,234.

The Brumback Library contracts with Aetna U.S. Healthcare for medical insurance and with The Guardian for dental coverage, and VisionPlus for vision insurance.

The County Engineer contracts with Business Administrators and Consultants, Inc. for health care and dental coverage.

12. DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

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

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations; law enforcement employees contribute 9 percent. For calendar year 2000, PERS instituted a temporary employer rate rollback for state and local governments. For plan members, other than those engaged in law enforcement, the County was required to contribute 6.54 percent of covered salary for 2000, a reduction from 9.35 percent for 1999. The County contribution for law enforcement employees for 2000 was 11.4 percent, down from 12.5 percent for 1999. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were $442,133, $743,557, and $683,009, respectively; 75 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000 is recorded as a liability in the respective funds and the General Long-Term Obligations Account Group.

12. DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System

Certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary to fund pension obligations and the County is required to contribute 6 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions to STRS for the years ended December 31, 2000, 1999, and 1998 were $14,221, $8,056, and $14,554, respectively; the full amount has been contributed for 2000, 1999, and 1998.

13. POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate for 2000 was 10.84 percent of covered payroll for employees not engaged in law enforcement; 4.3 percent was the portion that was used to fund health care. The employer contribution rate for law enforcement employees for 2000 was 15.7 percent; 4.3 percent was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, ased on PERS's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

13. POSTEMPLOYMENT BENEFITS (Continued)

The number of active contributing participants was 401,339. The County's actual contributions for 2000 which were used to fund postemployment benefits were $271,294. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were $10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability were $12,473.6 million and $1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

B. State Teachers Retirement System

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

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled $18,961 for 2000.

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

14. OTHER EMPLOYEE BENEFITS

A. Deferred Compensation Plans

County employees and elected officials participate in the Ohio Public Employees Deferred Compensation Plan or the Ohio County Commissioners Association Deferred Compensation Plan. Both plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

14. OTHER EMPLOYEE BENEFITS (Continued)

B. Early Retirement Incentive Payable

The County approved an Early Retirement Incentive plan for the Engineer's Office. The plan began on December 1, 2000, and will end on November 30, 2001. Participation in the plan is available to 5% of total employees in the Office who are members of PERS. Ability to participate is based on service credit, with preference given to those with more service credit. Service credit will be purchased for the lesser of: 2.1 years of service credit, or an amount of service credit equal to one-fifth of the total service credit of record credited to the participating employee, exclusive of the service credit purchased under this plan. To be eligible, the employee has to be eligible to retire on or before the termination date of the plan. Service credit to be purchased for the employee under the plan is included in making this determination. Also, the employee must agree to retire within 90 days after receiving note that service credit has been purchased for the employee.

At the end of 2000, the County had two employees who chose to accept the early retirement incentive. The County began making payments to PERS in December 2000. The liability at December 31, 2000 for these two employees has been recorded as an early retirement incentive payable in the General Long-Term Obligations Account Group. These expenditures are reflected as program/function expenditures in the Motor Vehicle Gas Tax Special Revenue Fund.

15. CAPITAL LEASES - LESSEE DISCLOSURE

During 2000, the County entered into several capitalized leases for machinery and equipment and vehicles. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No.13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the combined financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Machinery and equipment and vehicles acquired by lease have been capitalized in the General Fixed Assets Account Group at amounts equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the General Long-Term Obligations Account Group. Principal payments made during 2000 totaled $89,430, in the General Fund and the Motor Vehicle Gas Tax, Ditch Maintenance, and Thomas Edison Special Revenue Funds. The following is an analysis of assets leased under capital leases as of December 31, 2000:

	GFAAG
Machinery and Equipment	$146,953
Vehicles	215,962
	$362,915

15. CAPITAL LEASES - LESSEE DISCLOSURE (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2000.

Year	GLTOAG
2001	$95,808
2002	77,407
2003	64,454
Total	237,669
Less: Amount Representing Interest	(21,420)
Present Value of Minimum Lease Payments	$216,249

16. SHORT-TERM OBLIGATIONS

A summary of the short-term transactions for the year ended December 31, 2000 follows:

Fund Type/Fund/Issue	Interest Rate	Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
General Obligation Notes:					
General Fund - Airport Improvement	6.18%	$135,000	$0	$6,750	$128,250
Special Revenue Fund:					
Probate/Juvenile Court Computer System Fund	4.08%	14,495	0	4,600	9,895
Capital Projects Funds:					
South Delphos Area Sewer Fund	5.59%	45,000	61,000	45,000	61,000
Airport Construction Fund	4.641-4.98%	101,240	0	3,425	97,815
Human Services Building Construction Fund	4.37%	360,000	0	90,000	270,000
Total General Obligation Notes		655,735	61,000	149,775	566,960

