

**Mary Taylor, CPA**  
Auditor of State



**FINANCIAL CONDITION  
WILLIAMS COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio (the County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

Ohio Administrative Code § 117-2-03 (B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio, as of December 31, 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, Auto and Gas, Enrichment Center, Job and Family Services, and Department of Aging funds thereof for the year then ended in conformity with the cash basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2008, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Mary Taylor, CPA**  
Auditor of State

June 5, 2008

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED

The management's discussion and analysis of Williams County's (the County) financial performance provides an overall review of the County's financial activities for the year ended December 31, 2007, within the limitations of the County's cash basis of accounting. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the cash-basis basic financial statements to enhance their understanding of the County's financial performance.

**Financial Highlights**

Key financial highlights for 2007 are as follows:

- The total net cash assets of the County increased \$302,761. Net cash assets of governmental activities decreased \$22,789, which represents a .22% decrease over fiscal year 2006. Net cash assets of business-type activities increased \$325,550 or 20.34% from fiscal year 2006.
- General cash receipts accounted for \$14,251,348 or 38.97% of total governmental activities cash receipts. Program specific cash receipts accounted for \$22,316,356 or 61.03% of total governmental activities cash receipts.
- The County had \$36,524,705 in cash disbursements related to governmental activities; \$22,316,356 of these cash disbursements were offset by program specific charges for services; operating grants and contributions; or capital grants and contributions. General cash receipts (primarily real estate and sales taxes) of \$14,251,348 were adequate to provide for these programs.
- The County's major governmental funds are the General, Auto and Gas, the Enrichment Center, Job and Family Services and the Department of Aging. The General fund, the County's largest major fund, had cash receipts and other financing sources of \$13,017,679 in 2007. The cash disbursements and other financing uses of the General fund, totaled \$12,976,574 in 2007. The General fund's cash balance increased \$41,105 from 2006 to 2007.
- The Auto and Gas fund, a County major fund, had cash receipts and other financing sources of \$4,891,396 in 2007. The Auto and Gas fund had cash disbursements \$5,138,445 in 2007. The Auto and Gas fund cash balance decreased \$247,049 from 2006 to 2007.
- The Enrichment Center, a County major fund, had cash receipts and other financing sources of \$2,625,991 in 2007. The Enrichment Center had cash disbursements of \$2,977,538 in 2007. The Enrichment Center's fund cash balance decreased \$351,547 from 2006 to 2007.
- The Job and Family Services fund, a County major fund, had cash receipts of \$3,482,753 in 2007. The Job and Family Services fund had cash disbursements of \$3,152,103 in 2007. The Job and Family Services fund cash balance increased \$330,650 from 2006 to 2007.
- The Department of Aging, a County major fund, had cash receipts of \$1,470,193 in 2007. The Department of Aging had cash disbursements of \$1,397,378 in 2007. The Department of Aging fund cash balance increased \$72,815 from 2006 to 2007.
- Net cash assets for the Hillside Country Living Nursing Home Enterprise fund increased in 2007 by \$318,181 or 20.31%. The net cash assets for the Sewer Enterprise fund increased in 2007 by \$7,369 or 21.81%.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
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- The County's only major business-type fund is the Hillside Country Living Nursing Home Enterprise fund. Hillside had operating / non-operating cash receipts and transfers of \$5,697,164 in 2007. The Hillside fund had operating / non-operating cash disbursements of \$5,378,983 in 2007. The Hillside fund cash balance increased \$318,181 from 2006 to 2007.

**Using this Basic Financial Statements (BFS)**

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

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

**Reporting the County as a Whole**

***Statement of Net Assets and the Statement of Activities***

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis answer the question, "How did we do financially during 2007?" These statements include *only net assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principals generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

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

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, the County is divided into two distinct kinds of activities: Governmental Activities and Business-Type Activities. Most of the County's programs and services are reported as Governmental Activities which include human services, health, public safety, public works, and general government. Business-Type Activities include those County services which provide a charge for goods or services that recover all of the cash disbursements of the goods or services provided. The County's Hillside Country Living Nursing Home and Sewer Enterprise funds are reported as business-type activities



**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
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**Reporting the County's Most Significant Funds**

***Fund Financial Statements***

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

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

***Governmental Funds***

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

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

***Proprietary Funds***

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

***Fiduciary Funds***

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

***Notes to the Financial Statements***

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
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**Government-Wide Financial Analysis**

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

The table below provides a summary of the County's net assets for 2007 compared to the prior year.

	Governmental Activities 2007	Governmental Activities 2006	Business-type Activities 2007	Business-type Activities 2006	Total 2007	Total 2006
<u>Assets</u>						
Equity in Pooled Cash and Cash Equivalents	\$ 10,232,471	\$ 10,255,260	\$ 1,926,348	\$ 1,600,798	\$ 12,158,819	\$ 11,856,058
Total Assets	10,232,471	10,255,260	1,926,348	1,600,798	12,158,819	11,856,058
<u>Net Assets</u>						
Restricted	7,444,732	7,508,857			7,444,732	7,508,857
Unrestricted	2,787,739	2,746,403	1,926,348	1,600,798	4,714,087	4,347,201
Total Net Assets	\$ 10,232,471	\$ 10,255,260	\$ 1,926,348	\$ 1,600,798	\$ 12,158,819	\$ 11,856,058

The total net cash assets of the County increased \$302,761. Net cash assets of governmental activities decreased \$22,789 which represents a .22% decrease over fiscal year 2006. Net cash assets of business-type activities increased \$325,550 or 20.34% from fiscal year 2006.

A portion of the County's governmental net cash assets, \$7,444,732, represents resources that are subject to external restrictions on how they may be used. The remaining balance of government-wide unrestricted net cash assets of \$2,787,739 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash assets for fiscal years 2007 and 2006.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
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	Change in Net Cash Assets					
	Governmental	Governmental	Business-Type	Business-type	Total	Total
	Activities	Activities	Activities	Activities	2007	2006
	2007	2006	2007	2006	2007	2006
<b>Cash Receipts</b>						
Program Cash Receipts:						
Charges for Services and Sales	\$ 8,447,354	\$ 8,728,898	\$ 5,891,136	\$ 5,526,360	\$ 14,338,490	\$ 14,255,258
Operating Grants and Contributions	12,188,983	10,569,156	27,966	13,741	12,216,949	10,582,897
Capital Grants and Contributions	1,680,019	1,978,913			1,680,019	1,978,913
<b>Total Program Cash Receipts</b>	<b>22,316,356</b>	<b>21,276,967</b>	<b>5,919,102</b>	<b>5,540,101</b>	<b>28,235,458</b>	<b>26,817,068</b>
General Cash Receipts:						
Property Taxes	3,996,984	4,027,523			3,996,984	4,027,523
Sales Tax	4,883,097	4,724,412			4,883,097	4,724,412
Unrestricted Grants	1,246,605	1,163,500			1,246,605	1,163,500
Proceeds from Sale of Notes	1,105,000	1,490,000		169,000	1,105,000	1,659,000
Loan Proceeds	517,824	26,782			517,824	26,782
Investment Earnings	798,904	698,562			798,904	698,562
Sale of Capital Assets	446,338	33,146			446,338	33,146
Miscellaneous	1,267,096	1,387,299	86,098	37,539	1,353,194	1,424,838
<b>Total General Cash Receipts</b>	<b>14,261,848</b>	<b>13,551,224</b>	<b>86,098</b>	<b>206,539</b>	<b>14,347,946</b>	<b>13,757,763</b>
<b>Total Cash Receipts</b>	<b>36,578,204</b>	<b>34,828,191</b>	<b>6,005,200</b>	<b>5,746,640</b>	<b>42,583,404</b>	<b>40,574,831</b>
<b>Cash Disbursements</b>						
General Government	4,809,459	4,322,350			4,809,459	4,322,350
Public Safety	4,032,347	3,674,377			4,032,347	3,674,377
Public Works	6,531,572	5,999,764			6,531,572	5,999,764
Health	1,240,115	1,090,567			1,240,115	1,090,567
Human Services	9,715,504	9,063,207			9,715,504	9,063,207
Conservation and Recreation	147,923	148,584			147,923	148,584
Economic Development and Assistance	1,446,087	1,225,892			1,446,087	1,225,892
Hospitalization	3,001,225	2,935,123			3,001,225	2,935,123
Miscellaneous	524,646	478,415			524,646	478,415
Capital Outlay	2,955,993	2,344,532			2,955,993	2,344,532
Debt Service:						
Principal Retirement	1,737,626	1,903,377			1,737,626	1,903,377
Interest and Fiscal Charges	392,708	431,160			392,708	431,160
Hillside			5,378,983	5,280,377	5,378,983	5,280,377
Sewer			366,455	376,193	366,455	376,193
<b>Total Cash Disbursements</b>	<b>36,535,205</b>	<b>33,617,348</b>	<b>5,745,438</b>	<b>5,656,570</b>	<b>42,280,643</b>	<b>39,273,918</b>
Transfers	(65,788)	(54,596)	65,788	54,596		
<b>Change in Net Cash Assets</b>	<b>(22,789)</b>	<b>1,156,247</b>	<b>325,550</b>	<b>144,666</b>	<b>302,761</b>	<b>1,300,913</b>
Net Cash Assets at Beginning of Year	10,255,260	9,099,013	1,600,798	1,456,132	11,856,058	10,555,145
<b>Net Cash Assets at End of Year</b>	<b>\$ 10,232,471</b>	<b>\$ 10,255,260</b>	<b>\$ 1,926,348</b>	<b>\$ 1,600,798</b>	<b>\$ 12,158,819</b>	<b>\$ 11,856,058</b>

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)

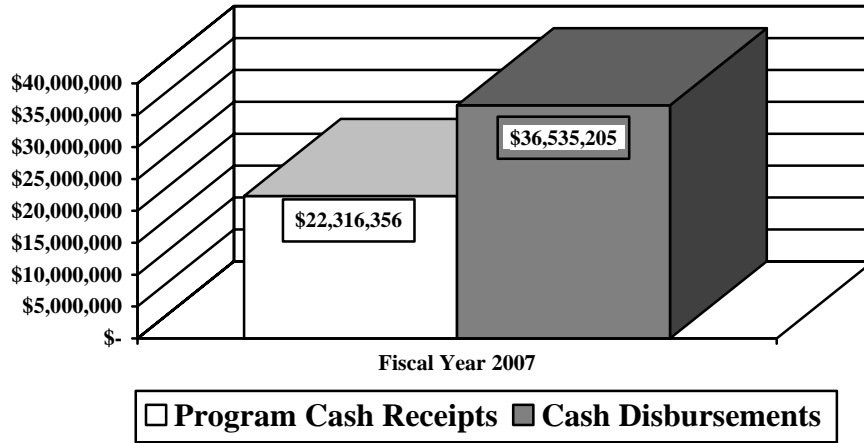
**Governmental Activities**

Governmental cash assets decreased by \$22,789 in 2007 from 2006. This decrease is primarily attributed to significant increases in distributions for general government, public safety, public works, human services, economic development and assistance, and capital outlay. Although revenues increased in 2007 from 2006, the increase was not greater than the increase in disbursements.

