



Dave Yost • Auditor of State



**WILLIAMS COUNTY**  
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WILLIAMS COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Commissioners:

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

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio (the County), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio, as of December 31, 2015, and the respective changes in cash financial position and the respective budgetary comparison for the General, Auto and Gas, Enrichment Center, Job and Family Services, and Department of Aging funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

### ***Accounting Basis***

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

### ***Other Matters***

#### ***Supplemental Information***

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

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

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

#### ***Other Information***

We applied no procedures to Management's Discussion and Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2016, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

September 19, 2016

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## **WILLIAMS COUNTY**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (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, 2015, 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 2015 are as follows:

- The total net cash position of the County increased \$889,468. Net cash position of governmental activities increased \$262,549 which represents a 1.78% increase from fiscal year 2014. Net cash position of business-type activities increased \$626,919 or 16.45% over fiscal year 2014.
- General cash receipts accounted for \$14,937,787 or 46.81% of total governmental activities cash receipts. Program specific cash receipts accounted for \$16,973,880 or 53.19% of total governmental activities cash receipts.
- The County had \$31,614,118 in cash disbursements related to governmental activities; \$16,973,880 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 \$14,937,787 were adequate to provide for these programs.
- The County's major governmental funds are the General, Auto and Gas, Enrichment Center, Job and Family Services, and Department of Aging. The General fund, the County's largest major fund, had cash receipts and other financing sources of \$10,870,457 in 2015. The cash disbursements and other financing uses of the General fund, totaled \$10,635,614 in 2015. The General fund's cash balance increased \$234,843 from 2014 to 2015.
- The Auto and Gas fund, a County major fund, had cash receipts and other financing sources of \$4,589,111 in 2015. The Auto and Gas fund had cash disbursements of \$5,661,969 in 2015. The Auto and Gas fund cash balance decreased \$1,072,858 from 2014 to 2015.
- The Enrichment Center fund, a County major fund, had cash receipts and other financing sources of \$3,398,445 in 2015. The Enrichment Center fund had cash disbursements of \$2,954,719 in 2015. The Enrichment Center's fund cash balance increased \$443,726 from 2014 to 2015.
- The Job and Family Services fund, a County major fund, had cash receipts and other financing sources of \$1,882,706 in 2015. The Job and Family Services fund had cash disbursements of \$1,942,869 in 2015. The Job and Family Services fund cash balance decreased \$60,163 from 2014 to 2015.
- The Department of Aging fund, a County major fund, had cash receipts of \$1,522,115 in 2015. The Department of Aging fund had cash disbursements of \$1,616,373 in 2015. The Department of Aging fund cash balance decreased \$94,258 from 2014 to 2015.

## **WILLIAMS COUNTY**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED) (Continued)**

- Net cash position for the Hillside Country Living Nursing Home Enterprise fund increased in 2015 by \$620,190 or 17.92%. The net cash position for the Sewer Enterprise fund increased in 2015 by \$6,729 or 1.93%.
- The County's only major business-type fund is the Hillside Country Living Nursing Home Enterprise fund. Hillside had operating / non-operating cash receipts of \$6,880,761 in 2015. The Hillside fund had operating / non-operating cash disbursements of \$6,260,571 in 2015. The Hillside fund cash balance increased \$620,190 from 2014 to 2015.

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

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

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

#### **Reporting the County as a Whole**

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

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis answer the question, "How did we do financially during 2015?" These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

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

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

**WILLIAMS COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**(UNAUDITED)**  
**(Continued)**

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

***Fund Financial Statements***

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

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General, Auto and Gas, Enrichment Center, Job and Family Services, 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 principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various County programs. Since the County is reporting on the cash basis of accounting, there are no differences in the Net Position and fund cash balances or changes in Net Position and changes in fund cash balances; therefore, no reconciliation is necessary between such financial statements. Differences will be apparent when comparing gross revenues and expenses on the Fund Financial Statements to the Statement of Activities – Cash Basis due to transfers between governmental funds being eliminated for reporting in the Statement of Activities – Cash Basis.

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

***Proprietary Funds***

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

***Fiduciary Funds***

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

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)  
(Continued)**

**Notes to the Financial Statements**

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

**Government-Wide Financial Analysis**

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

The table below provides a summary of the County's net position for 2015 compared to the prior year.

	<b>Net Cash Position</b>					
	<b>Governmental</b>		<b>Governmental</b>		<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Total</b>	<b>Total</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b><u>Assets</u></b>						
Equity in Pooled Cash and Cash Equivalents	\$ 14,996,533	\$ 14,733,984	\$ 4,437,360	\$ 3,810,441	\$ 19,433,893	\$ 18,544,425
<b><u>Net Position</u></b>						
Restricted	7,912,073	9,871,622			7,912,073	9,871,622
Unrestricted	7,084,460	4,862,362	4,437,360	3,810,441	11,521,820	8,672,803
<b>Total Net Position</b>	<b>\$ 14,996,533</b>	<b>\$ 14,733,984</b>	<b>\$ 4,437,360</b>	<b>\$ 3,810,441</b>	<b>\$ 19,433,893</b>	<b>\$ 18,544,425</b>

The total net position of the County increased \$889,468. Net position of governmental activities increased \$262,549 which represents a 1.78% increase from fiscal year 2014. Net position of business-type activities increased \$626,919 or 16.45% from fiscal year 2014.

A portion of the County's governmental net position, \$7,912,073, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental unrestricted net position of \$7,084,460 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash position for fiscal years 2015 and 2014.

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)  
(Continued)**

Change in Net Position						
	Governmental Activities 2015	Governmental Activities 2014	Business-Type Activities 2015	Business-type Activities 2014	Total 2015	Total 2014
<b>Cash Receipts</b>						
Program Cash Receipts:						
Charges for Services and Sales	\$ 5,885,573	\$ 6,293,751	\$ 7,294,112	\$ 6,788,190	\$ 13,179,685	\$ 13,081,941
Operating Grants and Contributions	10,430,978	10,429,541	15,014	29,510	10,445,992	10,459,051
Capital Grants and Contributions	657,329	264,938			657,329	264,938
Total Program Cash Receipts	16,973,880	16,988,230	7,309,126	6,817,700	24,283,006	23,805,930
General Cash Receipts:						
Property Taxes	4,564,089	4,532,043			4,564,089	4,532,043
Sales Tax	5,801,145	5,718,311			5,801,145	5,718,311
Unrestricted Grants	1,097,207	1,080,768			1,097,207	1,080,768
Proceeds from Sale of Notes	2,500,000	3,000,000			2,500,000	3,000,000
Miscellaneous Fees on Sale of Notes		25,320				25,320
Investment Earnings	102,352	96,515	17,643	14,990	119,995	111,505
Sale of Capital Assets	130,515	221,619			130,515	221,619
Miscellaneous	742,479	870,145	119,758	182,979	862,237	1,053,124
Total General Cash Receipts	14,937,787	15,544,721	137,401	197,969	15,075,188	15,742,690
Total Cash Receipts	31,911,667	32,532,951	7,446,527	7,015,669	39,358,194	39,548,620
<b>Cash Disbursements</b>						
General Government	4,719,426	4,571,230			4,719,426	4,571,230
Public Safety	3,803,825	3,571,801			3,803,825	3,571,801
Public Works	6,308,910	4,901,409			6,308,910	4,901,409
Health	1,394,229	1,560,385			1,394,229	1,560,385
Human Services	9,536,433	10,630,084			9,536,433	10,630,084
Conservation and Recreation		6,000				6,000
Economic Development and Assistance	580,770	341,105			580,770	341,105
Hospitalization	1,031,741	940,530			1,031,741	940,530
Miscellaneous	191,647	192,276			191,647	192,276
Capital Outlay	530,717	1,658,274			530,717	1,658,274
Debt Service:						
Principal Retirement	3,336,440	3,886,308			3,336,440	3,886,308
Interest and Fiscal Charges	179,980	191,066			179,980	191,066
Hillside			6,260,571	5,878,085	6,260,571	5,878,085
Sewer			559,037	519,539	559,037	519,539
Total Cash Disbursements	31,614,118	32,450,468	6,819,608	6,397,624	38,433,726	38,848,092
Advances	(35,000)	(40,000)			(35,000)	(40,000)
Change in Net Position	262,549	42,483	626,919	618,045	889,468	660,528
Net Position at Beginning of Year	14,733,984	14,691,501	3,810,441	3,192,396	18,544,425	17,883,897
<b>Net Position at End of Year</b>	<b>\$ 14,996,533</b>	<b>\$ 14,733,984</b>	<b>\$ 4,437,360</b>	<b>\$ 3,810,441</b>	<b>\$ 19,433,893</b>	<b>\$ 18,544,425</b>

## WILLIAMS COUNTY

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED) (Continued)