16. SHORT-TERM OBLIGATIONS (Continued)

Fund Type/Fund/Issue	Interest Rate	Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
Special Assessment Notes:					
Special Revenue Fund:					
Ditch Maintenance Fund					
Wallace Ditch	4.75%	4,289	0	636	3,653
Jennings Creek Ditch	5.59%	25,033	28,593	25,033	28,593
Long Prairie and Fauble	5.75%	19,320	0	19,320	0
Bergner Ditch	5.75%	2,527	0	2,527	0
James Adams Ditch	5.59%	0	1,880	0	1,880
Kimmett Ditch	5.59%	0	80,634	0	80,634
Wortman Ditch	5.59%	0	1,205	0	1,205
Spice Run	4.60%	69,134	0	15,397	53,737
27 Mile Creek	4.60%	61,422	515,870	61,422	515,870
Allen Watt	4.60%	9,487	0	2,129	7,358
Mown Prairie	4.60%	49,189	0	11,526	37,663
Mollenkopf/Salmon	7.07%	10,400	0	1,140	9,260
Dog Creek	4.75%	113,743	0	21,848	91,895
Pup Creek	6.68%	36,200	0	6,000	30,200
Parker Ditch	4.75%	8,009	0	1,350	6,659
Maddox Creek	4.75%	$221,257	$0	$92,685	$128,572
Price Ditch	4.75%	44,263	0	7,196	37,067
Cable Ditch	4.75%	16,700	0	4,326	12,374
Feigert Ditch	4.75%	8,162	0	4,758	3,404
Monkey Run Ditch	4.75%	43,043	193,961	43,043	193,961
Pottawatome Ditch	4.75%	14,415	95,307	14,415	95,307
Total Special Assessment Notes		756,593	917,450	334,751	1,339,292
Total		$1,412,328	$978,450	$484,526	$1,906,252

All of the notes are bond and revenue anticipation notes, are backed by the full faith and credit of Van Wert County and are payable from special assessments and governmental funds. The note liability is reflected in the fund which received the proceeds. In the event that property owners fail to make their special assessment payments, the County is responsible for providing the resources to meet the annual principal and interest payments. The notes outstanding at December 31, 2000 are multi-year notes. All of the notes are prepayable without penalty at the option of the County at any time prior to maturity.

16. SHORT-TERM OBLIGATIONS (Continued)

Principal and interest requirements to retire the County's multi-year notes outstanding at December 31, 2000, are as follows:

Year	Notes Payable
2001	$304,894
2002	324,989
2003	378,057
2004	470,877
2005	232,530
2006-2010	574,757
2011-2015	42,977
2016-2019	23,285
Total	$2,352,366

Changes in the note transactions reported in the enterprise funds during 2000 were as follows:

	Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
Note Payable:				
4.37% - 1998 Recycling Building and Trucks	$80,000	$0	$20,000	$60,000

The note payable will be paid from the Recycling Enterprise Fund.

Principal and interest requirements to retire the note outstanding at December 31, 2000, is as follows:

Year	Notes Payable
2001	$22,850
2002	21,900
2003	20,950
Total	$65,700

17. LONG-TERM DEBT

The changes in the County's long-term obligations for the year ended December 31, 2000, consist of the following:

	Restated Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
Loans Payable:				
8.00% - 1992 Engineer's Loan	$40,000	$0	$20,000	$20,000
5.64% - 1997 Dog Warden Truck	7,608	0	2,386	5,222
TOTAL - Loans Payable	47,608	0	22,386	25,222
Other Long-Term Obligations:				
Compensated Absences Payable	601,477	87,799	0	689,276
Due to Other Governments	265,095	176,030	265,095	176,030
Obligations Under Capital Lease	305,679	0	89,430	216,249
Early Retirement Incentive Payable	0	68,402	0	68,402
TOTAL - Other Long-Term Obligations	1,172,251	332,231	354,525	1,149,957
TOTAL - General Long-Term Obligations	$1,219,859	$332,231	$376,911	$1,175,179

Loans payable will be paid from the Motor Vehicle Gas Tax and Dog and Kennel Special Revenue Funds. Compensated absences, due to other governments, and early retirement incentive payable will be paid from the fund from which the employees' salaries are paid. Due to other governments represents contractually required pension contributions paid outside the available period. Capital lease obligations will be paid from the fund that maintains custody of the related asset.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt should not exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The effects of the debt limitations at December 31, 2000 are an overall debt margin of $8,327,066 and an unvoted debt margin of $3,575,517.