General government represents activities related to the governing body as well as activities that directly support County programs. In 2007, general government cash disbursements totaled \$4,809,459, or 13.17% of total governmental cash disbursements. General government programs were supported by \$3,045,946 in direct charges to users and operating grants and contributions.

The County program, Human Services, accounted for \$9,715,504 or 26.60% of total governmental cash disbursements. Human Service programs include: Job and Family Services, Enrichment Center, and Senior Citizens Services. Human Service programs are primarily supported by cash receipts from property tax and state and federal grants.

**Governmental Activities – Program Cash Receipts vs. Total Cash Disbursements**



The Statement of Activities shows the cost of program services and the charges for services and operating / capital grants and contributions offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2007. It identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

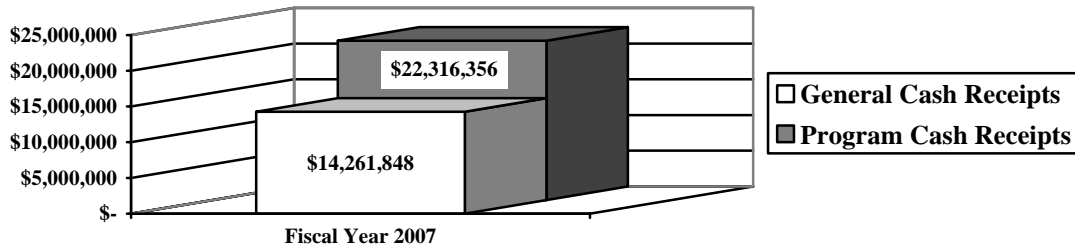
**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
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(Continued)

	Total Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2007	Net Cost of Services 2006
<b>Cash Disbursements</b>				
General Government	\$ 4,809,459	\$ 4,322,350	\$ 1,763,513	\$ 1,286,441
Public Safety	4,032,347	3,674,377	3,711,274	3,356,381
Public Works	6,531,572	5,999,764	772,960	230,769
Health	1,240,115	1,090,567	113,880	(18,463)
Human Services	9,715,504	9,063,207	2,573,133	2,901,515
Conservation and Recreation	147,923	148,584	147,923	148,584
Economic Development and Assistance	1,446,087	1,225,892	783,213	854,751
Hospitalization	3,001,225	2,935,123	958,197	934,141
Other	524,646	478,415	357,857	317,359
Capital Outlay	2,955,993	2,344,532	1,264,507	354,872
Debt Service:				
Principal Retirement	1,737,626	1,903,377	1,500,127	1,674,615
Interest and Fiscal Charges	392,708	431,160	272,265	299,416
<b>Total</b>	<b>\$ 36,535,205</b>	<b>\$ 33,617,348</b>	<b>\$ 14,218,849</b>	<b>\$ 12,340,381</b>

The dependence upon general cash receipts for governmental activities is apparent; with 38.90% of cash disbursements supported through taxes and other general cash receipts during 2007.

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



**Proprietary Funds**

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

At the end of the current fiscal year, Williams County's proprietary funds, Hillside County Living Nursing Home and Sanitary Sewer, reported a combined ending fund cash balance of \$1,926,348, an increase of \$325,550 in comparison with the prior audit year. The increase in ending fund balance was primarily attributed to the Hillside County Living Nursing Home fund. In 2007, Hillside's net cash receipts exceeded net cash disbursements greater than it did in 2006.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
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(Continued)

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

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

**Governmental Funds**

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

The County's governmental funds reported a combined fund cash balance of \$10,232,471, which is \$22,789 less than last year's total of \$10,255,260. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2007 and December 31, 2006, for all major and nonmajor governmental funds.

	Fund Cash Balance December 31, 2007	Fund Cash Balance December 31, 2006	Increase (Decrease)
Major Funds:			
General	\$ 2,802,295	\$ 2,761,190	\$ 41,105
Auto and Gas	370,740	617,789	(247,049)
Enrichment Center	1,161,976	1,513,523	(351,547)
Job and Family Services	393,579	62,929	330,650
Department of Aging	531,151	458,336	72,815
Other Nonmajor Governmental Funds	4,972,730	4,841,493	131,237
Total	<u>\$ 10,232,471</u>	<u>\$ 10,255,260</u>	<u>\$ (22,789)</u>

**General Fund**

The General fund, the County's largest major fund, had cash receipts and other financing sources of \$13,017,679 in 2007. The cash disbursements and other financing uses of the General fund, totaled \$12,976,574 in 2007. The General fund's cash balance increased \$41,105 from 2006 to 2007.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The table that follows assists in illustrating the cash receipts of the General fund.

	2007	2006	Percentage Change
<b>Cash Receipts:</b>			
Property and Sales Tax	\$ 6,676,407	\$ 6,444,651	3.60 %
Charges for Services	3,743,551	3,810,387	(1.75) %
Licenses and Permits	6,845	10,195	(32.86) %
Fines and Forfeitures	149,573	171,774	(12.92) %
Intergovernmental	1,323,885	1,246,219	6.23 %
Special Assessments	109,461	93,884	16.59 %
Investment Income	786,346	687,402	14.39 %
Rental Income	102,109	106,970	(4.54) %
Other	113,573	172,487	(34.16) %
<b>Total</b>	<b>\$ 13,011,750</b>	<b>\$ 12,743,969</b>	<b>2.10 %</b>

Licenses and permits decreased due to a decrease in building permit sales. Other revenue was lower due to a decrease in miscellaneous reimbursements including unexpended law library monies, liability insurance payments, postage chargebacks, and WEDCO salary reimbursement. All other revenue remained comparable to 2006.

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

	2007	2006	Percentage Change
<b>Cash Disbursements:</b>			
General Government			
Legislative and Executive	\$ 2,304,772	\$ 2,240,409	2.87 %
Judicial	1,088,997	1,103,180	(1.29) %
Public Safety	3,682,277	3,540,546	4.00 %
Public Works	464,856	315,048	47.55 %
Health	24,213	36,742	(34.10) %
Human Services	381,382	540,978	(29.50) %
Conservation and Recreation	147,923	148,584	(0.44) %
Economic Development	44,763	87,674	(48.94) %
Hospitalization	3,001,225	2,935,123	2.25 %
Other	521,150	478,415	8.93 %
Capital Outlay		192,835	100.00 %
Debt Service	20,380	20,419	(0.19) %
<b>Total</b>	<b>\$ 11,681,938</b>	<b>\$ 11,639,953</b>	<b>0.36 %</b>

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)

Public works cash disbursements increased due to additional expenses for contract projects for ditch repairs. Health cash disbursements decreased due to the decrease of Bureau of Children Medical Handicaps (BCMH) prescription claims. Human Services cash disbursements decreased due to decreased funding required for children's services. Economic development cash disbursements decreased due to the elimination of the WEDCO director's position. Capital outlay cash disbursements decreased due to expenditures related to scanning/imaging equipment and voting machines that were purchased in 2006. All other cash disbursements remained comparable to 2006.

***Auto and Gas Fund***

The Auto and Gas fund, a County major fund, had cash receipts and other financing sources of \$4,891,396 in 2007. The Auto and Gas fund had cash disbursements of \$5,138,445 in 2007. The Auto and Gas fund cash balance decreased \$247,049 from 2006 to 2007. The decrease in cash fund balance was primarily attributed to increases in payroll related expenditures while revenues remained approximately the same as 2006.

***Enrichment Center***

The Enrichment Center, a County major fund, had cash receipts and other financing sources of \$2,625,991 in 2007. The Enrichment Center had cash disbursements of \$2,977,538 in 2007. The Enrichment Center's fund cash balance decreased \$351,547 from 2006 to 2007. The decrease in fund cash balance was primarily attributed to increases in Quadco and contract service expenditures in 2007 and to overall receipts decreasing from 2006.

***Job and Family Services Fund***

The Job and Family Services fund, a County major fund, had cash receipts of \$3,482,753 in 2007. The Job and Family Services fund had cash disbursements of \$3,152,103 in 2007. The Job and Family Services fund cash balance increased \$330,650 from 2006 to 2007. The increase in fund cash balance was primarily attributed to a greater increase in Public Assistance Advance receipts in 2007 as compared to the overall increase in disbursements from 2006.

***Department of Aging Fund***

The Department of Aging, a County major fund, had cash receipts of \$1,470,193 in 2007. The Department of Aging had cash disbursements of \$1,397,378 in 2007. The Department of Aging fund cash balance increased \$72,815 from 2006 to 2007. The increase in cash balance was primarily attributed to overall revenues (specifically intergovernmental revenues) received in 2007 exceeding overall disbursements made in 2007.