#### Governmental Activities

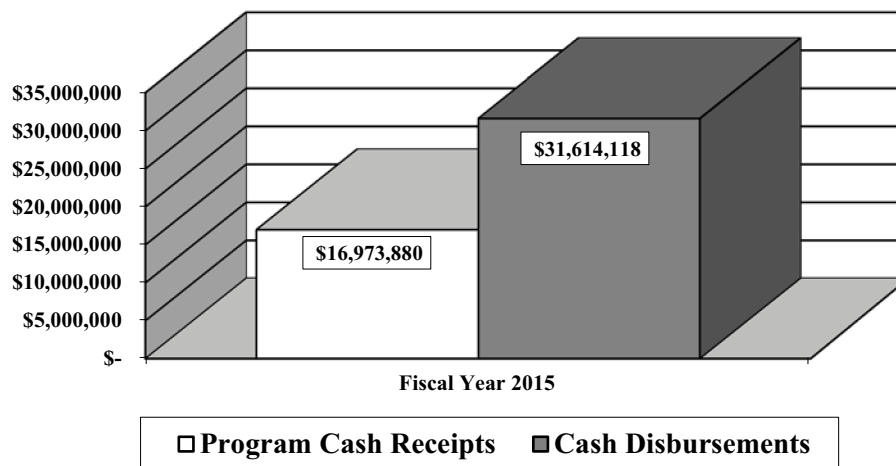
Governmental cash assets increased by \$262,549 in 2015 from 2014. This increase is primarily attributed to the conservative budgeting practices of the County.

General government represents activities related to the governing body as well as activities that directly support County programs. In 2015, general government cash disbursements totaled \$4,719,426, or 14.93% of total governmental cash disbursements. General government programs were supported by \$3,242,206 in direct charges to users and operating and capital grants and contributions.

The County program, Public Works, accounted for \$6,308,910 or 19.96% of total cash disbursements. Public Works programs primarily include the Auto and Gas fund. Public Works programs are primarily supported by state and federal intergovernmental receipts.

The County program, Human Services, accounted for \$9,536,433 or 30.17% 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 2015. It identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

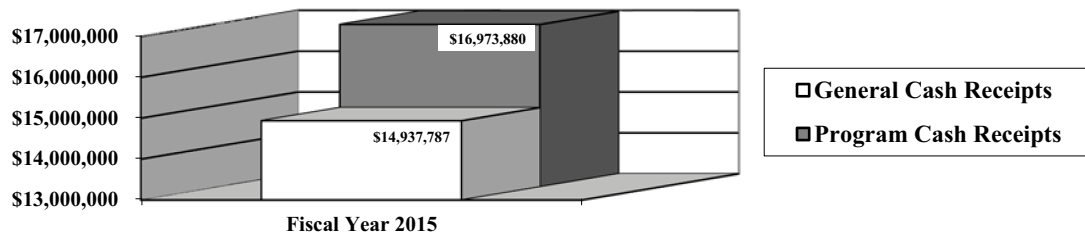
# WILLIAMS COUNTY

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED) (Continued)

	Governmental Activities			
	Total Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2015	Net Cost of Services 2014
<b>Cash Disbursements</b>				
General Government	\$ 4,719,426	\$ 4,571,230	\$ 1,477,220	\$ 1,750,574
Public Safety	3,803,825	3,571,801	3,400,017	3,148,565
Public Works	6,308,910	4,901,409	1,375,514	(58,832)
Health	1,394,229	1,560,385	(30,415)	239,196
Human Services	9,536,433	10,630,084	3,756,001	4,049,674
Conservation and Recreation		6,000		6,000
Economic Development and Assistance	580,770	341,105	211,088	77,672
Hospitalization	1,031,741	940,530	1,019,431	919,269
Other	191,647	192,276	175,330	149,438
Capital Outlay	530,717	1,658,274	109,508	1,484,458
Debt Service:				
Principal Retirement	3,336,440	3,886,308	3,059,681	3,601,525
Interest and Fiscal Charges	179,980	191,066	86,863	94,699
<b>Total</b>	<b>\$ 31,614,118</b>	<b>\$ 32,450,468</b>	<b>\$ 14,640,238</b>	<b>\$ 15,462,238</b>

The dependence upon general cash receipts for governmental activities is apparent; with 46.31% of cash disbursements supported through taxes and other general cash receipts during 2015.

### 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 \$4,437,360, an increase of \$626,919 in comparison with the prior audit year. The increase in ending fund balance was primarily attributed to the Hillside County Living Nursing Home fund overall revenue exceeding overall disbursements.

### 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.

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)  
(Continued)**

**Governmental Funds**

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

The County's governmental funds reported a combined fund cash balance of \$14,996,533, which is \$262,549 more than last year's total of \$14,733,984. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2015 and December 31, 2014, for all major and nonmajor governmental funds.

	<b>Fund Cash Balance December 31, 2015</b>	<b>Fund Cash Balance December 31, 2014</b>	<b>Increase (Decrease)</b>
<b>Major Funds:</b>			
General	\$ 5,723,890	\$ 5,489,047	\$ 234,843
Auto and Gas	1,591,666	2,664,524	(1,072,858)
Enrichment Center	1,401,469	957,743	443,726
Job and Family Services	151,527	211,690	(60,163)
Department of Aging	179,864	274,122	(94,258)
Other Nonmajor Governmental Funds	5,948,117	5,136,858	811,259
<b>Total</b>	<b>\$ 14,996,533</b>	<b>\$ 14,733,984</b>	<b>\$ 262,549</b>

**General Fund**

The General fund, the County's largest major fund, had cash receipts and other financing sources of \$10,870,457 in 2015. The cash disbursements and other financing uses of the General fund, totaled \$10,635,614 in 2015. The General fund's cash balance increased \$234,843 from 2014 to 2015.

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

	<b>2015</b>	<b>2014</b>	<b>Percentage Change</b>
<b>Cash Receipts:</b>			
Property and Sales Tax	\$ 7,498,343	\$ 7,403,452	1.28 %
Charges for Services	1,595,859	1,571,797	1.53 %
Licenses and Permits	4,995	4,545	9.90 %
Fines and Forfeitures	114,040	109,815	3.85 %
Intergovernmental	1,249,943	1,209,364	3.36 %
Special Assessments	37,674	57,913	(34.95) %
Investment Income	91,115	84,927	7.29 %
Rental Income	26,890	26,911	(0.08) %
Other	143,104	110,352	29.68 %
<b>Total</b>	<b>\$ 10,761,963</b>	<b>\$ 10,579,076</b>	<b>1.73 %</b>

Licenses and permits increased due to increased sales of vendors licenses. Special assessments decreased due to fewer collections for tile repairs. Investment income increased due to the higher fund balance. Other revenue was higher due to increased reimbursements for insurance claims, postage, and chargebacks to villages and townships for the Alert86 system. All other revenue remained comparable to 2014.

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



**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)  
(Continued)**

	<b>2015</b>	<b>2014</b>	<b>Percentage Change</b>
<b>Cash Disbursements:</b>			
General Government			
Legislative and Executive	\$ 2,309,736	\$ 2,283,843	1.13 %
Judicial	1,220,486	1,123,187	8.66 %
Public Safety	3,576,035	3,350,919	6.72 %
Public Works	275,778	364,015	(24.24) %
Health	83,297	88,537	(5.92) %
Human Services	808,682	831,197	(2.71) %
Conservation and Recreation		6,000	(100.00) %
Economic Development	83,265	61,222	36.01 %
Hospitalization	1,031,741	940,530	9.70 %
Other	191,079	190,918	0.08 %
Debt Service	20,515	20,393	0.60 %
Total	<u>\$ 9,600,614</u>	<u>\$ 9,260,761</u>	3.67 %

Judicial increased due to higher expenses for appointed counsel fees, retirement payouts to employees, and purchases of capital assets. Public safety increased due to higher contract services, personnel expenses, funding for the Multi Area Narcotics Unit, and increased expenses for the County's share of operating the Corrections Center of Northwest Ohio. Public works decreased due to a decrease in expenses for contract projects. Health decreased due to a decrease in funding for crippled children aid and decreased expenses for capital assets. Conservation and recreation decreased due to funding provided to the county park board in 2014 that was not required in 2015. Economic Development increased due to an increase in payroll expenses for WEDCO. Hospitalization increased due to higher health insurance premiums. All other cash disbursements remained comparable to 2014.

***Auto and Gas Fund***

The Auto and Gas fund, a County major fund, had cash receipts and other financing sources of \$4,589,111 in 2015. The Auto and Gas fund had cash disbursements of \$5,661,969 in 2015. The Auto and Gas fund cash balance decreased \$1,072,858 from 2014 to 2015. The decrease in cash fund balance was primarily attributed to increased expenses for contract projects, materials, and capital asset purchases.