The following is a summary of the County's future annual principal and interest requirements for long-term obligations:

Year	Loans Payable
2001	$24,421
2002	2,821
Total	$27,242

17. LONG-TERM DEBT (Continued)

During 1996, the County issued a health care facilities revenue bond with the principal amount of $324,000 outstanding at December 31, 2000 for facilities used by the Stepping Stones Center, Inc. During 1997, the County issued three bonds. An industrial development revenue bond was authorized for Kennedy Manufacturing Company in the principal amount of $3,000,000. As of December 31, 2000, $1,771,825 had been issued. A health care facilities revenue bond was issued for the Van Wert Area Visiting Nurses Association, with the principal amount of $1,782,500 outstanding at December 31, 2000. Also issued was a hospital facilities revenue bond for the Van Wert County Hospital Association, with the principal amount of $1,931,496 outstanding at December 31, 2000. The proceeds of the bonds do not constitute a general obligation, debt or bonded indebtedness of the County. The County is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded entirely from the County's debt presentation. Neither is the full faith and credit or taxing power of the County pledged to make repayment.

18. INTERFUND TRANSACTIONS

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

Fund Type/Fund	Due From Other Funds	Due To Other Funds	Interfund Receivable	Interfund Payable
General Fund	$16,516	$3,223	$23,142	$0
Special Revenue Funds:				
Motor Vehicle Gas Tax Fund	4,913	0	0	0
Human Services Fund	73,127	4,128	0	23,142
Child Support Enforcement Agency Fund	0	23,251	0	0
Probate/Juvenile Court Computer System Fund	0	5,249	0	0
Youth Bureau Fund	0	1,859	0	0
Children's Services Fund	1,859	60,046	0	0
Federal Weather DOE Fund	0	298	0	0
Federal Weather HHS Fund	0	441	0	0
Federal Heap Program Fund	0	117	0	0
Thomas Edison Fund	4,128	1,338	0	0
Total Special Revenue Funds	84,027	96,727	0	23,142
Enterprise Fund:				
Recycling Fund	0	593	0	0
Total All Funds	$100,543	$100,543	$23,142	$23,142

19. SEGMENT INFORMATION

The County's enterprise funds account for the provision of a solid waste disposal facility and the collection and handling of recyclable materials. Key financial information as of and for the year ended December 31, 2000, for each enterprise fund is as follows:

	Waste Disposal	Recycling	Total
Operating Revenues	$0	$393,102	$393,102
Depreciation Expense	6,552	32,399	38,951
Operating Income (Loss)	(6,552)	91,003	84,451
Loss on Disposal of Fixed Assets	0	3,743	3,743
Interest and Fiscal Charges	0	3,505	3,505
Net Income (Loss)	(6,552)	83,755	77,203
Fixed Asset Additions	1,990	63,966	65,956
Fixed Asset Deletions	0	4,800	4,800
Net Working Capital	0	260,653	260,653
Total Assets	67,145	690,125	757,270
Long-Term Liabilities Payable from Revenue	0	44,218	44,218
Total Fund Equity	67,145	610,525	677,670
Total Encumbrances at December 31, 2000	0	5,999	5,999

20. SIGNIFICANT CONTRACTUAL COMMITMENTS

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

Company	Project	Amount Remaining On Contract
Taylor Motors	Dodge Durango	$26,588
Planet Ford	Two Ford Crown Victoria Police Cruisers	40,902
Planet Ford	Ford Crown Victoria Police Interceptors	20,451
Harvey Equipment Division	Mower	11,200
Southeastern Equipment Company	Roller	68,000
Ziakam Construction, Inc.	Dog Creek Bridge Project	9,235
Gaede Serne Architects, Inc.	Professional Services	8,720
Rosengarten Construction	Pottawatomie Ditch Cleaning	66,530
Myers Excavating, Inc.	Monkey Run Ditch Cleaning	109,962

21. CONTRIBUTED CAPITAL

During 2000, the General Fund and Thomas Edison Special Revenue Fund purchased a building and vehicles for the Waste Disposal and Recycling Enterprise Funds from grant monies. The amounts representing contributed capital at December 31, 2000, are as follows:

	Waste Disposal	Recycling	Total
Value of Fixed Assets Contributed During 2000	$1,990	$39,821	$41,811
Contributed Capital January 1, 2000	61,882	224,067	285,949
Contributed Capital December 31, 2000	$63,872	$263,888	$327,760

22. CONDENSED FINANCIAL STATEMENTS FOR DISCRETELY PRESENTED COMPONENT UNITS

A. Balance Sheet

	Thomas Edison Center	Van Wert Housing Services, Inc.	Port Authority	Airport Authority	Total
Current Assets	$202,538	$167,264	$63,501	$51,406	$484,709
Non-current Assets:					
Investments	0	1,506,828	0	0	1,506,828
Land	0	36,112	204,454	176,616	417,182
Buildings	0	364,114	7,834	105,240	477,188
Equipment, Improvements, and Furnishings	98,081	22,321	0	113,951	234,353
Vehicles	35,249	0	0	6,750	41,999
Accumulated Depreciation	(29,806)	(55,620)	(3,722)	(68,500)	(157,648)
Total Non-current Assets	103,524	1,873,755	208,566	334,057	2,519,902
Total Assets	$306,062	$2,041,019	$272,067	$385,463	$3,004,611
Liabilities and Retained Earnings:					
Current Liabilities	$8,190	$12,505	$0	$4,675	$25,370
Non-current Liabilities:					
Notes Payable	0	107,473	0	0	107,473
Loans Payable	0	0	0	226,065	226,065
Total Liabilities	8,190	119,978	0	230,740	358,908
Retained Earnings	297,872	1,921,041	272,067	154,723	2,645,703
Total Liabilities and Retained Earnings	$306,062	$2,041,019	$272,067	$385,463	$3,004,611