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

The Hillside Country Living Nursing Home is the County's only major Enterprise fund. This program had cash receipts of \$5,631,376, cash disbursements of \$5,378,983 and transfers in of \$65,788 for fiscal year 2007. The net cash assets of the programs increased \$318,181 from 2006. The increase in net cash assets was primarily attributed to an increase in Charges for Service receipts in 2007 greater than the overall increase in disbursements from 2006.

***Budgeting Highlights - General Fund***

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



**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)

For the General fund, final budget basis receipts and other financing sources were \$811,500 above original budget estimates of \$12,103,051. Actual cash receipts and other financing sources of \$13,017,679 exceeded final budget estimates by \$103,128. This was primarily attributed to increases in receipts of sales tax, special assessments, and investment income. The final budgetary basis disbursements and other financing uses of \$13,020,759 were \$1,069,233 above original budget estimates. This was primarily attributed to transfers made to other funds to cover courthouse renovation project debt service payments, various sewer project debt service payments, and various creek related capital projects. The actual budgetary basis disbursements and other financing uses of \$12,684,107 were \$336,652 less than the final budget estimates. Advances are not budgeted.

**Capital Assets and Debt Administration**

***Capital Assets***

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of \$2,955,993 during fiscal year 2007.

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

***Debt Administration***

The County had the following short-term and long-term obligations outstanding at December 31, 2007 and 2006:

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)

	Governmental Activities 2007	Governmental Activities 2006
<b>Short-Term</b>		
Bond Anticipation Notes		\$ 1,490,000
<b>Long-Term</b>		
OPWC Loans	\$ 517,824	
OWDA Loans	4,261,780	4,483,319
USDA Special Assessment Bonds	777,529	789,154
USDA Revenue Bonds	267,466	271,465
Court of Appeals Loan	233,914	244,378
Sanitary Sewer Improvement Note	805,000	
County Facilities Improvement Bonds	300,000	
Total Long Term Debt	7,163,513	5,788,316
Total Outstanding Obligations	\$ 7,163,513	\$ 7,278,316
	Business-Type Activities 2007	Business-Type Activities 2006
<b>Short-Term</b>		
Bond Anticipation Notes		\$169,000
<b>Long-Term</b>		
USDA Revenue Bonds	\$ 5,103,000	5,230,000
Equipment Loans/Leases	6,587	12,766
Total Long Term Debt	5,109,587	5,242,766
Total Outstanding Obligations	\$ 5,109,587	\$ 5,411,766
	Governmental Activities 2007	Governmental Activities 2006
<b>Equipment Loans and Leases</b>	\$ 1,197,670	\$ 1,341,288

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

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

The following economic factors were taken into consideration in preparing the budget for fiscal year 2008:

The County's unemployment rate as of December 2007 is 5.9%, compared to the 5.8% state average and the 4.8% national average.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)**

State funding is uncertain due to budgetary shortfalls at the State level. These funds represented 7% of the county's general fund revenue in 2007. Sales and property tax revenues are expected to remain consistent as well as expenditures.

These economic factors were considered in preparing the County's budget for fiscal year 2007. Budgeted revenues and other financing sources in the general fund for fiscal year 2007 are \$12,914,551. The County has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years.

**Contacting the County's Financial Management**

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2007

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 10,232,471	\$ 1,926,348	\$ 12,158,819
<i>Total Assets</i>	10,232,471	1,926,348	12,158,819
<b>Net Assets</b>			
Restricted for:			
Debt Service	567,785		567,785
Capital Projects	967,339		967,339
Other Purposes	5,909,608		5,909,608
Unrestricted	2,787,739	1,926,348	4,714,087
<i>Total Net Assets</i>	\$ 10,232,471	\$ 1,926,348	\$ 12,158,819

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**FINANCIAL CONDITION  
WILLIAMS COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Program Cash Receipts</b>			
	<b>Cash Disbursements</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$ 3,095,101	\$ 1,883,879	\$ 4,574	
Judicial	1,714,358	555,470	602,023	
Public Safety	4,032,347	115,333	205,740	
Public Works	6,531,572	1,570,060	4,188,552	
Health	1,240,115	1,123,735	2,500	
Human Services	9,715,504	605,619	6,536,752	
Conservation and Recreation	147,923			
Economic Development and Assistance	1,446,087	14,032	648,842	
Hospitalization	3,001,225	2,043,028		
Other	524,646	166,789		
Capital Outlay	2,955,993	11,467		\$ 1,680,019
Debt Service:				
Principal Retirement	1,737,626	237,499		
Interest and Fiscal Charges	392,708	120,443		
<i>Total Governmental Activities</i>	<u>36,535,205</u>	<u>8,447,354</u>	<u>12,188,983</u>	<u>1,680,019</u>
<b>Business-Type Activities</b>				
Hillside	5,378,983	5,517,330	27,966	
Sanitary Sewer	366,455	373,806		
<i>Total Business-Type Activities</i>	<u>5,745,438</u>	<u>5,891,136</u>	<u>27,966</u>	
<b>Totals</b>	<u>\$ 42,280,643</u>	<u>\$ 14,338,490</u>	<u>\$ 12,216,949</u>	<u>\$ 1,680,019</u>

**General Cash Receipts and Transfers**

Property Taxes Levied For:

    General Purposes

    Human Services - Enrichment Center

    Human Services - Department of Aging

Sales Taxes

Grants and Entitlements not

    Restricted to Specific Programs

Proceeds from Sale of Notes/Bonds

Loan Proceeds

Investment Receipts

Proceeds from Sale of Capital Assets

Miscellaneous

*Total General Cash Receipts*

Transfers

*Total General Cash Receipts and Transfers*

*Change in Net Cash Assets*

Net Cash Assets at Beginning of Year

*Net Cash Assets at End of Year*

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,206,648)		\$ (1,206,648)
(556,865)		(556,865)
(3,711,274)		(3,711,274)
(772,960)		(772,960)
(113,880)		(113,880)
(2,573,133)		(2,573,133)
(147,923)		(147,923)
(783,213)		(783,213)
(958,197)		(958,197)
(357,857)		(357,857)
(1,264,507)		(1,264,507)
(1,500,127)		(1,500,127)
(272,265)		(272,265)
(14,218,849)		(14,218,849)
	\$ 166,313	166,313
	7,351	7,351
	173,664	173,664
(14,218,849)	173,664	(14,045,185)
1,793,310		1,793,310
1,443,966		1,443,966
759,708		759,708
4,883,097		4,883,097
1,246,605		1,246,605
1,105,000		1,105,000
517,824		517,824
798,904		798,904
446,338		446,338
1,267,096	86,098	1,353,194
14,261,848	86,098	14,347,946
(65,788)	65,788	
14,196,060	151,886	14,347,946
(22,789)	325,550	302,761
10,255,260	1,600,798	11,856,058
\$ 10,232,471	\$ 1,926,348	\$ 12,158,819

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF CASH BASIS ASSETS AND FUND CASH BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2007

	<u>General</u>	<u>Auto and Gas</u>	<u>Enrichment Center</u>	<u>Job and Services</u>	<u>Department of Aging</u>
<b>Cash Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 2,802,295	\$ 370,740	\$ 1,161,976	\$ 393,579	\$ 531,151
<i>Total Assets</i>	<u>\$ 2,802,295</u>	<u>\$ 370,740</u>	<u>\$ 1,161,976</u>	<u>\$ 393,579</u>	<u>\$ 531,151</u>
<b>Fund Cash Balances</b>					
Reserved for Encumbrances	\$ 430,976	\$ 12,375	\$ 29,226	\$ 93,038	\$ 35,742
Reserved for Unclaimed Monies	14,556				
Unreserved, Undesignated Reported In:					
General Fund	2,356,763				
Special Revenue Funds		358,365	1,132,750	300,541	495,409
Debt Service Funds					
Capital Projects Funds					
<i>Total Fund Cash Balances</i>	<u>\$ 2,802,295</u>	<u>\$ 370,740</u>	<u>\$ 1,161,976</u>	<u>\$ 393,579</u>	<u>\$ 531,151</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 4,972,730	\$ 10,232,471
<u>\$ 4,972,730</u>	<u>\$ 10,232,471</u>
\$ 603,984	\$ 1,205,341
	14,556
	2,356,763
3,177,274	5,464,339
567,785	567,785
623,687	623,687
<u>\$ 4,972,730</u>	<u>\$ 10,232,471</u>

