



**Auditor of State  
Betty Montgomery**



**PUTNAM COUNTY**  
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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Putnam County  
245 E. Main Street  
P.O. Box 345  
Ottawa, Ohio 45875-0345

To the Board of County Commissioners:

We have audited the accompanying financial statements of Putnam County (the County) as of and for the year ended December 31, 2002. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Ohio Administrative Code § 117-2-3(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes have been prepared on a basis of accounting in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare annual reports in accordance with generally accepted accounting principles. This basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the combined cash, investments, and combined fund cash balances of Putnam County, as of December 31, 2002, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances, for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2003 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

This report is intended for the information and use of the audit committee, management, and the Board of County Commissioners, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 11, 2003

PUTNAM COUNTY

COMBINED STATEMENT OF CASH AND CASH EQUIVALENTS  
AND FUND CASH BALANCES  
ALL FUND TYPES  
AS OF DECEMBER 31, 2002

<b>Cash and Cash Equivalents</b>	<b><u><u>\$13,968,535</u></u></b>
 <b>Cash Balances by Fund Type</b>	
Governmental Fund Types:	
General Fund	\$1,805,315
Special Revenue Funds	4,810,543
Debt Service Funds	515,986
Capital Projects Funds	536,817
 Proprietary Fund Type:	
Enterprise Funds	3,394,105
 Fiduciary Fund Types:	
Expendable Trust Fund	8,745
Agency Funds	<u>2,897,024</u>
 <b>Total</b>	 <b><u><u>\$13,968,535</u></u></b>

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

PUTNAM COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
<b>Cash receipts:</b>		
Property tax and other local taxes	\$4,061,752	\$1,312,266
Special assessments		206,687
Intergovernmental receipts	820,234	8,719,249
Charges for services	1,190,182	646,985
Licenses and permits	1,880	56,003
Fines and forfeitures	36,511	69,823
Earnings on investments	608,076	23,063
Rental income	65,837	
Miscellaneous	306,904	434,964
Total cash receipts	<u>7,091,376</u>	<u>11,469,040</u>
<b>Cash disbursements:</b>		
Current:		
General government:		
Legislative and executive	1,909,535	242,561
Judicial	1,015,347	244,518
Public safety	2,639,999	465,753
Public works	75,399	3,275,451
Health	51,888	3,366,528
Human services	197,819	3,691,525
Economic development and assistance		610,790
Transportation	46,183	
Other	283,527	2,028
Intergovernmental	318,957	
Debt service:		
Principal payments	157,750	
Interest payments	28,173	
Capital outlay		278,457
Total cash disbursements	<u>6,724,577</u>	<u>12,177,611</u>
Total receipts over/(under) disbursements	<u>366,799</u>	<u>(708,571)</u>
<b>Other financing receipts and (disbursements):</b>		
Sale of bonds or notes		
Transfers-in	15,750	33,225
Advances-in	270,886	102,006
Other financing sources	40,257	554,244
Transfers-out	(746,302)	(25,556)
Advances-out	(239,667)	(104,397)
Other financing uses	(164,683)	
Total other financing receipts/(disbursements)	<u>(823,759)</u>	<u>559,522</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(456,960)	(149,049)
Fund cash balances, January 1	<u>2,262,275</u>	<u>4,959,592</u>
<b>Fund cash balances, December 31</b>	<b><u>\$1,805,315</u></b>	<b><u>\$4,810,543</u></b>

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



Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
	\$116,947		\$5,490,965
	116,486		323,173
	2,460,125		11,999,608
			1,837,167
			57,883
			106,334
			631,139
\$55,468			121,305
	25,004	\$3,357	770,229
55,468	2,718,562	3,357	21,337,803
	18,992		2,171,088
			1,259,865
			3,105,752
	169,420		3,520,270
			3,418,416
			3,889,344
			610,790
			46,183
		599	286,154
			318,957
180,374	163,514		501,638
152,595	13,701		194,469
	5,932,384		6,210,841
332,969	6,298,011	599	25,533,767
(277,501)	(3,579,449)	2,758	(4,195,964)
	169,004		169,004
626,655			675,630
	5,197		378,089
	17,671		612,172
			(771,858)
	(8,326)		(352,390)
			(164,683)
626,655	183,546		545,964
349,154	(3,395,903)	2,758	(3,650,000)
166,832	3,932,720	5,987	11,327,406
<b>\$515,986</b>	<b>\$536,817</b>	<b>\$8,745</b>	<b>\$7,677,406</b>

**PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating cash receipts:</b>			
Charges for services	\$5,293,751		\$5,293,751
Miscellaneous	24,057		24,057
Total operating cash receipts	<u>5,317,808</u>		<u>5,317,808</u>
<b>Operating cash disbursements:</b>			
Personal services	3,104,442		3,104,442
Contractual services	735,812		735,812
Supplies and materials	224,600		224,600
Capital outlay	416,600		416,600
Other operating expenses	67,613		67,613
Total operating cash disbursements	<u>4,549,067</u>		<u>4,549,067</u>
Operating income	<u>768,741</u>		<u>768,741</u>
<b>Non-operating cash receipts:</b>			
Special Assessments	103,813		103,813
Tap-in fees	22,320		22,320
Other non-operating receipts	47,428	\$44,443,946	44,491,374
Total non-operating cash receipts	<u>173,561</u>	<u>44,443,946</u>	<u>44,617,507</u>
<b>Non-operating cash disbursements:</b>			
Debt service	314,783		314,783
Other non-operating cash disbursements	386,140	44,173,036	44,559,176
Total non-operating cash disbursements	<u>700,923</u>	<u>44,173,036</u>	<u>44,873,959</u>
Excess of receipts over disbursements before interfund transfers and advances	241,379	270,910	512,289
Transfers-in	126,824	306,934	433,758
Advances-in	94,301	103,163	197,464
Transfers-out	(30,824)	(306,706)	(337,530)
Advances-out	(120,000)	(103,163)	(223,163)
Net receipts over disbursements	311,680	271,138	582,818
Fund cash balances, January 1	<u>3,082,425</u>	<u>2,625,886</u>	<u>5,708,311</u>
<b>Fund cash balances, December 31</b>	<b><u>\$3,394,105</u></b>	<b><u>\$2,897,024</u></b>	<b><u>\$6,291,129</u></b>

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

**PUTNAM COUNTY**  
**COMBINED STATEMENT OF RECEIPTS**  
**BUDGET AND ACTUAL**  
**ALL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Governmental Fund Types:</b>			
General Fund	\$6,328,645	\$7,147,383	\$818,738
Special Revenue Funds	13,474,723	12,056,509	(1,418,214)
Debt Service Funds	192,586	682,123	489,537
Capital Projects Funds	7,565,415	2,905,237	(4,660,178)
<b>Proprietary Fund Type:</b>			
Enterprise Funds	4,776,968	5,618,193	841,225
<b>Fiduciary Fund Type:</b>			
Trust Funds	2,500	3,357	857
<b>Total (Memorandum Only)</b>	<u><u>\$32,340,837</u></u>	<u><u>\$28,412,802</u></u>	<u><u>(\$3,928,035)</u></u>

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

**PUTNAM COUNTY**

**COMBINED STATEMENT OF DISBURSEMENTS AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Prior Year Carryover Appropriations</u>	<u>2002 Appropriations</u>
<b>Governmental Fund Types:</b>		
General Fund	\$298,293	\$8,777,442
Special Revenue Funds	587,913	14,874,007
Debt Service Fund		352,735
Capital Projects Funds	5,611,625	1,171,215
<b>Proprietary Fund Type:</b>		
Enterprise Funds	460,769	6,529,619
<b>Fiduciary Fund Type:</b>		
Trust Funds		3,000
<b>Total (Memorandum Only)</b>	<u><b>\$6,958,600</b></u>	<u><b>\$31,708,018</b></u>

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

<u>Total</u>	<u>Actual 2002 Disbursements</u>	<u>Encumbrances Outstanding at 12/31/02</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
\$9,075,735	\$7,635,562	\$164,807	\$7,800,369	\$1,275,366
15,461,920	12,203,167	890,645	13,093,812	2,368,108
352,735	332,969		332,969	19,766
6,782,840	6,298,011	473,143	6,771,154	11,686
6,990,388	5,280,814	167,402	5,448,216	1,542,172
3,000	599		599	2,401
<b><u>\$38,666,618</u></b>	<b><u>\$31,751,122</u></b>	<b><u>\$1,695,997</u></b>	<b><u>\$33,447,119</u></b>	<b><u>\$5,219,499</u></b>

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**PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002**

**NOTE 1 – DESCRIPTION OF THE ENTITY**

Putnam County (the County) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. 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 Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, Common Pleas Court Judges, a Probate/Juvenile Court Judge, and two County Court Judges. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serving as the budget and taxing authority, contracting body and chief administrator of public services for the County.