***Enrichment Center Fund***

The Enrichment Center, a County major fund, had cash receipts and other financing sources of \$3,398,445 in 2015. The Enrichment Center had cash disbursements of \$2,954,719 in 2015. The Enrichment Center's fund cash balance increased \$443,726 from 2014 to 2015. The increase in fund cash balance was primarily attributed to a decrease in expenses for contract services.

***Job and Family Services Fund***

The Job and Family Services fund, a County major fund, had cash receipts and other financing sources of \$1,882,706 in 2015. The Job and Family Services fund had cash disbursements of \$1,942,869 in 2015. The Job and Family Services fund cash balance decreased \$60,163 from 2014 to 2015. The decrease in cash balance was primarily attributed to overall decreased expenditures exceeding the overall revenues, which also decreased from 2014 (intergovernmental, reimbursements).

## **WILLIAMS COUNTY**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED) (Continued)**

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

The Department of Aging, a County major fund, had cash receipts of \$1,522,115 in 2015. The Department of Aging had cash disbursements of \$1,616,373 in 2015. The Department of Aging fund cash balance decreased \$94,258 from 2014 to 2015. The decrease in cash balance was primarily attributed to decreased revenues (intergovernmental) and increased expenses (capital assets, maintenance contract).

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

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

The Hillside Country Living Nursing Home is the County's only major Enterprise fund. This program had cash receipts of \$6,880,761 and cash disbursements of \$6,260,571 for fiscal year 2015. The net position of the programs increased \$620,190 from 2014. The increase in net position is primarily attributed to overall increased revenue (charges for services) exceeding overall increased disbursements (personnel expenses, contract services).

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

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

For the General fund, final budget basis receipts and other financing sources were \$1,835,666 below original budget estimates of \$12,195,239 due to the reclassification of reimbursements. There are some costs the General fund pays for in advance and other County funds are invoiced to refund the monies back to the General fund. Actual cash receipts and other financing sources of \$10,508,474, excluding advances, exceeded final budget estimates by \$148,901. This was primarily attributed to receipts for sales tax being greater than anticipated. The final budgetary basis disbursements and other financing uses of \$11,231,357, excluding advances, were \$1,094,896 below original budget estimates. This was primarily attributed to the reclassification of payments made on behalf of other funds that were then reimbursed. The actual budgetary basis disbursements and other financing uses of \$10,554,439, excluding advances, were \$676,918 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 \$596,383 during fiscal year 2015.

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

##### ***Debt Administration***

The County had the following debt obligations outstanding at December 31, 2015 and 2014:

**WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)  
(Continued)**

	<b>Governmental Activities 2015</b>	<b>Governmental Activities 2014</b>
<b>Short-Term</b>		
Bond Anticipation Notes	\$ -	\$ 3,000,000
<b>Long-Term</b>		
OPWC Loans	\$ -	\$ 42,807
OWDA Loans	2,934,070	3,236,143
USDA Special Assessment Bonds	660,306	677,646
USDA Revenue Bonds	859,141	872,106
Court of Appeals Loan	136,468	150,420
Building Improvement Note, Series 2015	2,500,000	-
Total Long Term Debt	<u>7,089,985</u>	<u>4,979,122</u>
Total Outstanding Obligations	<u>\$ 7,089,985</u>	<u>\$ 7,979,122</u>
	<b>Business-Type Activities 2015</b>	<b>Business-Type Activities 2014</b>
<b>Long-Term</b>		
USDA Revenue Bonds	<u>\$ 3,836,000</u>	<u>\$ 4,023,000</u>

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

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

The following economic factors were taken into consideration in preparing the budget for fiscal year 2016:

The County's unemployment rate as of December 2015 is 4.1%, compared to the 4.6% state average and the 4.8% national average.

State funding is uncertain due to budgetary shortfalls at the State level. These funds represented 4% of the County's General fund revenue in 2015. 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 2015. Budgeted revenues and other financing sources in the general fund for fiscal year 2015 are \$10,359,573. 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. Julie Beagle, Williams County Auditor, One Courthouse Square, Second Floor, Bryan, Ohio 43506-1791.

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**WILLIAMS COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2015**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	<u>\$ 14,996,533</u>	<u>\$ 4,437,360</u>	<u>\$ 19,433,893</u>
<b>Net Position</b>			
Restricted for:			
Debt Service	\$ 932,626		\$ 932,626
Capital Projects	6,325		6,325
Other Purposes	6,973,122		6,973,122
Unrestricted	<u>7,084,460</u>	<u>\$ 4,437,360</u>	<u>11,521,820</u>
<i>Total Net Position</i>	<u>\$ 14,996,533</u>	<u>\$ 4,437,360</u>	<u>\$ 19,433,893</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Program Cash Receipts</b>			
	<b>Cash</b>	<b>Charges for</b>	<b>Operating</b>	<b>Capital</b>
	<b>Disbursement</b>	<b>Services</b>	<b>Grants and</b>	<b>Grants and</b>
			<b>Contributions</b>	<b>Contributions</b>
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$ 2,627,116	\$ 1,594,059	\$ 12,383	\$ 8,350
Judicial	2,092,310	679,875	920,201	27,338
Public Safety	3,803,825	162,218	241,590	
Public Works	6,308,910	771,295	4,162,101	
Health	1,394,229	1,410,104	14,540	
Human Services	9,536,433	1,061,214	4,719,218	
Economic Development and Assist:	580,770	8,737	360,945	
Hospitalization	1,031,741	12,310		
Other	191,647	15,616		701
Capital Outlay	530,717	36,444		384,765
Debt Service:				
Principal Retirement	3,336,440	74,461		202,298
Interest and Fiscal Charges	179,980	59,240		33,877
<i>Total Governmental Activities</i>	<u>31,614,118</u>	<u>5,885,573</u>	<u>10,430,978</u>	<u>657,329</u>
<b>Business-Type Activities</b>				
Hillside	6,260,571	6,728,610	15,014	
Sanitary Sewer	559,037	565,502		
<i>Total Business-Type Activities</i>	<u>6,819,608</u>	<u>7,294,112</u>	<u>15,014</u>	
<b>Totals</b>	<u><u>\$ 38,433,726</u></u>	<u><u>\$ 13,179,685</u></u>	<u><u>\$ 10,445,992</u></u>	<u><u>\$ 657,329</u></u>

**General Cash Receipts**

Property Taxes Levied For:

    General Purposes

    Human Services - Enrichment Center

    Human Services - Department of Aging

Sales Taxes

Grants and Entitlements not

    Restricted to Specific Programs

Proceeds from Sale of Notes

Investment Income

Proceeds from Sale of Capital Assets

Miscellaneous

*Total General Cash Receipts*

Advances

*Total General Cash Receipts and Advances*

*Change in Net Cash Position*

Net Cash Position at Beginning of Year

*Net Cash Position at End of Year*

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Governmental Activities</b>	<b>Business- Activities</b>	<b>Total</b>
\$ (1,012,324)		\$ (1,012,324)
(464,896)		(464,896)
(3,400,017)		(3,400,017)
(1,375,514)		(1,375,514)
30,415		30,415
(3,756,001)		(3,756,001)
(211,088)		(211,088)
(1,019,431)		(1,019,431)
(175,330)		(175,330)
(109,508)		(109,508)
(3,059,681)		(3,059,681)
(86,863)		(86,863)
<u>(14,640,238)</u>		<u>(14,640,238)</u>
	\$ 483,053	483,053
	6,465	6,465
	<u>489,518</u>	<u>489,518</u>
<u>(14,640,238)</u>	<u>489,518</u>	<u>(14,150,720)</u>
1,697,198		1,697,198
2,120,645		2,120,645
746,246		746,246
5,801,145		5,801,145
1,097,207		1,097,207
2,500,000		2,500,000
102,352	17,643	119,995
130,515		130,515
742,479	119,758	862,237
<u>14,937,787</u>	<u>137,401</u>	<u>15,075,188</u>
(35,000)		(35,000)
<u>14,902,787</u>	<u>137,401</u>	<u>15,040,188</u>
262,549	626,919	889,468
<u>14,733,984</u>	<u>3,810,441</u>	<u>18,544,425</u>
<u>\$ 14,996,533</u>	<u>\$ 4,437,360</u>	<u>\$ 19,433,893</u>