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

**STATEMENT OF CASH BASIS RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>General</u>	<u>Auto and Gas</u>	<u>Enrichment Center</u>	<u>Job and Family Services</u>	<u>Department of Aging</u>
<b>Cash Receipts</b>					
Property Taxes	\$ 1,793,310		\$ 1,443,966		\$ 759,708
Sales Taxes	4,883,097				
Charges for Services	3,743,551	\$ 627,540	128,298	\$ 290,034	
Licenses and Permits	6,845	6,680			
Fines and Forfeitures	149,573	2,328			
Intergovernmental	1,323,885	4,188,552	1,053,294	3,099,640	667,915
Special Assessments	109,461	2,906			
Investment Income	786,346				
Rental Income	102,109				
Loan Repayments					
Other	113,573	43,832	108	93,079	42,570
<i>Total Cash Receipts</i>	<u>13,011,750</u>	<u>4,871,838</u>	<u>2,625,666</u>	<u>3,482,753</u>	<u>1,470,193</u>
<b>Cash Disbursements</b>					
Current:					
General Government:					
Legislative and Executive	2,304,772				
Judicial	1,088,997				
Public Safety	3,682,277				
Public Works	464,856	5,138,445			
Health	24,213				
Human Services	381,382		2,977,538	3,152,103	1,397,378
Conservation and Recreation	147,923				
Economic Development and Assistance	44,763				
Hospitalization	3,001,225				
Other	521,150				
Capital Outlay					
Debt Service:					
Principal Retirement	10,464				
Interest and Fiscal Charges	9,916				
<i>Total Cash Disbursements</i>	<u>11,681,938</u>	<u>5,138,445</u>	<u>2,977,538</u>	<u>3,152,103</u>	<u>1,397,378</u>
<i>Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements</i>	<u>1,329,812</u>	<u>(266,607)</u>	<u>(351,872)</u>	<u>330,650</u>	<u>72,815</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Notes/Bonds					
Loan Proceeds					
Proceeds from Sales of Capital Assets	5,929	12,479	325		
Advances In					
Advances Out	(723,443)				
Transfers In		7,079			
Transfers Out	(571,193)				
<i>Total Other Financing Sources (Uses)</i>	<u>(1,288,707)</u>	<u>19,558</u>	<u>325</u>		
<i>Net Change in Fund Cash Balances</i>	41,105	(247,049)	(351,547)	330,650	72,815
Fund Balance at Beginning of Year	2,761,190	617,789	1,513,523	62,929	458,336
<i>Fund Balance at End of Year</i>	<u>\$ 2,802,295</u>	<u>\$ 370,740</u>	<u>\$ 1,161,976</u>	<u>\$ 393,579</u>	<u>\$ 531,151</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
	\$ 3,996,984
	4,883,097
\$ 2,166,352	6,955,775
1,945	15,470
140,149	292,050
4,782,321	15,115,607
936,404	1,048,771
12,558	798,904
33,179	135,288
406,344	406,344
567,590	860,752
<u>9,046,842</u>	<u>34,509,042</u>
790,329	3,095,101
625,361	1,714,358
350,070	4,032,347
928,271	6,531,572
1,215,902	1,240,115
1,807,103	9,715,504
	147,923
1,401,324	1,446,087
	3,001,225
3,496	524,646
2,955,993	2,955,993
1,727,162	1,737,626
382,792	392,708
<u>12,187,803</u>	<u>36,535,205</u>
<u>(3,140,961)</u>	<u>(2,026,163)</u>
1,105,000	1,105,000
517,824	517,824
427,605	446,338
723,443	723,443
	(723,443)
498,326	505,405
	(571,193)
<u>3,272,198</u>	<u>2,003,374</u>
131,237	(22,789)
4,841,493	10,255,260
<u>\$ 4,972,730</u>	<u>\$ 10,232,471</u>

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES (BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary Basis Receipts</b>				
Property Taxes	\$ 1,768,000	\$ 1,779,700	\$ 1,793,310	\$ 13,610
Sales Taxes	4,500,000	4,860,000	4,883,097	23,097
Charges for Services	3,687,599	3,749,399	3,743,551	(5,848)
Licenses and Permits	8,000	8,000	6,845	(1,155)
Fines and Forfeitures	159,900	148,100	149,573	1,473
Intergovernmental	1,224,917	1,320,592	1,323,885	3,293
Special Assessments	35,000	81,900	109,461	27,561
Investment Income	502,500	752,500	786,346	33,846
Rental Income	136,128	97,328	102,109	4,781
Other	81,007	111,132	113,573	2,441
<i>Total Budgetary Basis Receipts</i>	<u>12,103,051</u>	<u>12,908,651</u>	<u>13,011,750</u>	<u>103,099</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
General Government:				
Legislative and Executive	2,325,495	2,459,219	2,399,540	59,679
Judicial	1,234,165	1,233,484	1,107,361	126,123
Public Safety	3,671,765	3,866,734	3,840,242	26,492
Public Works	244,925	531,527	494,501	37,026
Health	81,883	43,883	34,213	9,670
Human Services	547,719	418,725	396,032	22,693
Conservation and Recreation	148,156	148,156	147,923	233
Economic Development and Assistance	45,967	45,755	44,763	992
Hospitalization	3,030,000	3,002,000	3,001,225	775
Other	585,670	638,903	626,734	12,169
Capital Outlay				
Debt Service:				
Principal Retirement	10,464	10,464	10,464	
Interest and Fiscal Charges	25,317	10,204	9,916	288
<i>Total Budgetary Basis Disbursements</i>	<u>11,951,526</u>	<u>12,409,054</u>	<u>12,112,914</u>	<u>296,140</u>
<i>Excess of Budgetary Basis Receipts Over Budgetary Basis Disbursements</i>	<u>151,525</u>	<u>499,597</u>	<u>898,836</u>	<u>399,239</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds From Sale of Capital Assets		5,900	5,929	29
Advances Out			(723,443)	(723,443)
Transfers Out		(611,705)	(571,193)	40,512
<i>Total Other Financing Sources (Uses)</i>		<u>(605,805)</u>	<u>(1,288,707)</u>	<u>(682,902)</u>
<i>Net Change in Fund Cash Balance</i>	151,525	(106,208)	(389,871)	(283,663)
Fund Cash Balance at Beginning of Year	2,657,543	2,657,543	2,657,543	
<i>Prior Year Encumbrances Appropriated</i>	<u>103,647</u>	<u>103,647</u>	<u>103,647</u>	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 2,912,715</u>	<u>\$ 2,654,982</u>	<u>\$ 2,371,319</u>	<u>\$ (283,663)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES (BUDGETARY BASIS)  
AUTO AND GAS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Budgetary Basis Receipts</b>				
Charges for Services	\$ 354,000	\$ 354,000	\$ 627,540	\$ 273,540
Licenses and permits	6,000	6,000	6,680	680
Fines and Forfeitures	2,000	2,000	2,328	328
Intergovernmental	4,286,211	4,286,211	4,188,552	(97,659)
Special Assessments	2,000	2,000	2,906	906
Other	20,000	20,000	43,832	23,832
<i>Total Budgetary Basis Receipts</i>	<u>4,670,211</u>	<u>4,670,211</u>	<u>4,871,838</u>	<u>201,627</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Public Works	4,731,867	5,231,298	5,150,820	80,478
<i>Deficiency of Budgetary Basis Receipts Under Budgetary Basis Disbursements</i>	<u>(61,656)</u>	<u>(561,087)</u>	<u>(278,982)</u>	<u>282,105</u>
<b>Other Financing Sources</b>				
Proceeds From Sale of Capital Assets			12,479	12,479
Transfers In			7,079	7,079
<i>Total Other Financing Sources</i>			<u>19,558</u>	<u>19,558</u>
<i>Net Change in Fund Cash Balance</i>	(61,656)	(561,087)	(259,424)	301,663
Fund Cash Balance at Beginning of Year	607,863	607,863	607,863	
<i>Prior Year Encumbrances Appropriated</i>	9,926	9,926	9,926	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 556,133</u>	<u>\$ 56,702</u>	<u>\$ 358,365</u>	<u>\$ 301,663</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES (BUDGETARY BASIS)  
ENRICHMENT CENTER  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary Basis Receipts</b>				
Property and Other Taxes	\$ 1,457,000	\$ 1,457,000	\$ 1,443,966	\$ (13,034)
Charges for Services	152,091	152,091	128,298	(23,793)
Intergovernmental	906,967	906,967	1,053,294	146,327
Other			108	108
<i>Total Budgetary Basis Receipts</i>	<u>2,516,058</u>	<u>2,516,058</u>	<u>2,625,666</u>	<u>109,608</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Human Services	<u>3,232,504</u>	<u>3,384,284</u>	<u>3,006,764</u>	<u>377,520</u>
<i>Deficiency of Budgetary Basis Receipts Under Budgetary Basis Disbursements</i>	<u>(716,446)</u>	<u>(868,226)</u>	<u>(381,098)</u>	<u>487,128</u>
<b>Other Financing Sources</b>				
Proceeds From Sale of Capital Assets			<u>325</u>	<u>325</u>
<i>Net Change in Fund Cash Balance</i>	(716,446)	(868,226)	(380,773)	487,453
Fund Cash Balance at Beginning of Year	1,232,840	1,232,840	1,232,840	
<i>Prior Year Encumbrances Appropriated</i>	<u>280,683</u>	<u>280,683</u>	<u>280,683</u>	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 797,077</u>	<u>\$ 645,297</u>	<u>\$ 1,132,750</u>	<u>\$ 487,453</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES (BUDGETARY BASIS)  
JOB AND FAMILY SERVICES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Budgetary Basis Receipts</b>				
Charges for Services	\$ 269,500	\$ 269,500	\$ 290,034	\$ 20,534
Intergovernmental	2,932,640	2,932,640	3,099,640	167,000
Other	73,926	73,926	93,079	19,153
<i>Total Budgetary Basis Receipts</i>	<u>3,276,066</u>	<u>3,276,066</u>	<u>3,482,753</u>	<u>206,687</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Human Services	3,323,662	3,336,245	3,245,141	91,104
<i>Excess (Deficiency) of Budgetary Basis Receipts Over (Under) Budgetary Basis Disbursements</i>	(47,596)	(60,179)	237,612	297,791
Fund Cash Balance at Beginning of Year	(83,402)	(83,402)	(83,402)	
<i>Prior Year Encumbrances Appropriated</i>	146,331	146,331	146,331	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 15,333</u>	<u>\$ 2,750</u>	<u>\$ 300,541</u>	<u>\$ 297,791</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES (BUDGETARY BASIS)  
DEPARTMENT OF AGING  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Budgetary Basis Receipts</b>				
Property and Other Taxes	\$ 759,530	\$ 759,530	\$ 759,708	\$ 178
Intergovernmental	580,555	580,555	667,915	87,360
Other	39,102	39,102	42,570	3,468
<i>Total Budgetary Basis Receipts</i>	<u>1,379,187</u>	<u>1,379,187</u>	<u>1,470,193</u>	<u>91,006</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Human Services	1,426,255	1,476,255	1,433,120	43,135
<i>Excess (Deficiency) of Budgetary Basis Receipts Over (Under) Budgetary Basis Disbursements</i>	(47,068)	(97,068)	37,073	134,141
Fund Cash Balance at Beginning of Year	427,662	427,662	427,662	
<i>Prior Year Encumbrances Appropriated</i>	30,674	30,674	30,674	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 411,268</u>	<u>\$ 361,268</u>	<u>\$ 495,409</u>	<u>\$ 134,141</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF FUND NET ASSETS  
CASH BASIS  
PROPRIETARY FUNDS  
DECEMBER 31,2007