22. CONDENSED FINANCIAL STATEMENTS FOR DISCRETELY PRESENTED COMPONENT UNITS (Continued)

B. Statement of Revenues, Expenses and Changes in Retained Earnings

	Thomas Edison Center	Van Wert Housing Services, Inc.	Port Authority	Airport Authority	Total
Revenues	$423,295	$189,789	$2,520	$46,188	$661,792
Expenses	459,760	82,375	462	82,468	625,065
Excess of Revenues Over (Under) Expenses	(36,465)	107,414	2,058	(36,280)	36,727
Retained Earnings at 1/1/00	334,337	1,813,627	270,009	191,003	2,608,976
Retained Earnings at 12/31/00	$297,872	$1,921,041	$272,067	$154,723	$2,645,703

C. Measurement Focus and Basis of Accounting

The financial statements that are presented for the Thomas Edison Center, the Van Wert Housing Services, Inc., the Port Authority, and the Airport Authority use the governmental model of Governmental Accounting Standards Board Statement No. 29, "The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities" for non-profit corporations. These component units are accounted for like enterprise funds using the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

D. Budgetary Basis of Accounting

Budgetary information for the discretely presented component units is not presented because they are not included in the entity for which the "appropriated budget" is adopted and do not maintain separate budgetary financial records.

E. Deposits and Investments

Cash and cash equivalents held by the Thomas Edison Center, Van Wert Housing Services, Inc. and the Airport Authority are classified as "Cash and Cash Equivalents in Segregated Accounts," meaning any investment with an original maturity of three months or less. Cash and cash equivalents held by the Port Authority is presented in the account "Equity in Pooled Cash and Cash Equivalents" because its funds are included in the County Treasurer's cash management pool. Investments held by Van Wert Housing Services, Inc. are classified as "Investments in Segregated Accounts."

1. Thomas Edison Center

Thomas Edison Center had $125 in petty cash which is included on the balance sheet as part of "Cash and Cash Equivalents in Segregated Accounts". This amount is uninsured and uncollateralized.

At year end, the carrying amount of deposits for Thomas Edison Center was $128,291 and the bank balance was $133,215, all of which was covered by federal depository insurance. There are no statutory guidelines regarding the deposit and investments of funds for the not-for-profit corporation.

22. CONDENSED FINANCIAL STATEMENTS FOR DISCRETELY PRESENTED COMPONENT UNITS (Continued)

2. Van Wert Housing Services, Inc.

Van Wert Housing had $15,790 in undeposited cash which is included on the balance sheet as part of "Cash and Cash Equivalents in Segregated Accounts". This amount is uninsured and uncollateralized.

At year end, the carrying amount of deposits for Van Wert Housing Services, Inc. was $145,569 and the bank balance was $145,803. Of the bank balance, $104,203 was covered by federal depository insurance, while $41,600 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the County's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation. There are no statutory guidelines regarding the deposit and investment of funds for the not-for-profit corporation.

Investments consisted of primarily U.S. Government obligations, corporate obligations, and common stocks which are carried at fair value. Fair value at year end was $1,506,828, while the cost was $1,272,491.

3. Port Authority

Since the County Auditor is the fiscal agent for the Port Authority, the Port Authority follows the same investment guidelines as the County Treasurer. Information concerning deposits for the Port Authority can be found in Note 6 to the general purpose financial statements.

4. Airport Authority

At year end, the carrying amount of deposits for the Airport Authority was $7,546, and the bank balance was $8,280, all of which was covered by federal depository insurance. The Airport Authority follows the same investment guidelines as the County Treasurer.

Investments consisted of STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2000. The amount invested in STAR Ohio at year end was $43,860.

22. CONDENSED FINANCIAL STATEMENTS FOR DISCRETELY PRESENTED COMPONENT UNITS (Continued)

F. Fixed Assets

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

	Thomas Edison Center	Van Wert Housing Services, Inc.	Port Authority	Airport Authority	Total
Land	$0	$36,112	$204,454	$176,616	$417,182
Buildings	0	364,114	7,834	105,240	477,188
Equipment, Improvements, and Furnishings	98,081	22,321	0	113,951	234,353
Vehicles	35,249	0	0	6,750	41,999
Total	133,330	422,547	212,288	402,557	1,170,722
Less accumulated depreciation	(29,806)	(55,620)	(3,722)	(68,500)	(157,648)
Net Book Value	$103,524	$366,927	$208,566	$334,057	$1,013,074

Depreciation is provided on a straight-line basis over an estimated useful life of 12 years for Thomas Edison Center. The Van Wert Housing Services, Inc. depreciates buildings over an estimated useful life of 40 years, equipment and furnishings over an estimated useful life of 12 years, and computers over an estimated useful life of 3 years. The Port Authority depreciates its fixed assets over an estimated useful life of 40 years, and 5 to 20 years for the Airport Authority.