**WILLIAMS COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

	<u>General</u>	<u>Auto and Gas</u>	<u>Enrichment Center</u>	<u>Job and Family Services</u>	<u>Department of Aging</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash Assets</b>							
Equity in Pooled Cash and Cash	<u>\$ 5,723,890</u>	<u>\$ 1,591,666</u>	<u>\$ 1,401,469</u>	<u>\$ 151,527</u>	<u>\$ 179,864</u>	<u>\$ 5,948,117</u>	<u>\$ 14,996,533</u>
<b>Fund Cash Balances</b>							
Nonspendable	\$ 67,704						\$ 67,704
Restricted		\$ 1,591,666	\$ 1,401,469	\$ 151,527	\$ 179,864	\$ 4,519,843	7,844,369
Committed						740,745	740,745
Assigned	1,381,103					687,529	2,068,632
Unassigned	<u>4,275,083</u>						<u>4,275,083</u>
<i>Total Fund Cash Balances</i>	<u>\$ 5,723,890</u>	<u>\$ 1,591,666</u>	<u>\$ 1,401,469</u>	<u>\$ 151,527</u>	<u>\$ 179,864</u>	<u>\$ 5,948,117</u>	<u>\$ 14,996,533</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General</u>	<u>Auto and Gas</u>	<u>Enrichment Center</u>	<u>Job and Family Services</u>
<b>Cash Receipts</b>				
Property Taxes	\$ 1,697,198		\$ 2,120,645	
Sales Taxes	5,801,145			
Charges for Services	1,595,859	\$ 334,944	327,827	\$ 447,951
Licenses and Permits	4,995	2,960		
Fines and Forfeitures	114,040	1,181		
Intergovernmental	1,249,943	4,162,101	947,656	1,386,964
Special Assessments	37,674			
Investment Income	91,115	10,367		
Rental Income	26,890			
Loan Repayments				
Other	143,104	18,524	2,190	46,140
<i>Total Cash Receipts</i>	<u>10,761,963</u>	<u>4,530,077</u>	<u>3,398,318</u>	<u>1,881,055</u>
<b>Cash Disbursements</b>				
Current:				
General Government:				
Legislative and Executive	2,309,736			
Judicial	1,220,486			
Public Safety	3,576,035			
Public Works	275,778	5,619,162		
Health	83,297			
Human Services	808,682		2,954,719	1,942,869
Economic Development and Assistance	83,265			
Hospitalization	1,031,741			
Other	191,079			
Capital Outlay				
Debt Service:				
Principal Retirement	13,952	42,807		
Interest and Fiscal Charges	6,563			
<i>Total Cash Disbursements</i>	<u>9,600,614</u>	<u>5,661,969</u>	<u>2,954,719</u>	<u>1,942,869</u>
<i>Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements</i>	<u>1,161,349</u>	<u>(1,131,892)</u>	<u>443,599</u>	<u>(61,814)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Notes				
Proceeds from Sales of Capital Assets	69,703	59,034	127	1,651
Advances In	38,125			
Advances Out	(35,000)			
Transfers In	666			
Transfers Out	(1,000,000)			
<i>Total Other Financing Sources (Uses)</i>	<u>(926,506)</u>	<u>59,034</u>	<u>127</u>	<u>1,651</u>
<i>Net Change in Fund Cash Balances</i>	<u>234,843</u>	<u>(1,072,858)</u>	<u>443,726</u>	<u>(60,163)</u>
<i>Cash Fund Balances at Beginning of Year</i>	<u>5,489,047</u>	<u>2,664,524</u>	<u>957,743</u>	<u>211,690</u>
<i>Cash Fund Balances at End of Year</i>	<u>\$ 5,723,890</u>	<u>\$ 1,591,666</u>	<u>\$ 1,401,469</u>	<u>\$ 151,527</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Department of Aging</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 746,246		\$ 4,564,089
		5,801,145
	\$ 2,197,430	4,904,011
	136,256	144,211
	190,914	306,135
445,276	3,756,698	11,948,638
	584,322	621,996
2	868	102,352
	119,206	146,096
	108,121	108,121
330,591	93,809	634,358
<u>1,522,115</u>	<u>7,187,624</u>	<u>29,281,152</u>
	317,380	2,627,116
	871,824	2,092,310
	227,790	3,803,825
	413,970	6,308,910
	1,310,932	1,394,229
1,616,373	2,213,790	9,536,433
	497,505	580,770
		1,031,741
	568	191,647
	530,717	530,717
	3,279,681	3,336,440
	173,417	179,980
<u>1,616,373</u>	<u>9,837,574</u>	<u>31,614,118</u>
<u>(94,258)</u>	<u>(2,649,950)</u>	<u>(2,332,966)</u>
	2,500,000	2,500,000
		130,515
		38,125
	(38,125)	(73,125)
	1,000,000	1,000,666
	(666)	(1,000,666)
	<u>3,461,209</u>	<u>2,595,515</u>
(94,258)	811,259	262,549
274,122	5,136,858	14,733,984
<u>\$ 179,864</u>	<u>\$ 5,948,117</u>	<u>\$ 14,996,533</u>