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Hillside</b>	<b>Sanitary Sewer</b>	<b>Total</b>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,885,187	\$ 41,161	\$ 1,926,348
<i>Total Assets</i>	<u>\$ 1,885,187</u>	<u>\$ 41,161</u>	<u>\$ 1,926,348</u>
<b>Net Assets</b>			
Unrestricted	\$ 1,885,187	\$ 41,161	\$ 1,926,348
<i>Total Net Assets</i>	<u>\$ 1,885,187</u>	<u>\$ 41,161</u>	<u>\$ 1,926,348</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF CASH BASIS RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN NET ASSETS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Hillside</b>	<b>Sanitary Sewer</b>	<b>Total</b>
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 5,517,330	\$ 373,806	\$ 5,891,136
Other Operating Cash Receipts	24,158		24,158
<i>Total Operating Cash Receipts</i>	<u>5,541,488</u>	<u>373,806</u>	<u>5,915,294</u>
<b>Operating Cash Disbursements</b>			
Personal Services	3,406,003	172,604	3,578,607
Contractual Services	768,259	157,479	925,738
Materials and Supplies	429,571	27,714	457,285
Capital Outlay	79,060	1,460	80,520
Other	131,154	177	131,331
Total Operating Cash Disbursements	<u>4,814,047</u>	<u>359,434</u>	<u>5,173,481</u>
<i>Operating Income</i>	<u>727,441</u>	<u>14,372</u>	<u>741,813</u>
<b>Nonoperating Cash Receipts (Disbursements)</b>			
Debt Service:			
Principal Retirement	(296,000)	(6,179)	(302,179)
Interest and Fiscal Charges	(268,936)	(842)	(269,778)
Intergovernmental Revenue	27,966		27,966
Other Nonoperating Revenue	61,922	18	61,940
<i>Total Nonoperating Cash Receipts (Disbursements)</i>	<u>(475,048)</u>	<u>(7,003)</u>	<u>(482,051)</u>
Gain Before Transfers	252,393	7,369	259,762
Transfers In	65,788		65,788
<i>Changes in Net Assets</i>	318,181	7,369	325,550
Net Assets at Beginning of Year	<u>1,567,006</u>	<u>33,792</u>	<u>1,600,798</u>
<i>Net Assets at End of Year</i>	<u>\$ 1,885,187</u>	<u>\$ 41,161</u>	<u>\$ 1,926,348</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

STATEMENT OF CASH BASIS ASSETS AND NET CASH ASSETS  
FIDUCIARY FUND  
DECEMBER 31, 2007

	<u>Agency</u>
<b>Cash Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,694,576
Equity in Cash and Cash Equivalents in Segregated Accounts	<u>308,119</u>
<i>Total Assets</i>	<u>\$ 4,002,695</u>
<b>Net Cash Assets</b>	
Unrestricted	<u>\$ 4,002,695</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007

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

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

**Reporting Entity**

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

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

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

County General Health District  
Soil and Water Conservation District  
Four County Solid Waste District

The County is associated with certain organizations which are defined as Jointly Governed Organizations or Joint Ventures Without Equity Interest. These organizations are presented in Notes 14 and 15 to the financial statements. These organizations are:

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

The County is involved with three group insurance pools which are presented in Note 16 to the financial statements:

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

The County is involved with four related organizations which are presented in Note 17 to the financial statements. These organizations are:

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

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

**A. Basis of Accounting**

These financial statements are presented on a cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which cash GASB prevails. The County does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the County's accounting policies.

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

**B. Fund Accounting**

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

**Governmental Funds:**

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

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.

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

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

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

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

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

**Proprietary Funds:**

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

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

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

**Fiduciary Funds:**

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

**C. Basis of Presentation and Measurement Focus**

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

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

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

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

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

**D. Budgetary Process**

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

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

**Estimated Resources**

The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources which states the projected resources of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2007.

**Appropriations**

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

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

**Budgeted Level of Expenditures**

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

**Encumbrances**

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

**Lapsing of Appropriations**

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



**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

**E. Cash and Investments**

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

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

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

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

During 2007, the County invested in nonnegotiable certificates of deposit and repurchase agreements. Investments are reported a cost.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General fund during 2007 were \$786,346 which includes \$642,308 assigned from other County funds.

**F. Restricted Assets**

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

**G. Inventory and Prepaid Items**

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

**H. Capital Assets and Depreciation**

Acquisition of property, plant, and equipment purchased are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements but are included in Note 20 as additional information.

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

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

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

**I. Interfund Receivables / Payables**

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

**J. Compensated Absences**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the County (See Note 2.A.) but are included as additional information in Note 19.

The note reports the accrual of vacation benefits earned if the employees right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are reported in the note as an accrual using the termination method. The amount is based on an estimate of the amount of accumulated sick leave that will probably be paid as termination benefits. The amount includes both short term and long term compensated absences.

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

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

**L. Long-Term Obligations**

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

**M. Fund Balance Reserves**

The County reserves those portions of fund equity which are legally segregated for a specific future use or are not available for appropriation or expenditure. Fund equity reserves have been established for encumbrances and unclaimed money.

**N. Net Assets**

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

**O. Interfund Activity**

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

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

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balances (Budgetary Basis) presented for the General, Auto and Gas, Enrichment Center, Job and Family Services, and the Department of Aging funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than reservations of fund balances (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$430,976 for the General fund, \$12,375 for the Auto and Gas fund, \$29,226 for the Enrichment Center fund, \$93,038 for the Job and Family Services fund, and \$35,742 for the Department of Aging fund.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above;

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value;
9. Commercial paper notes, corporate notes and bankers' acceptances; and
10. Debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end, the County had \$184,172 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$11,587,560 of the County's bank balance of \$15,111,292 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

Investments

As of December 31, 2007, the County had the following investment.

	<b>Balance at Fair Value</b>	<b>30 Days or Less</b>
Repurchase Agreement Secured by Federal Home Loan Bank Bonds	\$1,247,553	\$1,247,553

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

Credit Risk – The security underlying the repurchase agreement carries the highest ratings by Moody's (Aaa) and Standard and Poors (AAA).

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

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 5 – INTERFUND TRANSFERS**

Interfund cash transfers for the year ended December 31, 2007 were as follows:

	Transfers In	Transfers Out
Governmental Activities:		
General		\$ 571,193
Auto and Gas	\$ 7,079	
Other Governmental Funds:		
Sheriff's Federal Forfeitures	1	
Emergency Management Services (EMS)	15	
Emergency Management Services (EMS) Medics	34	
Enhanced Wireless 911		
Bona Vesta Debt Service	18,000	
Oak Meadows Debt Service (Collection)	96,000	
Oak Meadows Debt Service (Lagoon)	47,000	
Courthouse Renovation Debt Service	329,776	
Menard's Project		
Lick Creek Ditch Capital Project	5,000	
Lost Creek Ditch Capital Project	2,500	
Total Other Governmental Funds:	498,326	
Enterprise Fund:		
Hillside	65,788	
	\$ 571,193	\$ 571,193

Transfers were used to move unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Taxes collected on real property (other than public utility property) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2006. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. In 2007, the first payment was due February 15, with the remainder payable by July 20.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 6 - PROPERTY TAXES – (Continued)**

Taxes collected on tangible personal property in the current year are levied after October 1 of the prior year on the values as of December 31 of the prior year. Depreciable assets used in business (except for public utilities), including machinery and equipment, furniture, fixtures, and office equipment as listed on Schedules (2) and (4) of Form 920 *County Return of Taxable Business Property* are assessed for ad valorem taxation purposes at 12.5 percent of their true value. Inventories used in business, as listed on Schedules (3) and (3A) of Form 920 *County Return of Taxable Business Property*, are assessed for ad valorem taxation purposes at 12.5 percent of their true value. Amounts paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. In 2007, the annual payment was due April 30, if paid semiannually, the first payment was due April 30, with the remainder payable October 10.

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

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

The full tax rate for all County operations for the year ended December 31, 2007, was \$8.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$ 638,014,220
Public Utility	25,339,110
Tangible Personal Property	<u>64,042,140</u>
Total Assessed Value	<u><u>\$ 727,395,470</u></u>

**NOTE 7- PERMISSIVE SALES AND USE TAX**

In 1988, the County Commissioners, by resolution, imposed a one percent tax on all retail sales, except sales of motor vehicles, made in the County, or on the storage, use, or consumption in the County of tangible personal property, including automobiles. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State 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.

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

Proceeds of the tax are credited entirely to the General fund. Sales and Use tax revenue for 2007 amounted to \$4,883,097.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 8 - RISK MANAGEMENT**

**A. Property and Liability**

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2007, the County contracted with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The CORSA program has a \$2,500 deductible. Coverages provided by CORSA are as follows:

<u>Property</u>	
Building and Contents	Replacement Cost
Valuable Papers	\$1,000,000
Extra Expense	\$1,000,000
Electronic Data Processing	Replacement Cost
Contractors Equipment	Replacement Cost
Inland Marine	Replacement Cost
Motortruck Cargo	\$100,000
Flood and Earthquake	Replacement Cost
Auto Physical Damage	Actual Cash Value
Automatic Acquisition	\$5,000,000
<u>Liability</u>	
Automobile Liability	\$1,000,000 Per Loss
Uninsured/Underinsured Motorists	\$250,000 Each Occurrence
General Liability	\$1,000,000 Per Loss
Stop Gap Liability	\$1,000,000 Each Occurrence
Law Enforcement Liability	\$1,000,000 Per Loss
Errors and Omissions Liability	\$1,000,000 Per Loss
<u>Crime</u>	
Employee Dishonesty/Faithful Performance	\$1,000,000 Per Loss
Money and Securities (inside)	\$1,000,000 Per Loss
Money and Securities (outside)	\$1,000,000 Per Loss
Depositor's Forgery	\$1,000,000 Per Loss
Money Orders and Counterfeit Currency	\$1,000,000 Per Loss

With the exceptions of health insurance, life insurance, and workers' compensation, all insurance is held with CORSA (See Note 16). The County pays all elected officials' bonds by statute. Automobile Liability, General Liability, Law Enforcement Liability, and Errors and Omissions Liability coverage decreased from \$6,000,000 each occurrence in 2002 to \$1,000,000 each occurrence in 2003. Settled claims have not exceeded this commercial coverage in the past three years.