G. Notes Payable

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

	Interest Rate	Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
Thomas Edison Center					
Note #1	8.00%	$9,183	$0	$9,183	$0
Van Wert Housing Services, Inc.					
Residential Property #1	7.25%	24,899	0	2,535	22,364
Residential Property #2	7.00%	24,987	0	2,092	22,895
Residential Property #3	7.25%	13,184	0	1,893	11,291
Residential Property #4	7.25%	30,846	0	1,719	29,127
Residential Property #5	8.00%	0	32,000	186	31,814
Total		93,916	32,000	8,425	117,491
Total Notes Payable		$103,099	$32,000	$17,608	$117,491

Principal payments in 2000 totaled $409 for the Thomas Edison Center. On February 17, 2000, when the balance was $8,774, the note was forgiven.

22. CONDENSED FINANCIAL STATEMENTS FOR DISCRETELY PRESENTED COMPONENT UNITS (Continued)

Terms on the Van Wert Housing Services, Inc. residential property #1 note call for a total of 180 monthly payments of $354.73 starting on February 1, 1993. Terms on the Van Wert Housing Services, Inc. residential property #2 note call for a total of 180 monthly payments of $314.59 starting on December 1, 1993. Terms on the Van Wert Housing Services, Inc. residential property #3 note call for a total of 120 monthly payments of $232.25 starting on January 1, 1996. Terms on the Van Wert Housing Services, Inc. residential property #4 note call for a total of 180 monthly payments of $342.92 starting on September 2, 1997. Terms on the Van Wert Housing Services, Inc. residential property #5 note call for a total of 180 monthly payments of $305.81 starting on November 1, 2000.

H. Loans Payable

A summary of the loan transactions for the component units for the year ended December 31, 2000 follows:

	Interest Rate	Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
Airport Authority					
Airport Hangar #1	4.641%	$45,850	$0	$2,000	$43,850
Fuel Tank Removal	4.82%	135,000	0	6,750	128,250
Airport Hangar #2	4.98%	55,390	0	1,425	53,965
Total Loans Payable		$236,240	$0	$10,175	$226,065

All of the Airport Authority Loans are variable rate notes. The interest rate on the loans is adjusted annually on the date that the annual payment is due. The adjusted rate is the prime rate multiplied by 65 percent. The interest rate shall never exceed the lesser of 12 percent or the maximum interest rate permitted by law. Terms on the Airport Hangar loan #1 due to the County call for a total of 20 annual payments starting on August 1, 1997 at varying amounts based on the interest rate and principal due at that time. Terms on the Fuel Tank loan due to the County call for five annual payments starting on August 2, 2000 at varying amounts based on the interest rate and principal due at that time. Terms on the Airport Hangar loan #2 due to the County call for a total of 20 annual payments starting on October 1, 2000 at varying amounts based on the interest rate and principal due at that time.

I. Segment Information

Net working capital for Thomas Edison Center, Van Wert Housing Services, Inc., the Port Authority and the Airport Authority was $194,348, $154,759, $63,501 and $46,731, respectively. During 2000, Thomas Edison Center and Van Wert Housing Services, Inc., purchased fixed assets in the amount of $41,036 and $68,714. The Thomas Edison Center also disposed of fixed assets during 2000 in the amount of $33,000. Other segment information can be obtained in the condensed financial statements presented above.

23. JOINT VENTURES

A. Van Wert County Emergency Management Agency

The Van Wert County Emergency Management Agency (EMA) is a joint venture among Van Wert County, the City of Van Wert, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is composed of the following seven members: one County Commissioner representing the board of county commissioners entering into the agreement; five chief executives representing the municipal corporations and townships entering into the agreement; and one non-elected representative. During 2000, the County contributed $32,000 (44 percent) for the operation of the agency. The EMA is a joint venture since it cannot continue to exist without the financial support of the County. The County does not have an equity interest in the joint venture. The EMA is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the EMA located at 1300 Old Route 30, Post Office Box 602, Van Wert, Ohio 45891.