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Budgetary Basis Receipts</b>				
Property Taxes	\$ 1,656,600	\$ 1,696,500	\$ 1,697,198	\$ 698
Sales Taxes	5,300,000	5,700,000	5,801,145	101,145
Charges for Services	3,661,750	1,285,600	1,307,587	21,987
Licenses and Permits	4,020	4,620	4,995	375
Fines and Forfeitures	103,650	114,550	114,040	(510)
Intergovernmental	1,119,615	1,225,549	1,241,593	16,044
Special Assessments	155,000	34,500	37,674	3,174
Investment Income	92,305	92,305	91,115	(1,190)
Rental Income		300	2,086	1,786
Other	101,799	136,149	140,672	4,523
<i>Total Budgetary Basis Receipts</i>	<u>12,194,739</u>	<u>10,290,073</u>	<u>10,438,105</u>	<u>148,032</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
General Government:				
Legislative and Executive	2,358,708	2,394,641	2,215,020	179,621
Judicial	1,279,393	1,342,068	1,244,000	98,068
Public Safety	3,524,964	3,653,098	3,585,897	67,201
Public Works	492,427	499,173	275,778	223,395
Health	81,147	85,876	83,297	2,579
Human Services	886,795	886,795	823,847	62,948
Conservation and Recreation	4,000	4,000		4,000
Economic Development and Assistance	66,699	85,500	83,265	2,235
Hospitalization	3,150,000	1,055,571	1,031,741	23,830
Other	461,605	204,120	191,079	13,041
Debt Service:				
Principal Retirement	13,952	13,952	13,952	
Interest and Fiscal Charges	6,563	6,563	6,563	
<i>Total Budgetary Basis Disbursements</i>	<u>12,326,253</u>	<u>10,231,357</u>	<u>9,554,439</u>	<u>676,918</u>
<i>Excess (Deficiency) of Budgetary Basis Receipts Over (Under) Budgetary Basis Disbursements</i>	<u>(131,514)</u>	<u>58,716</u>	<u>883,666</u>	<u>824,950</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds From Sale of Capital Assets	500	69,500	69,703	203
Advances In			38,125	38,125
Advances Out			(35,000)	(35,000)
Transfers In			666	666
Transfers Out		(1,000,000)	(1,000,000)	
<i>Total Other Financing Sources (Uses)</i>	<u>500</u>	<u>(930,500)</u>	<u>(926,506)</u>	<u>3,994</u>
<i>Net Change in Fund Cash Balance</i>	<u>(131,014)</u>	<u>(871,784)</u>	<u>(42,840)</u>	<u>828,944</u>
Fund Cash Balance at Beginning of Year	4,803,031	4,803,031	4,803,031	
Prior Year Encumbrances Appropriated	125,189	125,189	125,189	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 4,797,206</u>	<u>\$ 4,056,436</u>	<u>\$ 4,885,380</u>	<u>\$ 828,944</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
AUTO AND GAS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Budgetary Basis Receipts</b>				
Charges for Services	\$ 371,050	\$ 371,050	\$ 334,944	\$ (36,106)
Licenses and Permits	3,400	3,400	2,960	(440)
Fines and Forfeitures	400	400	1,181	781
Intergovernmental	4,762,606	4,762,606	4,162,101	(600,505)
Investment Income			10,367	10,367
Other	10,000	10,000	18,524	8,524
<i>Total Budgetary Basis Receipts</i>	<u>5,147,456</u>	<u>5,147,456</u>	<u>4,530,077</u>	<u>(617,379)</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Public Works	5,331,224	6,294,263	5,667,641	626,622
Debt Service:				
Principal Retirement	42,807	42,807	42,807	
<i>Total Budgetary Basis Disbursements</i>	<u>5,374,031</u>	<u>6,337,070</u>	<u>5,710,448</u>	<u>626,622</u>
<i>Budgetary Basis Disbursements Over Budgetary Basis Receipts</i>	<u>(226,575)</u>	<u>(1,189,614)</u>	<u>(1,180,371)</u>	<u>9,243</u>
<b>Other Financing Sources</b>				
Proceeds From Sale of Capital Assets	45,000	45,000	59,034	14,034
<i>Net Change in Fund Cash Balance</i>	<i>(181,575)</i>	<i>(1,144,614)</i>	<i>(1,121,337)</i>	<i>23,277</i>
Fund Cash Balance at Beginning of Year	2,482,523	2,482,523	2,482,523	
<i>Prior Year Encumbrances Appropriated</i>	<u>182,001</u>	<u>182,001</u>	<u>182,001</u>	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 2,482,949</u>	<u>\$ 1,519,910</u>	<u>\$ 1,543,187</u>	<u>\$ 23,277</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
ENRICHMENT CENTER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Budgetary Basis Receipts</b>				
Property and Other Taxes	\$ 2,095,600	\$ 2,094,200	\$ 2,120,645	\$ 26,445
Charges for Services	331,000	331,000	327,827	(3,173)
Intergovernmental	701,791	701,791	947,656	245,865
Other	3,200	3,200	2,190	(1,010)
<i>Total Budgetary Basis Receipts</i>	<u>3,131,591</u>	<u>3,130,191</u>	<u>3,398,318</u>	<u>268,127</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Human Services	<u>3,082,736</u>	<u>3,126,336</u>	<u>2,973,567</u>	<u>152,769</u>
<i>Budgetary Basis Receipts Over Budgetary Basis Disbursements</i>	<u>48,855</u>	<u>3,855</u>	<u>424,751</u>	<u>420,896</u>
<b>Other Financing Sources</b>				
Proceeds From Sale of Capital Assets			<u>127</u>	<u>127</u>
<i>Net Change in Fund Cash Balance</i>	48,855	3,855	424,878	421,023
Fund Cash Balance at Beginning of Year	<u>957,743</u>	<u>957,743</u>	<u>957,743</u>	
<i>Fund Cash Balance at End of Year</i>	<u><u>\$ 1,006,598</u></u>	<u><u>\$ 961,598</u></u>	<u><u>\$ 1,382,621</u></u>	<u><u>\$ 421,023</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
JOB AND FAMILY SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<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	\$ 473,000	\$ 473,000	\$ 447,951	\$ (25,049)
Intergovernmental	1,372,669	1,372,669	1,386,964	14,295
Other	56,650	56,650	46,140	(10,510)
<i>Total Budgetary Basis Receipts</i>	<u>1,902,319</u>	<u>1,902,319</u>	<u>1,881,055</u>	<u>(21,264)</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Human Services	<u>2,114,004</u>	<u>2,093,004</u>	<u>1,969,450</u>	<u>123,554</u>
<i>Budgetary Basis Disbursements Over Budgetary Basis Receipts</i>	<u>(211,685)</u>	<u>(190,685)</u>	<u>(88,395)</u>	<u>102,290</u>
<b>Other Financing Sources:</b>				
Proceeds From Sale of Capital Assets			<u>1,651</u>	<u>1,651</u>
<i>Net Change in Fund Cash Balance</i>	<u>(211,685)</u>	<u>(190,685)</u>	<u>(86,744)</u>	<u>103,941</u>
Fund Cash Balance at Beginning of Year	179,255	179,255	179,255	
<i>Prior Year Encumbrances Appropriated</i>	<u>32,435</u>	<u>32,435</u>	<u>32,435</u>	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 5</u>	<u>\$ 21,005</u>	<u>\$ 124,946</u>	<u>\$ 103,941</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
DEPARTMENT OF AGING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<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	\$ 740,000	\$ 739,400	\$ 746,246	\$ 6,846
Intergovernmental	492,920	492,920	445,276	(47,644)
Investment income			2	2
Other	338,700	338,700	330,591	(8,109)
<i>Total Budgetary Basis Receipts</i>	<u>1,571,620</u>	<u>1,571,020</u>	<u>1,522,115</u>	<u>(48,905)</u>
<b>Budgetary Basis Disbursements</b>				
Current:				
Human Services	<u>1,626,415</u>	<u>1,743,409</u>	<u>1,656,979</u>	<u>86,430</u>
<i>Budgetary Basis Disbursements Over Budgetary Basis Receipts</i>	<u>(54,795)</u>	<u>(172,389)</u>	<u>(134,864)</u>	<u>37,525</u>
<b>Other Financing Sources</b>				
Proceeds From Sale of Capital Assets	<u>3,000</u>	<u>3,000</u>		<u>(3,000)</u>
<i>Net Change in Fund Cash Balance</i>	<u>(51,795)</u>	<u>(169,389)</u>	<u>(134,864)</u>	<u>34,525</u>
Fund Cash Balance at Beginning of Year	249,851	249,851	249,851	
<i>Prior Year Encumbrances Appropriated</i>	<u>24,271</u>	<u>24,271</u>	<u>24,271</u>	
<i>Fund Cash Balance at End of Year</i>	<u>\$ 222,327</u>	<u>\$ 104,733</u>	<u>\$ 139,258</u>	<u>\$ 34,525</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**WILLIAMS COUNTY**  
**STATEMENT OF NET POSITION**  
**CASH BASIS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2015**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Hillside</u>	<u>Sanitary Sewer</u>	<u>Total</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	<u>\$ 4,081,645</u>	<u>\$ 355,715</u>	<u>\$ 4,437,360</u>
<b>Net Position</b>			
Unrestricted	<u>\$ 4,081,645</u>	<u>\$ 355,715</u>	<u>\$ 4,437,360</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND NET POSITION - CASH BASIS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Hillside</b>	<b>Sanitary Sewer</b>	<b>Total</b>
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 6,728,610	\$ 565,502	\$ 7,294,112
Other Operating Cash Receipts	51,878		51,878
<i>Total Operating Cash Receipts</i>	<u>6,780,488</u>	<u>565,502</u>	<u>7,345,990</u>
<b>Operating Cash Disbursements</b>			
Personal Services	3,893,607	167,824	4,061,431
Contractual Services	1,251,132	197,154	1,448,286
Materials and Supplies	538,834	23,103	561,937
Capital Outlay	65,666		65,666
Other	123,182	936	124,118
Total Operating Cash Disbursements	<u>5,872,421</u>	<u>389,017</u>	<u>6,261,438</u>
<i>Operating Income</i>	<u>908,067</u>	<u>176,485</u>	<u>1,084,552</u>
<b>Nonoperating Cash Receipts (Disbursements)</b>			
Debt Service:			
Principal Retirement	(187,000)	(52,697)	(239,697)
Interest and Fiscal Charges	(201,150)	(117,323)	(318,473)
Investment Income	17,643		17,643
Intergovernmental Revenue	15,014		15,014
Other Nonoperating Revenue	67,616	264	67,880
<i>Total Nonoperating Cash Receipts (Disbursements)</i>	<u>(287,877)</u>	<u>(169,756)</u>	<u>(457,633)</u>
<i>Changes in Net Position</i>	620,190	6,729	626,919
Net Position at Beginning of Year	<u>3,461,455</u>	<u>348,986</u>	<u>3,810,441</u>
<i>Net Position at End of Year</i>	<u><u>\$ 4,081,645</u></u>	<u><u>\$ 355,715</u></u>	<u><u>\$ 4,437,360</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILLIAMS COUNTY**  
**STATEMENT OF NET POSITION - CASH BASIS**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2015**

	<u><b>Agency</b></u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,997,697
Equity in Cash and Cash Equivalents in Segregated Accounts	<u>247,354</u>
<i>Total Assets</i>	<u><u>\$ 4,245,051</u></u>
 <b>Net Position</b>	 <u><u>\$ 4,245,051</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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## **WILLIAMS COUNTY**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015**

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

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

#### **Reporting Entity**

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

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

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

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

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

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

**WILLIAMS COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**  
**(Continued)**

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

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

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

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

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

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

**A. Basis of Accounting**

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

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

**B. Fund Accounting**

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

**Governmental Funds:**

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

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

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

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

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

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

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

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

**Proprietary Funds:**

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

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

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

**Fiduciary Funds:**

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

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

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

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

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

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

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

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

*Basis of Presentation*

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

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



## **WILLIAMS COUNTY**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)**

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

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

#### **D. Budgetary Process**

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

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

#### **Estimated Resources**

The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources which states the projected resources of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2015.

#### **Appropriations**

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

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

## **WILLIAMS COUNTY**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)**

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

##### **Budgeted Level of Expenditures**

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

##### **Encumbrances**

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

##### **Lapsing of Appropriations**

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

#### **E. Cash and Investments**

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

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

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

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

During 2015, the County invested in nonnegotiable certificates of deposit, negotiable certificates of deposit, and repurchase agreements. Investments are reported at cost.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General fund during 2015 were \$91,115 which includes \$63,920 assigned from other County funds.