**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

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

	<u>2007</u>	<u>2006</u>
Cash and Investments	\$ 70,058,193	\$ 55,634,376
Actuarial liabilities	\$ 30,815,237	\$ 29,168,757

**B. Workers Compensation Group Rating Program**

For 2007, the County participated in the County Commissioners' Association Organization Workers' Compensation Group Rating Program (the Program), an insurance purchasing pool (Note 16).

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

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

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

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

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

The County participates in the County Employee Benefits Consortium of Ohio (CEBCO) which is a group purchasing consortium available to county governments in Ohio. The County pays annual premiums into the program for medical, dental, and prescription drug. CEBCO has an agreement with the County Risk Sharing Authority (CORSA) AAA and the County Commissioners Association of Ohio (CCAO) to provide administrative services for claims processing. In 2007, the County remitted \$2,985,712 to CEBCO.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

**A. Public Employees Retirement System**

The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2007, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the traditional pension plan. The 2007 member contribution rates were 9.5% for members in state and local classifications. Public safety members contributed 9.75%. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs, and township police, contributed at a rate of 10.1%. The 2007 employer contribution rate for local government employer units was 13.85% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2007 was 17.17%.

Contributions are authorized by state statute. The contribution rates are determined actuarially. The County's actual contributions for 2007, 2006, and 2005 which were used to fund pension obligations were \$1,078,516, \$1,140,948, and \$1,144,246. The County has paid all contributions required through December 31, 2007.

**B. State Teachers Retirement System**

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2007 (the latest information available), plan members are required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised code provides statutory authority for member and employer contributions.

The County's required contributions for 2007, 2006, and 2005 which were used to fund pension obligations were \$13,751, \$13,323, and \$16,421. The County has paid all contributions required through December 31, 2007.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

OPERS provides retirement, disability, and survivor benefits as well as post-employment health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered to be an Other Post Employment Benefit (OPEB) as described in GASB Statement 12, "Disclosure of Information on Post Employment Benefits Other Than Pension Benefits by State and Local Governmental Employees."

A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2007, local government employer units contributed at 13.85% of covered payroll and public safety and law enforcement employer units contributed at 17.17%. The portion of employer contributions, for all employers, allocated to health care was 5.00% from January 1 through June 30, 2007 and 6.00% from July 1 through December 31, 2007.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions include a rate of return on investments of 6.5 percent; an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees); and an additional increase in total payroll of .50 percent to 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected 4% inflation rate plus an additional factor ranging from .50% to 5% for the next 8 years. In subsequent years (9 and beyond), health care costs were assumed to increase at 4%.

OPEB are financed through employer contributions and investment earnings. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets, not to exceed a 12 % corridor.

As of December 31, 2007, the total number of benefit recipients eligible for OPEB through the system was 374,979. As of December 31, 2006 (the latest information available), the actuarial value of net assets available for future OPEB payments was \$12.0 billion. The actuarially accrued liability and the unfunded actuarial liability at December 31, 2006, were \$30.7 billion and \$18.7 billion, respectively. The County's actual contributions for 2007 which were used to fund OPEB were \$688,899.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**B. State Teachers Retirement System**

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS Ohio) and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statutes. Both systems are funded on a pay-as-you-go basis.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Board allocated contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the County, this amount equaled \$1,058.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2007 (the latest information available), the balance in the Fund was \$4.1 billion. For the year ended June 30, 2007, net health care costs paid by STRS were \$265,558,000 and STRS has 122,934 eligible benefit recipients.

**NOTE 11 - LONG-TERM DEBT**

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

	Interest Rates	Balance at 12/31/06	Increase	Decrease	Balance at 12/31/07	Amounts Due in One Year
Governmental Activities:						
OWDA Loans	3.50-7.21%	\$ 4,483,319		\$ 221,539	\$ 4,261,780	\$ 234,561
USDA Special Assessment Bonds	5.13%	789,154		11,625	777,529	12,221
USDA Revenue Bonds	5.13%	271,465		3,999	267,466	4,204
Court of Appeals Loan	4.36%	244,378		10,464	233,914	10,900
OPWC Loans	0%		\$ 517,824		517,824	73,975
Sanitary Sewer Improvement Note	3.90%		805,000		805,000	
County Facilities Improvement Bonds	4.25%		300,000		300,000	50,000
Total Governmental Activities		5,788,316	1,622,824	247,627	7,163,513	385,861
Business-Type Activities:						
USDA Revenue Bonds	5.00%	5,230,000		127,000	5,103,000	132,000
Equipment Loans/Leases	6.60%	12,766		6,179	6,587	6,587
Total Business-Type Activities		5,242,766		133,179	5,109,587	138,587
Total Long-Term Obligations		<u>\$ 11,031,082</u>	<u>\$ 1,622,824</u>	<u>\$ 380,806</u>	<u>\$ 12,273,100</u>	<u>\$ 524,448</u>

The County obtained two loans from the Ohio Public Works Commission (OPWC) for road resurfacing projects. In 2007, the County only received \$214,410 of the \$400,000 from the first loan and \$303,414 of the \$325,000 for the second loan. The remaining loan proceeds will be received in 2008. Repayment of debt will be made from the Auto and Gas fund which is designated as a major fund. .

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

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

A portion of the USDA revenue bonds pledge sewer fund income derived from the acquired and constructed assets to pay debt service. The bond indentures have certain restrictive covenants and principally require that debt reserves be maintained and charges for services to customers be sufficient to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties. The revenue bonds are prepayable at any time in whole or in part at the sole option of the County at a price of par plus interest accrued to the date of prepayment. Repayment of debt is made from a debt service fund.

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

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

The Sanitary Sewer Improvement note was obtained for the Melbern and Williams Center wastewater improvement projects and will be retired with general governmental revenues or special assessments. Repayment of debt will be made from a debt service fund. Interest payments start in 2008; however, no principal payment is due until 2009.

The County Facilities Improvement bonds were obtained to retire the 2006 bond anticipation note for the Title Office annex building. Payments will be made from the special revenue Clerk of Courts Title Administration fund.

Under the basis of accounting utilized by the County (See Note 2A), debt obligations are not reported on the financial statements. Debt obligations are presented below for informational purposes only.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

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

The following is a summary of the County's total future annual debt service requirements, including interest, for debt obligations.

	2008	2009	2010	2011	2012	Thereafter	Total
Governmental Activities:							
OWDA Loans	\$474,023	\$474,140	\$474,266	\$474,401	\$436,314	\$3,992,862	\$6,326,006
USDA Special Assessment Bonds	52,069	52,069	52,069	52,069	52,069	1,249,668	1,510,013
USDA Revenue Bonds	17,912	17,912	17,912	17,912	17,912	429,876	519,436
Court of Appeals Loan	20,542	20,460	20,358	20,341	20,306	227,268	329,275
OPWC Loans	73,975	73,975	73,975	73,975	73,975	147,949	517,824
Sanitary Sewer Improvement Notes	45,087	820,697					865,784
County Facilities Improvement Bonds	67,992	59,562	57,438	55,312	53,188	51,062	344,554
<b>Total Governmental Activities</b>	<b>\$ 751,600</b>	<b>\$ 1,518,815</b>	<b>\$ 696,018</b>	<b>\$ 694,010</b>	<b>\$ 653,764</b>	<b>\$ 6,098,685</b>	<b>\$ 10,412,892</b>
Business-Type Activities:							
USDA Revenue Bonds	387,849	387,550	388,600	388,250	388,171	6,590,954	8,531,374
Equipment Loans/Leases	7,021						7,021
<b>Total Business-Type Activities</b>	<b>\$ 394,870</b>	<b>\$ 387,550</b>	<b>\$ 388,600</b>	<b>\$ 388,250</b>	<b>\$ 388,171</b>	<b>\$ 6,590,954</b>	<b>\$ 8,538,395</b>
<b>Totals</b>	<b>\$ 1,146,470</b>	<b>\$ 1,906,365</b>	<b>\$ 1,084,618</b>	<b>\$ 1,082,260</b>	<b>\$ 1,041,935</b>	<b>\$ 12,689,639</b>	<b>\$ 18,951,287</b>

**Conduit Debt**

There are several series of Industrial Development, Economic Development, and Hospital Facility Revenue Bonds for facilities used by private corporations and other entities with the aggregate original issue amount of \$14,147,849. The bonds do not represent or constitute debt or pledge of faith and credit of the taxing power of the County nor is the County obligated in any way to pay debt charges on these debt issues from its resources. The debt has been excluded entirely from the County's debt presentation.