B. Van Wert County Regional Planning Commission

The Van Wert County Regional Planning Commission (the Commission) is a joint venture among the County, the City of Van Wert, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of thirty members of which two-thirds are elected officials. The County must be represented by the three County Commissioners, a County Health Official, the County Engineer, the County Recorder, the County Auditor, the Sheriff and the County Extension Agent. Other members include: a representative from all participating Board of Township Trustees; the Mayor or a Council member of each participating incorporated village; two representatives from the City of Van Wert, one being the Mayor or his designee and one being appointed by City Council. The remaining members of the Commission are representatives from public utility, minority groups, business, industry, Ministerial Association, farm organizations, Chamber of Commerce and other representatives as deemed necessary by the Commission.

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County.

The County contributed $5,000 (24 percent) during 2000 for the operations of the Commission. The Commission is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the Commission located at 719 East Crawford Street, Van Wert, Ohio 45891.

23. JOINT VENTURES (Continued)

C. Van Wert County Swimming Pool

The Van Wert County Swimming Pool (the Pool) is a joint venture between Van Wert County and the City of Van Wert. The Pool is jointly operated by the City and the County for the benefit of all the citizens of the County. The recreation board governs the operations of the Pool. The board is made up of five members, with the City Council appointing two members to the board and the County Commissioners also appointing two members. The four members then appoint the fifth member. The Pool is no longer a self-supporting enterprise. Pool rates are adjusted on a yearly basis in order to provide for a sufficient reserve over and above normal operational costs for any necessary improvements, but the rates have not been sufficient during 2000. During 2000, the County contributed $10,520 for its half of the unfunded expenses. The Pool is a joint venture since continued participation by the County is necessary for the Pool's continued existence. Complete financial statements can be obtained from the Pool located at 120 East Main Street, Van Wert, Ohio 45891.

24. JOINTLY GOVERNED ORGANIZATIONS

A. Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board)

The Tri County Mental Health Board is a jointly governed organization among Mercer, Paulding and Van Wert counties. The Tri County Mental Health Board provides leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services.

The ability to influence operations depends on the County's representation on the Board. The Board of Trustees consists of eighteen members: four members are appointed by the Director of the Ohio Department of Mental Health, four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services and the remaining ten members are appointed by the County Commissioners of Mercer, Paulding and Van Wert counties in the same proportion as the County's population bears to the total population of the three counties combined. During 2000, a tax levy provided $305,768 for the operations of the organization.

B. Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio

The Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio (the CIC) is a jointly governed organization between the City and the County. The general purpose of the CIC is to pursue and maintain economic development within the County. The CIC is governed by a Board of Trustees made up of fifteen members, who include: three elected or appointed officers of the City, to be designated annually by the City Council; three elected or appointed officers of the County, to be designated annually by the Board of County Commissioners; six people to be designated annually by the Board of Trustees of The Van Wert Area Chamber of Commerce; the President of the Van Wert Industrial Development Corporation (in ex officio status); and two people who are residents of the County, to be elected at the annual meeting of the members by a majority of the members listed previously. During 2000, the County contributed $11,500 for the operation of the CIC.

24. JOINTLY GOVERNED ORGANIZATIONS

C. Van Wert County Council on Aging, Inc.

The Van Wert County Council on Aging, Inc. (the Council) is a jointly governed organization among the County, the City of Van Wert, neighboring townships, and local related organizations. The Council was formed to secure and maintain maximum independence and dignity for older persons (1) in a home environment for older persons capable of self-care with appropriate supportive services by providing such services and to remove individual and social barriers to economic and personal independence, (2) in a home-like environment for older persons not capable of self-care with adequate institutional situations by providing assistance to these institutions in developing policy. The Board of Directors consists of thirteen members, who shall represent, as nearly as possible, a cross section of the entire county population. Representatives of local health services, low income persons, the clergy, government officials, consumers and other concerned citizens shall be appointed to the Board. For 2000, the County disbursed $147,652 of the organization's tax levy to the Council for its operation.

D. West Central Partnership, Inc.

The West Central Partnership, Inc. (the Partnership) is a jointly governed organization among Allen, Auglaize, Hancock, Hardin, Mercer, Paulding, Putnam and Van Wert counties. The Partnership was formed to administer local loan programs in these counties for the State of Ohio Department of Development using 166 funds and raise money for such purpose and to expend, contribute, disburse, or otherwise handle and dispose of the same for such purpose. The Board of Trustees consists of nine members, including a County Commissioner from each of the member counties and the Director of Region 3, West Central SBDC Partnership. The counties do not contribute any monies for the operation of the Partnership.

E. Maumee Valley Resource Conservation and Development Area

The Maumee Valley Resource Conservation and Development Area (the MV-RCD Area) is a jointly governed organization among the Counties of Allen, Defiance, Fulton, Henry, Paulding, Putnam, Van Wert, and Williams. The MV-RCD Area is organized to accelerate local efforts toward improving the social and economic conditions of the area through the conservation, development and utilization of natural resources. The Executive Council consists of twenty-four members. Each county appoints three members, with a member from each of the following: Board of County Commissioners, Soil and Water Conservation District, and a member at large. The member at large may represent one of the following interests: cities and villages, township trustees, Regional Planning, business, industry, labor, Chamber of Commerce, economic development, environmental groups, league of women voters, specialty growers, farm organizations, and concerned citizens. For 2000, the County contributed $500 to the MV-RCD Area for its operation.