The County's management believes these financial statements present all activities for which the County is financially accountable.

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

Although required by Ohio Administrative Code § 117-2-3(B) to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America, the County chooses to prepare its financial statements and notes in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare reports in accordance with generally accepted accounting principles. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

These statements include adequate disclosure of material matters, as formerly prescribed or permitted by the Auditor of State.

A general fixed asset group and general long-term debt obligation group of accounts is not recorded on the financial statements by the County under the basis of accounting used. By virtue of Ohio law, the County is required to maintain the encumbrance method of accounting and to make appropriations.

**A. Basis of Presentation – Fund Accounting**

The County uses fund accounting to segregate cash and investments which are restricted to use. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

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

**1. Governmental Fund Types**

Governmental funds are those through which most governmental functions of the County are financed. The following are the County's governmental fund types:

**PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)**

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

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

Debt Service Fund – This fund is used for the accumulation of resources for, and the payment of, general obligation long-term debt principal and interest other than that accounted for in the proprietary fund.

Capital Projects Funds – The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

**2. Proprietary Fund Types**

Proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector.

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

**3. Fiduciary Fund Types**

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The County's fiduciary funds include expendable trust and agency funds.

**B. 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 appropriation 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.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.



**PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)**

**1. Budget**

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20, for the period January 1 to December 31 of the following year.

**2. Estimated Resources**

The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1 this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31 the County must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include January 1, 2002, unencumbered fund balances. However, those fund balances are available for appropriations.

**3. Appropriations**

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

**4. 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. At the close of each fiscal 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 over and need not be reappropriated.

**C. Property, Plant, and Equipment**

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.

**PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)**

**D. Unpaid Vacation and Sick Leave**

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.

**E. Cash and Investments**

The County maintains a cash and investment pool which is available for all funds. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the Combined Statement of Cash and Cash Equivalents and Fund Cash Balances. During fiscal year 2002, investments were limited to certificates of deposits and Money Markets. All investments of the County had a maturity of two years or less. Investments are stated at cost. Investment earnings are allocated as authorized by State statute, with the exception of the motor vehicle license tax fund which did not receive its share of interest in 2002.

**F. Total Columns on Financial Statements**

Total columns on the financial statements are captioned "Total- (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund –type eliminations have not been made in the aggregation of this data.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

The County maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the Combined Statement Cash and Cash Equivalents and Fund Cash Balances "Cash and Cash Equivalents".

**A. Legal Requirements**

Statutes require the classification of monies held by the County into two categories. The first category consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for current demands upon the County Treasury. Such monies must be maintained either as cash in the County Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

The second category consists of "inactive" monies, those monies in excess of the amount determined to be "active" monies. Inactive monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)**

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio;
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio;

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

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 105 percent of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

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

**B. Cash on Hand**

Cash on hand consists of \$134,000 in undeposited cash which is included on the Combined Statement of Cash and Cash Equivalents and Fund Cash Balances as part of "Cash and Cash Equivalents."

PUTNAM COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)

**C. Deposits**

At year-end, the carrying amount of the County's cash on hand and deposits was \$13,968,535 and the bank balance was \$14,747,638. Of the bank balance:

1. \$1,049,228 was covered by federal depository insurance.
2. \$5,379,877 was collateralized by securities specifically pledged by the financial institution to the County.
3. \$8,229,220 was covered by collateral held by third party trustee pursuant to § 135.181, Revised Code, in collateralized pools securing all public funds on deposits with specific depository institutions.
4. \$89,313 was uninsured and uncollateralized.