#### **F. Restricted Assets**

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

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

**G. Inventory and Prepaid Items**

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

**H. Capital Assets and Depreciation**

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

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

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

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

**I. Interfund Receivables / Payables**

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

**J. Compensated Absences**

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

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

**K. Pensions**

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

WILLIAMS COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

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

**L. Long-Term Obligations**

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

**M. Net Position**

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

**N. Fund Balance**

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

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

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

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

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

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

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

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

**O. Interfund Activity**

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

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

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

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

Fund Cash Balance					
	General	Auto and Gas	Enrichment Center	Job and Family Services	Department of Aging
Cash Basis	\$5,723,890	\$1,591,666	\$1,401,469	\$151,527	\$179,864
Funds Budgeted Elsewhere	(663,719)				
Adjustment for Encumbrances	(174,791)	(48,479)	(18,848)	(26,581)	(40,606)
Budget Basis	\$4,885,380	\$1,543,187	\$1,382,621	\$124,946	\$139,258

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

## **WILLIAMS COUNTY**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)**

#### **NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

WILLIAMS COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

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

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

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

At year end, the County had \$86,406 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

At fiscal year-end, the carrying amount of the County's deposits was \$16,817,711 and the bank balance was \$17,236,924. Of the bank balance, \$12,835,314 was covered by federal depository insurance, \$750,000 was collateralized but uninsured, and \$3,651,610 was exposed to custodial credit risk because those deposits were uninsured and collateralized held by the pledging financial institution's trust department or agent, but not in the County's name. Ohio Revised Code § 135.18 states the County must require a depository to provide as security an amount equal to the funds on deposit at all times.

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

Investments

As of December 31, 2015, the County had the following investments.

	Balance at	Maturity (years)	
	Cost	Less Than 1	1 - 5
Repurchase Agreement Secured by Federal National Mortgage Association	\$ 2,556,284	\$ 2,556,284	
Repurchase Agreement Secured by Federal Home Loan Mortgage Corp	3,473,543	3,473,543	
Negotiable Certificates of Deposit	745,000		\$ 745,000
Total	<u>\$ 6,774,827</u>	<u>\$ 6,029,827</u>	<u>\$ 745,000</u>

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

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

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

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

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

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

**NOTE 5 – INTERFUND TRANSFERS**

Interfund cash transfers for the year ended December 31, 2015 were as follows:

	Transfers In	Transfers Out
Governmental Activities:		
General	\$ 666	\$ 1,000,000
Other Governmental Funds:		
Debt Service - East Annex	400,000	
Debt Service - Bona Vesta		666
Capital Projects - Construction	600,000	
	<u>\$ 1,000,666</u>	<u>\$ 1,000,666</u>

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



**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected on real property (other than public utility property) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2012. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. In 2015, the first payment was due February 15, with the remainder payable by July 20.

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

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

The full tax rate for all County operations for the year ended December 31, 2015, was \$10.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

Real Property	\$ 659,333,580
Public Utility	25,169,230
Total Assessed Value	<u>\$ 684,502,810</u>

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

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

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

Proceeds of the tax are credited entirely to the General fund. Sales and Use tax revenue for 2015 amounted to \$5,801,145.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(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 2015, 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/Accounts Receivable	\$2,500,000/\$1,000,000
Extra Expense / Gross Earnings	\$2,500,000
Electronic Data Processing Media/Extra Expense	\$250,000/\$25,000
Contractors Equipment	Replacement Cost
Fine Arts	Per Renewal Schedule
Property In Transit	\$100,000
Pollutant Cleanup/Removal	\$10,000
Flood and Earthquake	\$100,000,000
Auto Physical Damage	Actual Cash Value
Automatic Acquisition	\$5,000,000
Unintentional Omissions	\$250,000
Collapse	Replacement Cost
Equipment Breakdown	\$100,000,000
<u>Liability</u>	
Automobile Liability	\$1,000,000 Per Loss
Uninsured/Underinsured Motorists	\$250,000 Each Occurrence
General Liability	\$1,000,000 Per Loss
Law Enforcement Liability	\$1,000,000 Per Loss
Errors and Omissions Liability	\$1,000,000 Per Loss
Cyber Liability	\$1,000,000 Per Loss
<u>Crime</u>	
Employee Dishonesty/Faithful Performance	\$1,000,000 Per Loss
Money and Securities (inside)	\$1,000,000 Per Loss
Money and Securities (outside)	\$1,000,000 Per Loss
Depositor's Forgery	\$1,000,000 Per Loss
Money Orders and Counterfeit Currency	\$1,000,000 Per Loss
Fund Transfer Fraud	\$500,000 Per Loss
Computer Fraud	\$500,000 Per Loss
Individual Public Official Bond Excess	\$250,000 Per Loss

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

**WILLIAMS COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**  
**(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):

	2015	2014
Cash and Investments	\$ 97,422,661	\$ 98,454,506
Actuarial liabilities	\$ 19,231,002	\$ 22,146,284

**B. Workers Compensation Group Rating Program**

For 2015, the County participated in the County Commissioners' Association Organization Workers' Compensation Group Rating Program (the Program), an insurance purchasing pool (Note 15).

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

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

The Program's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Program is limited to counties that can meet the Program's selection criteria. The firm of Comp. Management, Inc. provided administrative, cost control, and actuarial services to the Program. Each year, the County pays an enrollment fee to the Program to cover the costs of administering the Program. In 2015, the County remitted \$3,172 to CCAO Service Corporation for this administration.

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

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

The County participates in the County Employee Benefits Consortium of Ohio (CEBCO) which is a group purchasing consortium available to county governments in Ohio. The County pays annual premiums into the program for medical, dental, and prescription drug. CEBCO has an agreement with the County Risk Sharing Authority (CORSA) AAA and the County Commissioners Association of Ohio (CCAO) to provide administrative services for claims processing. In 2015, the County remitted \$3,400,863 to CEBCO.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

For 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68" were effective. These GASB pronouncements had no effect on beginning net position as reported December 31, 2014, as the net pension liability is not reported in the accompanying financial statements. The net pension liability has been disclosed below.

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)**

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

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

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

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

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)**

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

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

	State and Local	Public Safety	Law Enforcement
<b>2015 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2015 Actual Contribution Rates</b>			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$1,552,035 for year 2015.

***Net Pension Liability***

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportionate Share of the Net Pension Liability	\$11,227,439
Proportion of the Net Pension Liability	0.093386%

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)**

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)**

						Weighted Average
						Long-Term Expected
						Real Rate of Return
Asset Class		Target				(Arithmetic)
		Allocation				
Fixed Income		23.00	%		2.31	%
Domestic Equities		19.90			5.84	
Real Estate		10.00			4.25	
Private Equity		10.00			9.25	
International Equities		19.10			7.40	
Other investments		18.00			4.59	
Total		100.00	%		5.28	%

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

		Current	
	1% Decrease	Discount Rate	1% Increase
	(7.00%)	(8.00%)	(9.00%)
County's proportionate share of the net pension liability	\$20,726,089	\$11,227,799	\$3,229,288

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

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

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



**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2015, local government employers contributed 14.00 percent of covered payroll (18.10 percent of for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare for members in the traditional plan was 2.00 percent during calendar year 2015. The amount of the employer contributions allocated to healthcare for members in the combined plan was 2.00 percent during calendar year 2015. The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment healthcare plan.

The County's required contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2015, 2014, and 2013 were \$252,853, \$242,947, and \$119,300. The full amount has been contributed for 2015, 2014, and 2013.

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 11 - LONG-TERM DEBT**

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

	Interest Rates	Balance at 12/31/14	Increase	Decrease	Balance at 12/31/15	Amounts Due in One Year
Governmental Activities:						
OWDA Loans	0%-6.13%	\$ 3,236,143		\$ 302,073	\$ 2,934,070	\$ 317,085
USDA Special Assessment Bonds	5.13%	677,646		17,340	660,306	18,229
USDA Revenue Bonds	4.63%-5.13%	872,106		12,965	859,141	13,271
Court of Appeals Loan	4.16%	150,420		13,952	136,468	14,388
OPWC Loans	0%	42,807		42,807	-	
Building Improvement Note, Series 2015	2.53%		\$ 2,500,000		2,500,000	250,000
Total Governmental Activities		4,979,122	2,500,000	389,137	7,089,985	612,973
Business-Type Activities:						
USDA Revenue Bonds	5.00%	4,023,000		187,000	3,836,000	195,000
Total Business-Type Activities		4,023,000		187,000	3,836,000	195,000
Total Long-Term Obligations		<u>\$ 9,002,122</u>	<u>\$ 2,500,000</u>	<u>\$ 576,137</u>	<u>\$ 10,925,985</u>	<u>\$ 807,973</u>

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

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

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

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

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

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

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

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

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

	2016	2017	2018	2019	2020	Thereafter	Total
Governmental Activities:							
OWDA Loans	\$ 449,301	\$ 449,301	\$ 449,301	\$ 449,301	\$ 449,301	\$ 1,319,042	\$ 3,565,547
USDA Special Assessment Bonds	52,069	52,069	52,069	52,069	52,069	833,112	1,093,457
USDA Revenue Bonds	54,142	54,818	54,448	54,078	54,708	1,424,427	1,696,621
Court of Appeals Loan	20,393	20,472	20,742	20,728	20,887	62,665	165,887
Building Improvement Note, Series 2015	313,250	306,925	300,600	294,275	1,537,950		2,753,000
Total Governmental Activities	889,155	883,585	877,160	870,451	2,114,915	3,639,246	9,274,512
Business-Type Activities:							
USDA Revenue Bonds	387,325	387,050	387,800	388,000	387,060	3,490,019	5,427,254
Totals	\$ 1,276,480	\$ 1,270,635	\$ 1,264,960	\$ 1,258,451	\$ 2,501,975	\$ 7,129,265	\$ 14,701,766

**Conduit Debt**

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

**NOTE 12 – SHORT-TERM DEBT**

The Building Improvement Notes, Series 2014 in the amount of \$3,000,000 were issued in anticipation of the issuance of bonds for the purpose of renovating County facilities. These notes were repaid in full in 2015.