25. RELATED ORGANIZATIONS

A. Van Wert County Hospital Commission

The Van Wert County Hospital Commission (Commission) is a legally separate body politic. The ten board members of the Commission are appointed by the Van Wert County Commissioners: one member each from the townships of Willshire-Liberty, Harrison-Pleasant, Tully-Union, Hoaglin-Jackson, Ridge-Washington, and York-Jennings, along with three members from the City of Van Wert. The County is not able to impose its will on the Commission and no financial benefit and/or burden relationship exists. The Commission is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. The Commission was organized under Ohio Revised Code 3390.14. The purpose is to have jurisdiction over the hospital facilities, provided the hospital corporation is responsible for operations.

B. Local Emergency Planning Committee

The Local Emergency Planning Committee (LEPC) is a legally separate body politic. The fifteen committee members f the LEPC are appointed by the Van Wert County Commissioners. As near as practical, the LEPC will be comprised of an equal number of representatives from the following categories: Elected Officials, Law Enforcement, Emergency Management, Fire Fighter, First Aid/Red Cross, Health, Local Environmental, Hospital, Transportation, Broadcast or Print Media, Community Group, Facility Owner/Operator. The County is not able to impose its will on the LEPC and no financial benefit and/or burden relationship exists. The LEPC is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. The LEPC was organized under the Superfund Amendments and Reauthorization Act (SARA TITLE III), United States Public Law 99-499, and the Emergency Planning and Community Right-to-Know Act (EPCRA) Section 301c. The purpose is to prepare a comprehensive and coordinated chemical emergency response plan for the County; to receive and process requests from the public for information under SARA TITLE II; to implement the LEPC rules and requirements of SARA TITLE III; and to receive and dispense funds generated by SARA TITLE III.

26. INSURANCE PURCHASING POOL

A. The County Commissioners' Association of Ohio Service Corporation

The County is participating in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners' Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners' Association of Ohio (CCAO) as an insurance purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates; approving the selection of a third party administrator; reviewing and approving proposed third party fees, fees for risk management services, and general management fees; determining ongoing eligibility of each participant; and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of the CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member on the group executive committee in any year, and each elected member shall be a County Commissioner.

27. RELATED PARTY TRANSACTIONS

Thomas Edison Center, Inc., a discretely presented component unit of Van Wert County, has entered into a contractual agreement with the Van Wert County Board of Mental Retardation/Developmental Disabilities (MRDD), whereby the MRDD provides sheltered employment for mentally retarded or handicapped individuals in Van Wert County. The MRDD provides the workshop with personnel necessary for the operation of the habilitation services to the client, land and buildings for the operation of the center, maintenance and repair of the buildings and professional staff to supervise and train clients of Thomas Edison Center, Inc.

The additional income and related expenses are reflected in the financial statements of the component unit. In 2000, the contributions to Thomas Edison Center, Inc. for salaries, fringes, maintenance and repairs of buildings and administrative costs was $172,587.

Van Wert Housing Services, Inc., a discretely presented component unit of Van Wert County, has entered into a contractual agreement with the Van Wert County Board of MRDD. It had agreed to acquire, manage and maintain residential properties. The MRDD makes grants available to assist in the purchase of the properties and has maintained a legal interest through a note and a second mortgage in the property. In the event of default or violation of the contract terms, the MRDD has the right to assume the mortgage and the right to insist on the transfer of property title.

28. CONTINGENCIES

A. Litigation

The County is party to legal proceedings. The County is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the County.

B. Grants

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

29. SUBSEQUENT EVENT

On April 1, 2001, the County took out a note from Firstar Bank in the amount of $235,000 for the Motor Vehicle Gas Tax building. The interest rate on the note starts at 3.50 percent, but becomes variable after March 31, 2002. The note is payable in ten annual installments of $23,500 plus interest, with the final payment due April 1, 2011.