**NOTE 12 - SHORT-TERM DEBT**

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

	Balance at 12/31/06	Increase	Decrease	Balance at 12/31/07
Governmental Activities:				
Bond Anticipation Notes, Series 2006	\$1,490,000		\$1,490,000	
<b>Total Governmental Activities</b>	<b>1,490,000</b>		<b>1,490,000</b>	
Business-Type Activities:				
Bond Anticipation Notes, Series 2006	169,000		169,000	
<b>Total Business-Type Activities</b>	<b>169,000</b>		<b>169,000</b>	
<b>Total Short-Term Obligations</b>	<b>\$ 1,659,000</b>		<b>\$ 1,659,000</b>	

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 12 - SHORT-TERM DEBT – (Continued)**

The bond anticipation notes were issued for various County improvements, including the nursing home, the annex building, the courthouse renovation project, and the Melbern and Williams Center sewer project planning. The note included in the business-type activities for the nursing home was paid in full in 2007. A portion of the note classified under governmental activities for the courthouse renovation project was paid in full in 2007. The portion of the note for the annex building was replaced with County Facilities Improvement bonds that will be paid off in six years. The balance of the note for the Melbern and Williams Center sewer project planning was replaced with a Sanitary Sewer Improvement note which will be paid off in two years. The County Facilities Improvement bonds and the Sanitary Sewer Improvement note are now reported as long-term debt.

**NOTE 13 - LEASES**

The County leased equipment for the Engineer's office. The equipment consisted of an International 9200 Truck, (6) International dump trucks, a John Deere tractor and excavator, and (10) pieces of miscellaneous equipment. The payments were made from the Auto and Gas fund (Public Works account) which was designated as a major fund. No lease payments were made on the International dump trucks in 2007 since the 2007 payment was made in December 2006.

The remaining equipment loan/lease was issued for the purchase of a 2006 Ford F350 truck for the Sanitary Engineer's office. This payment was made from the Sanitary Engineer fund which is designated as an Enterprise fund.

Future lease payments are as follows:

<u>Year</u>	<u>Amount.</u>
2008	\$ 350,169
2009	350,169
2010	328,192
2011	308,023
Total	<u>\$ 1,336,553</u>

**NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Regional Planning Commission**

The County participates in the Williams County Regional Planning Commission which is a statutorily created political subdivision of the State. The Commission is jointly governed among thirty-four members comprised of the Board of County Commissioners, County Auditor, County Engineer, member of the Health Department, a member of Soil and Water, three members appointed by the City of Bryan, representatives from eight villages, and representatives from eight townships within the County. Each member's control over the operation of the Commission is limited to its representation on the Board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County.



**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS – (Continued)**

**B. Maumee Valley Planning Organization**

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

The County provides resources to the executive council based on a membership fee and services provided to the County. MVPO exercises total control over the operation of MVPO including budgeting, contracting, and designating management. The County has no ongoing financial interest or responsibility for MVPO. In 2007, the County contributed \$163,152 in dues and loan administrative fees. Financial records can be obtained from Nancy J. Yackee, Fulton County Auditor, 152 South Fulton Avenue, Suite 165, Wauseon, Ohio 43567.

**NOTE 15 - JOINT VENTURES WITHOUT EQUITY INTEREST**

**A. Corrections Commission of Northwest Ohio**

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

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

The Commission Team exercises total control over the operation of CCNO including budgeting, contracting, and designating management. The continued existence of the CCNO is dependent upon the continued participation of Williams County. The County has no ongoing interest or responsibility for CCNO. In 2007, the County contributed \$1,400,652 for CCNO's operations. Complete financial statements can be obtained from the Corrections Commission of Northwest Ohio, 03151 County Road 24.25, Stryker, Ohio 43557.

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

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 15 - JOINT VENTURES WITHOUT EQUITY INTEREST – (Continued)**

The District is governed by a Board of Trustees made up of thirteen members, three from each County and one at-large. The Board of Trustees exercises total control over the operation of the Center including budgeting, contracting, and designating management. The County has no ongoing financial interest or responsibility for the Center. Continued existence of Northwest Ohio Juvenile Detention Training and Rehabilitation Center is dependent upon the continued participation of Williams County. In 2007, the County contributed \$251,700 for the Center's operations. Completed financial statements can be obtained from Nancy J. Yackee, Fulton County Auditor, 152 South Fulton Avenue, Suite 165, Wauseon, Ohio 43567.

**C. Four County Solid Waste District**

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

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

**D. Quadco Rehabilitation Center**

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

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

The County contracted with the Northwest Ohio Waiver Administration Council (NOWAC) to provide services including administration of payments to Quadco. For the year ended December 31, 2007, the County remitted \$1,257,012 through NOWAC, as well as \$19,295 directly to Quadco to supplement its operations.

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 15 - JOINT VENTURES WITHOUT EQUITY INTEREST – (Continued)**

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

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

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

The main sources of revenue of the ADAMHS Board are state and federal grants and a property tax levy covering the entire four county area. Outside agencies are contracted by the Board to provide services for the ADAMHS Board. The ADAMHS Board operates autonomously from the County and the County has no financial responsibility for the operations of the ADAMHS Board. The County does have indirect access to the net resources of the ADAMHS Board. In the event the County withdrew from the ADAMHS Board, it would be entitled to a share of the state and federal grants that are currently being received by the ADAMHS Board. This access to net resources of the ADAMHS Board has not been explicitly defined nor is it currently measurable. In 2007, the County contributed \$743,717 in property taxes to the ADAMHS Board's operations. Complete financial statements can be obtained from Marlene J. Goodwin, Defiance County Auditor, 221 Clinton Street, Defiance, Ohio 43512.

**F. Multi-Area Task Force**

The Multi-Area Task Force (Task Force) is a joint venture among Defiance, Williams, Fulton, and Putnam counties and Defiance and Bryan City. The Task Force is jointly controlled by the chief law enforcement officer of each respective entity. The main source of revenue for the Task Force is from federal grants and local matching funds from the entities. The County has no ongoing financial interest or responsibility for the Task Force. In 2007, the County contributed \$25,000 to the Task Force's operations. Information can be obtained from the Defiance County Sheriff's Office, 113 Beide Street, Defiance, Ohio 43512.

**NOTE 16 - GROUP INSURANCE POOLS**

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

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 16 - GROUP INSURANCE POOLS – (Continued)**

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time.

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

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

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

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

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

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

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

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 17 - RELATED ORGANIZATIONS**

**A. Williams Metropolitan Housing Authority**

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

**B. Williams County Public Library**

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

**C. Williams County Regional Airport Authority**

The Williams County Regional Airport Authority (the Airport Authority) was created by resolution of the County Commissioners under the authority of Chapter 308 of the Ohio Revised Code. The Airport Authority is governed by a seven member Board of Directors appointed by the County Commissioners. The Board of Directors has the authority to exercise all the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Airport Authority serves as custodian of its own funds and maintains all records and accounts independent of Williams County; however, the County Commissioners will be the administrator of all airport grants. There were no airport grants noted in 2007.

Although the County has no obligation to provide financial resources to the Airport Authority, the County Commissioners have, in prior years, allocated certain funds to the Airport Authority. In 2007, the County contributed \$37,650 to the Airport Authority.

**D. Williams County Port Authority**

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

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 17 - RELATED ORGANIZATIONS – (Continued)**

The Port Authority is governed by a Board of Directors comprised of seven members, each of whom serves a term of four years. All members of the Board of Directors are appointed by this Board except for the two members recommended by the Mayor of the City of Bryan. The Board of Directors has the authority to exercise all the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Port Authority serves as custodian of its own funds and maintains all records and accounts independent of Williams County. Williams County has no obligation to provide financial resources to the Port Authority. There were no contributions to the Port Authority in 2007.

**NOTE 18 - CONTINGENCIES**

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

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

**NOTE 19 – COMPENSATED ABSENCES**

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

Accumulated, unused sick leave is paid, up to a maximum of 120 days, depending on length of service of the employee who retires. As of December 31, 2007, the liability for compensated absences was \$1,186,427 for the entire County.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 20 – CAPITAL ASSETS**

A summary of the capital assets at December 31, 2007 is as follows:

	Governmental Funds	Enterprise Funds	Total All Funds
Land	\$ 705,041	\$ 353,607	\$ 1,058,648
Land Improvements	3,518,682	349,614	3,868,296
Building and Improvements	9,968,337	8,969,351	18,937,688
Machinery, Furniture, and Equipment	5,446,822	893,083	6,339,905
Vehicles	4,538,063	160,361	4,698,424
Infrastructure		11,997,579	11,997,579
Total	<u>\$ 24,176,945</u>	<u>\$ 22,723,595</u>	<u>\$ 46,900,540</u>

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

**NOTE 21 – INTERFUND RECEIVABLES / PAYABLES**

Interfund balances at December 31, 2007, consisted of the following individual fund receivables and payables:

Due to General Fund From:	
Enhanced Wireless 911 Fund	\$110,000
Menards Project Fund	<u>613,443</u>
Total General Fund	<u>\$723,443</u>

The balance due to the General fund includes loans made to start up various projects in the Enhanced Wireless 911 fund and to prepay contractors for the Menards Project. All of these amounts are expected to be repaid within one year.