There was no short-term debt outstanding at December 31, 2015.

## **WILLIAMS COUNTY**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)**

#### **NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS**

##### **A. Regional Planning Commission**

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

##### **B. Maumee Valley Planning Organization**

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

The County provides resources to the executive council based on a membership fee and services provided to the County. MVPO exercises total control over the operation of MVPO including budgeting, contracting, and designating management. The County has no ongoing financial interest or responsibility for MVPO. In 2015, the County contributed \$100,074 in dues and loan and grant administrative fees. Financial records can be obtained from Brett Kolb, Fulton County Auditor, 152 South Fulton Avenue, Suite 165, Wauseon, Ohio 43567-3310.

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

##### **A. Corrections Commission of Northwest Ohio**

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

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

The Commission Team exercises total control over the operation of CCNO including budgeting, contracting, and designating management. The continued existence of the CCNO is dependent upon the continued participation of Williams County. The County has no ongoing interest or responsibility for CCNO. In 2015, the County contributed \$1,612,299 for CCNO's operations. Complete financial statements can be obtained from the Corrections Commission of Northwest Ohio, 03151 County Road 24.25, Stryker, Ohio 43557.

## **WILLIAMS COUNTY**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)**

#### **NOTE 13 - JOINT VENTURES WITHOUT EQUITY INTEREST (continued)**

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

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

The District is governed by a Board of Trustees made up of thirteen members, three from each County and one at-large. The Board of Trustees exercises total control over the operation of the Center including budgeting, contracting, and designating management. The County has no ongoing financial interest or responsibility for the Center. Continued existence of Northwest Ohio Juvenile Detention Training and Rehabilitation Center is dependent upon the continued participation of Williams County. In 2015, the County contributed \$248,168 for the Center's operations. Completed financial statements can be obtained from Brett Kolb, Fulton County Auditor, 152 South Fulton Avenue, Suite 165, Wauseon, Ohio 43567-3310.

##### **C. Four County Solid Waste District**

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

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

##### **D. Quadco Rehabilitation Center**

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

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

The County contracted with the Northwest Ohio Waiver Administration Council (NOWAC) to provide services including administration of payments to Quadco. For the year ended December 31, 2015, the County remitted \$1,180,828 through NOWAC, as well as \$2,397 directly to Quadco to supplement its operations.

## **WILLIAMS COUNTY**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)**

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

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

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

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

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

The main sources of revenue of the ADAMHS Board are state and federal grants and a property tax levy covering the entire four county area. Outside agencies are contracted by the Board to provide services for the ADAMHS Board. The ADAMHS Board operates autonomously from the County and the County has no financial responsibility for the operations of the ADAMHS Board. The County does have indirect access to the net resources of the ADAMHS Board. In the event the County withdrew from the ADAMHS Board, it would be entitled to a share of the state and federal grants that are currently being received by the ADAMHS Board. This access to net resources of the ADAMHS Board has not been explicitly defined nor is it currently measurable. In 2015, the County contributed \$789,359 in property taxes to the ADAMHS Board's operations. Complete financial statements can be obtained from Jill R. Little, Defiance County Auditor, 221 Clinton Street, Defiance, Ohio 43512.

#### **F. Multi-Area Task Force**

The Multi-Area Task Force (Task Force) is a joint venture among Defiance, Williams, Fulton, and Putnam counties and Defiance and Bryan City. The Task Force is jointly controlled by the chief law enforcement officer of each respective entity. The main source of revenue for the Task Force is from federal grants and local matching funds from the entities. The County has no ongoing financial interest or responsibility for the Task Force. In 2015, 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.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 15 - GROUP INSURANCE POOLS**

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

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

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

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

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

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

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

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

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

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

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

## **WILLIAMS COUNTY**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)**

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

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

#### **NOTE 16 - RELATED ORGANIZATIONS**

##### **A. Williams Metropolitan Housing Authority**

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

##### **B. Williams County Public Library**

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

##### **C. Williams County Regional Airport Authority**

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

Although the County has no obligation to provide financial resources to the Airport Authority, the County Commissioners have, in prior years, allocated certain funds to the Airport Authority. In 2015, the County contributed \$139,000 to the Airport Authority for operating expenses.



## **WILLIAMS COUNTY**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)**

#### **NOTE 16 - RELATED ORGANIZATIONS (continued)**

##### **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.

The Port Authority is governed by a Board of Directors comprised of seven members, each of whom serves a term of four years. All members of the Board of Directors are appointed by this Board except for the two members recommended by the Mayor of the City of Bryan. The Board of Directors has the authority to exercise all the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Port Authority serves as custodian of its own funds and maintains all records and accounts independent of Williams County. Williams County has no obligation to provide financial resources to the Port Authority. In 2015, the County contributed \$100 for Port Authority expenses.

#### **NOTE 17 - CONTINGENCIES**

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

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

#### **NOTE 18 – COMPENSATED ABSENCES**

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

Accumulated, unused sick leave is paid, up to a maximum of 90 days, depending on length of service of the employee who retires. As of December 31, 2015, the liability for compensated absences was \$906,986 for the entire County.

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 19 – CAPITAL ASSETS**

A summary of the capital assets at December 31, 2015 is as follows:

	Governmental Funds	Enterprise Funds	Total All Funds
Land	\$ 1,050,327	\$ 336,017	\$ 1,386,344
Land Improvements	4,839,937	395,599	5,235,536
Building and Improvements	16,173,611	9,313,495	25,487,106
Machinery, Furniture, and Equipment	5,419,116	899,316	6,318,432
Vehicles	4,750,129	462,635	5,212,764
Infrastructure		16,517,233	16,517,233
Total	<u>\$ 32,233,120</u>	<u>\$ 27,924,295</u>	<u>\$ 60,157,415</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 20 – INTERFUND RECEIVABLES / PAYABLES**

Interfund balances at December 31, 2015 consisted of \$75,000 owed to the General fund from the Northwest Water District Agency fund.

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

**NOTE 21 - FUND BALANCE**

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

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

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 21 - FUND BALANCE (continued)**

<b>Fund Balance</b>	<b>General</b>	<b>Auto and Gas</b>	<b>Enrichment Center</b>	<b>Job and Family Services</b>	<b>Department of Aging</b>	<b>Other Governmental</b>	<b>Total Governmental Funds</b>
Nonspendable For:							
Unclaimed Funds	\$67,704						\$67,704
Restricted For:							
Legislative & Executive Programs						\$882,235	882,235
Judicial Programs						945,023	945,023
Public Safety Programs						135,366	135,366
Public Works Projects		\$1,591,666				371,007	1,962,673
Human Service Programs			\$1,401,469	\$151,527	\$179,864	524,457	2,257,317
Economic Development						661,383	661,383
Health Programs						61,421	61,421
Debt Service						932,626	932,626
Capital Projects						6,325	6,325
Total Restricted		1,591,666	1,401,469	151,527	179,864	4,519,843	7,844,369
Committed For:							
Health Programs						740,745	740,745
Total Committed						740,745	740,745
Assigned for:							
Subsequent Year's Budget Deficit	1,201,347						1,201,347
Unpaid Obligations (encumbrances)	179,756						179,756
Capital Projects						687,529	687,529
Total Assigned	1,381,103					687,529	2,068,632
Unassigned	4,275,083						4,275,083
Total Fund Balance	\$5,723,890	\$1,591,666	\$1,401,469	\$151,527	\$179,864	\$5,948,117	\$14,996,533

**WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**NOTE 21 – CONTRACTUAL COMMITMENTS**

As of December 31, 2015, the County had the following outstanding contractual purchase commitments for engineering and architect services for various county buildings, road and bridge improvements, Community Development Block Grant projects, courthouse elevator and roof and tower repairs, program startup costs, and various real estate appraisal related services.

Vendor	Amount Paid		
	Contract Amount	as of 12/31/2015	Outstanding Balance
Bell Engineering	\$ 26,450	\$ 14,040	\$ 12,410
Bowser-Morner	4,295	4,026	269
E. Lee Construction	1,469,890		1,469,890
Garmann Miller & Associates	128,287	109,044	19,243
Gerken Paving	280,000		280,000
Pictometry	97,655		97,655
Portland State University	99,936	24,312	75,624
R. G. Zachrich Construction	500,305	480,293	20,012
Thiel Construction	25,925		25,925
Thyssenkrupp Elevator	95,756		95,756
Total	<u>\$ 2,728,499</u>	<u>\$ 631,715</u>	<u>\$ 2,096,784</u>

**NOTE 22 – OTHER CASH RECEIPTS**

Department of Aging Other cash receipts primarily consisted of \$235,007 in project income related to receipts for meals served at the County's senior centers and delivered to home bound seniors within the County.