VAN WERT COUNTY FINANCIAL CONDITION

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

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
(Passed through Ohio Department of Development)						
Community Development Block Grant/State's Program	BF-98-074-1	14.228	$23,300		$29,046	
	BF-99-074-1		62,000		65,427	
	BC-98-074-1		28,600		82,320	
Total			113,900		176,793	
(Direct and Passed through Ohio Department of Development)						
Home Investment Partnership (HOME) Program	BC-98-074-2	14.239	283,068		256,163	
Total United States Department of Housing and Urban Development			396,968		432,956	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
(Passed through Ohio Department of Job and Family Services)						
Low-Income Home Energy Assistance	99-HA-153	93.568			403	
	00-HA-153		16,896		27,441	
	01-HA-153		12,692		13,610	
	00-HE-253		7,544		13,658	
	01-HE-253		12,000		11,070	
	99-HC-253				4	
	00-HC-253		7,000		7,000	
	H97-136				126	
	H98-136				245	
	H99-136		5,970		5,812	
	H00-136		19,156		16,292	
Total			81,258		95,661	
Child Welfare Services State Grant	N/A	93.645	40,681		52,020	
			40,681		52,020	
Child Abuse and Neglect	N/A	93.669	1,840		1,840	
			1,840		1,840	
Independent Living	N/A	93.674			293	
					293	
Total Department of Human Services			123,779		149,814	
(Passed through Ohio Department of Mental Retardation and Developmental Disabilities)						
Medical Assistance Program	8100012	93.778	373,756		373,756	
			373,756		373,756	
Social Services Block Grant	MR-81	93.667	16,322		16,322	
	MR-81		5,816		5,816	
Total			22,138		22,138	
Total United States Department of Health and Human Services			519,673		545,708	
U.S. DEPARTMENT OF EDUCATION						
(Passed through Ohio Department of Education)						
Special Education Cluster:						
Special Education Preschool Grant	071183-PG-S1-00P	84.173			7,304	
	071183-PG-SC-00-P		261		261	
	071183-PG-S1-01P		13,640		4,085	
Total			13,901		11,650	
Special Education Grants to States	071183-6B-SF-00P	84.027	0		4,447	
	071183-6B-SF-01P		15,652		7,004	
Total			15,652		11,451	
Total Special Education Cluster			29,553		23,101	

VAN WERT COUNTY FINANCIAL CONDITION

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2000
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
(Passed through the Ohio Department of Health)						
Special Education Grants for Infants and Families	81102-FAN-392	84.181	45,195		51,774	
	81-1-003-AN-01		21,029		4,024	
	81-1-003-1-AN-01		17,113		0	
Total			83,337		55,798	
Total United States Department of Education			112,890		78,899	
UNITED STATES DEPARTMENT OF ENERGY						
(Passed through the Ohio Department of Development)						
Weatherization Assistance for Low-Income Persons	D98-136	81.042	0		399	
	D99-136		11,362		22,838	
	D00-136		44,248		45,829	
Total			55,610		69,066	
Exxon	EX00-136	Oil	12,222		9,050	
			12,222		9,050	
Stripper	S97-136	Oil			11	
	S98-136				58	
	S99-136		5,515		7,450	
Total			5,515		7,519	
Total United States Department of Energy			73,347		85,635	
FEDERAL EMERGENCY MANAGEMENT AGENCY						
(Passed through the Ohio Department of Public Safety)						
Emergency Management Performance Grant	FY'99	83.552	169			
	FY'00		19,546		19,546	
	FY'01				6,456	
Total Federal Emergency Management Agency			19,715		26,002	
UNITED STATES DEPARTMENT OF AGRICULTURE						
(Passed through the Ohio Department of Education)						
Food Distribution	N/A	10.550				108
Total United States Department of Agriculture						108
UNITED STATES DEPARTMENT OF JUSTICE						
Direct Program						
Public Safety Partnership & Community Policing Grants	95-CF-WX-2837	16.710	29,846		40,063	
Local Law Enforcement Block Grant Program	99LBVX6872	16.592	14,077			
Total United States Department of Justice			43,923		40,063	
UNITED STATES DEPARTMENT OF LABOR						
(Passed through the Ohio Department of Job and Family Services)						
Workforce Investment Act	N/A	17.255	42,000		28,157	
Total Federal Assistance			$1,208,516	$0	$1,237,420	$108

See Accompanying Notes to the Schedule of Federal Awards Expenditures

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2000

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- MATCHING REQUIREMENTS

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

NOTE C--FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. At December 31, 2000, the County had no donated food commodity inventory.

NOTE D–HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM

The Home Program funds were received directly from the United States Department of Housing and Urban Development until May of 2000. After that point in time, the funds were passed through the Ohio Department of Development to the County.

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

Van Wert County
121 East Main Street
Van Wert, Ohio 45891

To the Board of Commissioners:

We have audited the financial statements of Van Wert County (the County) as of and for the year ended December 31, 2000, and have issued our report thereon dated July 3, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated July 3, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated July 3, 2001.

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

Jim Petro
Auditor of State

July 3, 2001

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

Van Wert County
121 East Main Street
Van Wert, Ohio 45891

To the Board of Commissioners:

Compliance

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

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

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

Internal Control Over Compliance

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

**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Jim Petro
Auditor of State

July 3, 2001

VAN WERT COUNTY FINANCIAL CONDITION

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2000

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

VAN WERT COUNTY FINANCIAL CONDITION

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2000

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***:
1999-60281-001	Child Support Enforcement Agency - Reconciliation	Yes	

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VAN WERT COUNTY FINANCIAL CONDITION

VAN WERT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 31, 2001