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007  
(Continued)

**NOTE 22 – CONTRACTUAL COMMITMENTS**

As of December 31, 2007, the County had the following outstanding contractual purchase commitments for road improvements, the Menards' Project, and new software for real estate assessment and the Clerk of Courts:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid As of 12/31/2007</u>	<u>Outstanding Balance</u>
Anderzak-Pitzen Construction	\$1,244,422	\$1,147,456	\$96,966
Gateway Tank	710,550	650,228	60,322
Diversified Road & Pipe	796,692	477,142	319,550
Strawser, Inc.	179,681		179,681
Manatron, Inc.	269,680	168,720	100,960
Total	<u>\$3,201,025</u>	<u>\$2,443,546</u>	<u>\$757,479</u>



**FINANCIAL CONDITION  
WILLIAMS COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**FEDERAL GRANTOR**

<i>Pass Through Grantor</i> <i>Program Title</i>	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through the Local Agricultural Stabilization and Conservation Service</i>			
Crop Disaster Program		10.073	14,435
Total U.S. Department of Agriculture			<u>14,435</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<i>Passed Through Montgomery County WIA Area 7</i>			
<u>Workforce Investment Act (WIA) Cluster</u>			
WIA - Adult Program (SFY 07)		17.258	103,070
WIA - Adult Program - Administrative (SFY 07)		17.258	4,786
WIA - Adult Program (SFY 08)		17.258	49,790
WIA - Adult Program - Administrative (SFY 08)		17.258	2,335
Total			<u>159,981</u>
WIA - Youth Activities (SFY 07)		17.259	19,018
WIA - Youth Activities - Administrative (SFY 07)		17.259	883
WIA - Youth Activities (SFY 08)		17.259	49,159
WIA - Youth Activities - Administrative (SFY 08)		17.259	2,305
Total			<u>71,365</u>
WIA - Dislocated Worker (SFY 07)		17.260	32,867
WIA - Dislocated Worker - Administrative (SFY 07)		17.260	1,526
WIA - Dislocated Worker (SFY 08)		17.260	19,628
WIA - Dislocated Worker - Administrative (SFY 08)		17.260	920
WIA - Rapid Response (SFY 07)		17.260	361
WIA - Rapid Response (SFY 08)		17.260	840
Veteran's Rapid Response (SFY 07)		17.260	1,647
Veteran's Rapid Response (SFY 08)		17.260	444
Total			<u>58,233</u>
Total WIA Cluster			<u>289,579</u>
Pilots, Demonstrations, and Research Projects (SFY 07)		17.261	3,560
Veteran's Employment Programs (SPF 07)		17.802	130
Veteran's Employment Programs (SPF 08)			952
Total			<u>1,082</u>
Total U.S. Department of Labor			<u>294,221</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through The Area Office of Aging of Northwestern Ohio, Inc</i>			
<u>Aging Cluster:</u>			
Special Programs for the Aging-			
Title III Part B - Grants for Supportive Services and Senior Centers		93.044	21,145
Title III Part B - Health and Wellness Assessment		93.044	32,158
Total			<u>53,303</u>
Nutrition Services Incentive Program (NSIP)		93.053	52,950
Title III Part C - Nutrition Services		93.045	53,448
Total Aging Cluster			<u>159,701</u>
<i>Passed Through the Ohio Department of Job and Family Services</i>			
Chafee Foster Care Independence Program	86-6018-07	93.674	878
Child Abuse and Neglect State Program	86-6020-07	93.669	1,820
Child Welfare Services State Grants Child Welfare Subsidy (Title IV-B)	86-6010-07	93.645	14,420
Child Welfare Services State Grants (ESSA Family Preservation)	86-6035-07	93.645	8,946
Child Welfare Services State Grants (ESSA Family Preservation)	86-6035-08	93.645	4,493
Child Welfare Services State Grants (ESSA Family Reunification)	86-6036-07	93.645	4,208
Child Welfare Services State Grants (ESSA Family Reunification)	86-6036-08	93.645	2,583
Total			<u>34,650</u>

**FINANCIAL CONDITION  
WILLIAMS COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**FEDERAL GRANTOR**

<i>Pass Through Grantor</i> <i>Program Title</i>	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><i>Passed Through the Ohio Department of Health</i></b>			
Social Services Block Grant (Title XX)		93.667	21,288
<b><i>Passed Through Ohio Department of Mental Retardation and Development Disabilities</i></b>			
Medical Assistance Program (TCM)		93.778	127,279
State Children's Insurance Program (SCHIP)		93.767	1,150
Total U.S. Department of Health and Human Services			<u>346,766</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b><i>Passed Through Ohio Department of Development</i></b>			
HOME Investment Partnerships Program (Chip)	B-C-05-079-2	14.239	388,000
Community Development Block Grant (Formula)	B-F-05-079-1	14.228	63,640
Community Development Block Grant (Formula)	B-F-06-079-1	14.228	147,000
Community Development Block Grant (Chip)	B-C-05-079-1	14.228	58,517
Community Development Block Grant (Economic Development)	B-E-03-079-2	14.228	31,571
Total			<u>300,728</u>
Total U.S. Department of Housing and Urban Development			<u>688,728</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<b><i>Passed Through the Ohio Department of Public Safety Emergency Management Agency</i></b>			
Emergency Management Performance Grant	2006-EME60042	97.042	9,520
Emergency Management Performance Grant	2007-EM-E7-0024	97.042	4,940
Total			<u>14,460</u>
Homeland Security Grant Program	2006-GC-T6-0051 / 2006-GE-T6-0051	97.067	25,145
Total U.S. Department of Homeland Security			<u>39,605</u>
<b>U.S DEPARTMENT OF TRANSPORTATION</b>			
<b><i>Passed Through the Ohio Department of Public Safety</i></b>			
High Visibility Enforcement Overtime 2007 Grant	HVEO-2007-86-00-00-00510-00	20.600	23,511
<b><i>Passed Through Ohio Department of Transportation</i></b>			
Highway Planning and Construction	PID 24057	20.205	663,839
Total U.S. Department of Transportation			<u>687,350</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<b><i>Direct Assistance</i></b>			
Bulletproof Vest Partnership Grant	2005BUBX05029597	16.607	1,595
<b><i>Passed Through The Ohio Attorney General</i></b>			
Crime Victim Assistance	06-VAG-ENE-129T	16.575	45,848
Crime Victim Assistance	07-VAG-ENE-129T	16.575	8,581
Total			<u>54,429</u>
Total U.S. Department of Justice			<u>56,024</u>
<b>Total</b>			<u><u>\$2,127,129</u></u>

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
DECEMBER 31, 2007

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 2 - SUBRECIPIENTS**

The County passes-through certain federal assistance received from the Ohio Department of Job and Family Services to other governments or not-for-profit agencies (subrecipients). As described in Note 1, the County records expenditures of federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these federal programs. Under Federal Circular A-133, the County is responsible for monitoring subrecipients to help assure that federal awards are used for authorized purposes in compliance with law, regulations, and the provisions of contracts or grant agreements that performance goals are achieved.

**NOTE 3 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

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

These loans are collateralized by mortgages on the property. At December 31, 2007, the gross amount of loans outstanding under this program was \$1,183,147.

**NOTE 4 - 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 5 - HOMELAND SECURITY CLUSTER**

The County reported the following federal programs for the Homeland Security Cluster on the Schedule of Expenditures of Federal Awards. Several programs for federal fiscal year 2006 were incorporated into the Citizen Corps Program Grant (97.053) and State Homeland Security Program (97.073) in accordance with guidelines from the U.S. Department of Homeland Security.

<u>CFDA #</u>	<u>Program</u>	<u>Amount</u>
97.053	Citizen Corps Program Grant	\$ 167
97.073	State Homeland Security Program	<u>24,978</u>
97.067	Homeland Security Grant Program	<u>\$ 25,145</u>

**NOTE 6 – COMMUNITY ALTERNATIVE FUNDING SYSTEM (CAFS) MEDICAID**

The County received \$122,876 from CAFS settlement during 2007. These amounts pertain to settlements for CAFS service provided during prior calendar years.



# Mary Taylor, CPA

Auditor of State

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

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

To the Board of Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio, (the County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 5, 2008, wherein, we noted the County uses a comprehensive basis of accounting other than generally accepted accounting principles. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the County's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the County's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
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### Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance that we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2007-001 and 2007-002.

We did note certain noncompliance and other matters that we reported to the County's management in a separate letter dated June 5, 2008.

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

We intend this report solely for the information and use of the audit committee, management, Board of Commissioners, federal awarding agencies, and pass through entities. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

June 5, 2008



# Mary Taylor, CPA

Auditor of State

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

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

To the Board of Commissioners:

### Compliance

We have audited the compliance of Williams County, Ohio (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 apply to its major federal program for the year ended December 31, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal program. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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, Williams County complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2007. In a separate letter to the County's management dated June 5, 2008, we reported other matters related to federal noncompliance not requiring inclusion in this report.

### Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

We intend this report solely for the information and use of the audit committee, management, Board of Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

June 5, 2008



**FINANCIAL CONDITION  
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2007**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction – CFDA # 20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

**FINDING NUMBER 2007-001**

**Noncompliance Finding**

Ohio Revised Code § 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code §117-2-03 further clarifies the requirements of Ohio Revised Code § 117.38.

**FINDING NUMBER 2007-001  
(Continued)**

Ohio Administrative Code §117-2-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. The County prepares its financial statements in accordance with the cash basis of accounting in a report format similar to the requirements of Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This presentation differs from accounting principles generally accepted in the United States of America (GAAP). There would be variances on the financial statements between this accounting practice and GAAP that, while presumably material, cannot be reasonably determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

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

**Officials’ Response:**

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

**FINDING NUMBER 2007-002**

**Finding for Recovery Repaid Under Audit**

Jennie Harrington’s employment with Williams County terminated in December 2005. Upon her termination of employment, Ms. Harrington elected to continue her medical insurance coverage with the County through the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Ms. Harrington’s COBRA coverage was continuous until terminated on April 30, 2007. Ms. Harrington was enrolled in the Single #3 coverage during this time. Under this coverage, premiums for November and December of 2006 were \$417/month. Premiums for the months of January through April of 2007 were \$420/month. Ms. Harrington had made full payment of the required premiums to the Williams County Commissioners through October 2006. Ms. Harrington failed to remit payment for the months of November 2006 through April 2007. During this time, the County paid the monthly premiums for her coverage.

As a result, \$2,514 was due but uncollected for the months November 2006 through April 2007.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public money due but not collected is hereby issued against Jennie Harrington, former Williams County employee in the amount of \$2,514, in favor of the County’s General fund.

The finding amount of \$2,514 was credited by the County Employee Benefits Consortium of Ohio (CEBCO) against the County’s June 2008 insurance premium which was paid on May 20, 2008.

**Officials’ Response:**

Management did not respond to this finding.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

**FINANCIAL CONDITION  
WILLIAMS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	Ohio Administrative Code § 117-2-03 (B) – Not reporting on GAAP	No	Not Corrected. Reissued as finding 2007-001.





**Mary Taylor, CPA**  
Auditor of State

**FINANCIAL CONDITION**

**WILLIAMS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 3, 2008**