**WILLIAMS COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Direct Assistance</i>				
Conservation Reserve Program	10.069	12650325		\$ 15,014
<b>Total U.S. Department of Agriculture</b>				<b>15,014</b>
<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	17.258	2014-7186-1 / 2015-7186-1		65,041
WIA - Adult Program Administrative	17.258			1,350
Total Adult Program				66,391
WIA - Youth Program	17.259	2014-7186-1 / 2015-7186-1	\$ 69,422	69,422
WIA - Youth Program Administrative	17.259		535	535
Total Youth Program				69,957
WIA - Dislocated Worker Program	17.278	2014-7186-1 / 2015-7186-1		55,895
WIA - Dislocated Worker Program Administrative	17.278			970
Total Dislocated Worker Program				56,865
<b>Total U.S. Department of Labor</b>				<b>193,213</b>
<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			48,589
Nutrition Services Incentive Program (NSIP)	93.053			37,517
Title III Part C - Nutrition Services	93.045			70,599
Total Aging Cluster				156,705
<i>Passed Through the Ohio Department of Job and Family Services</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-1415-11-5447 / G-1617-11-5599		229,824
Promoting Safe and Stable Families	93.556	G-1415-11-5447 / G-1617-11-5599		23,316
Temporary Assistance for Needy Families	93.558	G-1415-11-5447 / G-1617-11-5599		288,134
Child Support Enforcement	93.563	G-1415-11-5447 / G-1617-11-5599		437,761
Child Care and Development Block Grant	93.575	G-1415-11-5447 / G-1617-11-5599		28,402
Child Abuse-Neglect Prevention	93.590	G-1415-11-5447 / G-1617-11-5599		1,608
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1415-11-5447 / G-1617-11-5599		628
Foster Care Title IV-E	93.658	G-1415-11-5447 / G-1617-11-5599		391,652
Adoption Assistance	93.659	G-1415-11-5447 / G-1617-11-5599		33,489
Social Services Block Grant	93.667	G-1415-11-5447 / G-1617-11-5599		268,805
Chafee Foster Care Independence Program	93.674	G-1415-11-5447 / G-1617-11-5599		2,159
Medical Assistance Program	93.778	G-1415-11-5447 / G-1617-11-5599		250,310
Total Passed Through Ohio Job and Family Services				1,956,088
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Social Services Block Grant (Title XX)	93.667			23,987
Medical Assistance Program (MAC)	93.778			85,728
Total Passed Through Ohio Department of Developmental Disabilities				109,715
Total All Social Services Block Grants - CFDA #93.667				292,792
Total All Medicaid Assistance Programs - CFDA #93.778				336,038
<b>Total U.S. Department of Health and Human Services</b>				<b>2,222,508</b>

(Continued)

WILLIAMS COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed Through Ohio Development Services Agency</i>				
HOME Investment Partnerships Program (Chip)	14.239	B-C-14-1DA-2		82,457
Community Development Block Grant (Formula)	14.228	B-F-13-1DA-1		21,540
Community Development Block Grant (Formula)	14.228	B-F-14-1DA-1		68,375
Community Development Block Grant (Chip)	14.228	B-C-14-1DA-1		175,479
Community Development Block Grant (Water and Sanitary Sewer)	14.228	B-W-13-1DA-1		5,000
Community Development Block Grant Revolving Loans	14.228			85,931
<b>Total U.S. Department of Housing and Urban Development</b>				<b>438,782</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Passed Through the Ohio Department of Public Safety Emergency Management Agency</i>				
Emergency Management Performance Grant	97.042	EMW-2014-EP-00064		39,387
Emergency Management Performance Grant	97.042	EMW-2015-EP-00034-S01		7,129
<b>Total U.S. Department of Homeland Security</b>				<b>46,516</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<i>Passed Through The Ohio Attorney General</i>				
Crime Victim Assistance	16.575	2015-VOCA-10201262		44,770
Crime Victim Assistance	16.575	2015-VOCA-19815326		11,801
Crime Victim Assistance	16.575	2015-VOCA-12385800		1,345
<b>Total U.S. Department of Justice</b>				<b>57,916</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed Through the Ohio Department of Public Safety Emergency Management Agency</i>				
Interagency Hazardous Materials Public Sector Training and Planning Grant	20.703	86-WIL-PLNG		1,360
<b>Total U.S. Department of Transportation</b>				<b>1,360</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through the Ohio Department of Health</i>				
Special Education - Grants for Infants and Families (Help Me Grow)	84.181	08610021HG0615		53,136
<b>Total U.S. Department of Education</b>				<b>53,136</b>
<b>Total</b>				<b>\$ 3,028,445</b>

The accompanying notes are an integral part of this schedule.

## **WILLIAMS COUNTY**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2015**

#### **NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of William's County (the County's) under programs of the federal government for the year ended December 31, 2015. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

#### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **NOTE C - SUBRECIPIENTS**

The County passes certain federal awards received from the Montgomery County WIA Area 7 to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

#### **NOTE D - REVOLVING LOAN PROGRAMS WITHOUT CONTINUING COMPLIANCE REQUIREMENTS**

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

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

#### **NOTE E - MATCHING REQUIREMENTS**

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

**WILLIAMS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Continued)**

**NOTE F - TRANSFERS BETWEEN FEDERAL PROGRAMS**

During fiscal year 2015, the County made allowable transfers of \$187,490 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent approximately \$288,134 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2015 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$ 475,624
Transfer to Social Services Block Grant	<u>(187,490)</u>
Total Temporary Assistance for Needy Families	<u>\$ 288,134</u>





# Dave Yost • Auditor of State

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

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

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williams County, Ohio (the County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 19, 2016, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-002 to be a material weakness.

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

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001.

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

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

### ***Purpose of this Report***

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



**Dave Yost**  
Auditor of State

Columbus, Ohio

September 19, 2016



# Dave Yost • Auditor of State

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

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

To the Board of Commissioners:

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

We have audited Williams County, Ohio's (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Williams County's major federal programs for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal programs.

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

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

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

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

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

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

In our opinion, Williams County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2015.

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

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

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

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

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



**Dave Yost**  
Auditor of State

Columbus, Ohio

September 19, 2016

**WILLIAMS COUNTY**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2015**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Supplemental Nutrition Assistance Program - CFDA #10.561 Temporary Assistance for Needy Families – CFDA #93.558 Child Support Enforcement – CFDA #93.563 Foster Care (Title IV-E) – CFDA #93.658
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

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

**FINDING NUMBER 2015-001**

**Material Noncompliance**

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

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

Officials decided to prepare the County's 2015 financial statements on a cash basis of accounting in a format similar to financial statements by Governmental Accounting Board Statement No. 34. This presentation differs from generally accepted accounting principles (GAAP). The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. The County may be fined and various other administrative remedies may be taken against the County.

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

**Officials' Response:**

See corrective action plan.

**FINDING NUMBER 2015-002**

**Material Weakness – Restricted Amounts**

**Governmental Accounting Standards Board (GASB) Statement No. 34 - Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, paragraph 34 (amended by GASB Statement No. 63)** provides that net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutionally provisions or enabling legislation.

Restricted net position reported on the statement of net position incorrectly included \$2,091,993 which does not have constraints placed on use either imposed externally or by law. The County was unaware these monies should have been classified as unrestricted net position on the government-wide statement of net position.

A final review of the financial statements may have detected this error.

The accompanying financial statements and accounting records have been adjusted to correct this error.

In order to ensure the County's net position is reported in accordance with GASB 34, we recommend the County review GASB statement 34 and review the financial statements for errors prior to filing.

**Officials' Response:**

See corrective action plan.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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None.

**WILLIAMS COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
2 CFR 200.511(b)  
DECEMBER 31, 2015**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-001	Ohio Admin. Code § 117-2-03 (B) – for not reporting in accordance with generally accepted accounting principles.	Not corrected. Reissued as finding 2015-001 in this report.	Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.

**WILLIAMS COUNTY**

**CORRECTIVE ACTION PLAN  
2 CFR § 200.511(c)  
DECEMBER 31, 2015**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2015-001	Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.	N/A	Julie Beagle, County Auditor
2015-002	Management is aware and understands the importance of the information presented on the financial statements and will ensure that net position classifications will be accurately identified and reported.	FY2016	Julie Beagle, County Auditor





# Dave Yost • Auditor of State

## WILLIAMS COUNTY

### CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
OCTOBER 6, 2016