**NOTE 4 – PROPERTY TAXES**

Real property taxes are levied on assessed values which equal 35 percent of appraised value. The County Auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2002.

Real property taxes become a lien on all nonexempt real property located in the County on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, State statute permits later payment dates to be established.

The full tax rate applied to real property, for the fiscal year ended December 31, 2002, was \$6.87 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$5.3793 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$6.2665 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the County by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property, for the fiscal year ended December 31, 2002, was \$6.87 per \$1,000 of assessed valuation.

Real Property – 2001 Valuation	
Residential/Agricultural	\$398,868,820
Commercial/Industrial	43,671,390
Public Utilities	535,490
Tangible Personal Property – 2002 Valuation	
General	70,285,012
Public Utilities – 2001	<u>27,649,330</u>
Total Valuation	<u><u>\$541,010,042</u></u>

**PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)**

The Putnam County Treasurer collects property tax on behalf of all taxing districts within the County. The Putnam County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County.

**NOTE 5 – RISK MANAGEMENT**

The County is a member of the County Risk Sharing Authority, Inc., (CORSA) (the Pool). The Pool assumes the risk of loss up to the limits of the County’s policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks:

- Comprehensive general liability.
- Automobile liability.
- Certain property insurance.
- Public officials’ errors and omissions liability insurance.

**NOTE 6 – RETIREMENT SYSTEMS**

Certified teachers employed by the school for the Mentally Retarded/Developmentally Disabled (MRDD) participate in the State Teachers Retirement System of Ohio (STRS). The County’s official and all other employees belong to the Ohio Public Employees Retirement System (OPERS). STRS and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. STRS members contributed 9.3 percent of their wages and the County contributed an amount equal to 14 percent of participants’ gross salaries. Law enforcement members contribute 10.1 percent to OPERS and all other members contributed 8.5 percent of their wages and the County contributed an amount equal to 16.7 percent for law enforcement and 13.55 percent of all other participants’ gross salaries. The County has paid all contributions required through December 31, 2002.

**NOTE 7 – DEBT OBLIGATIONS**

The County’s outstanding debt at December 31, 2002, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
<u>General Obligation Notes:</u>		
Human Services/Jail Vehicle Note	\$17,867	6.75%
Fairground Improvement Note	30,735	Variable
<u>General Obligation Bonds:</u>		
Airport Improvement	57,200	7.63%
Energy Conservation Improvement	89,007	5.25%
Energy Conservation Improvement	75,000	5.65%
Human Services Building Acquisition	94,800	7.63%
Human Services Building Addition	117,647	6.63%
Putnam Acres Renovation	72,141	4.90%

(Continued)

**PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)**

	<u>Principal</u>	<u>Interest Rate</u>
Putnam Acres Improvement	560,000	6.00%
Landfill Construction	545,000	4.90%
Sewer Improvement	226,137	4.95%
Landfill Closure	2,015,000	2.75-5.0%
Jail Construction	2,755,000	2.75-5.0%
Schnipke Engraving Sewer Line Project	165,193	5.25%
<u>Capital Leases:</u>		
Equipment Lease	<u>176,582</u>	
Total Outstanding at December 31, 2002	<u><u>\$6,997,309</u></u>	

The general obligation bonds were issued for various construction projects. This debt is to be repaid through transfers from the general fund, rental income from the human services building, operating revenues from the Putnam Acres, the Landfill, and the Water and Sewer operations. The Landfill Closure and Jail Construction bonds will be repaid through a special assessment added to the tax bills of property owners in the County and through an increase in the County's sales tax.

The general obligation notes were issued for various capital projects of the County, and will be repaid from revenues of the General and Capital Projects funds. The human services/jail vehicle note was for the purchase of a parking lot and county vehicles and will be repaid in semi-annual installments of \$18,721 with final payment due March 8, 2003. The fairground improvement note will be repaid in annual principal payments of \$17,000 and semi-annual interest payments, the final payment of all remaining interest and principle is due March 17, 2005.

Capital leases are for equipment leases and will be funded by the general fund, the auto license & gas tax fund, and the job and family services fund.

On May 29, 2002 the County entered into an irrevocable letter of credit for \$1,869,040 that matures May 29, 2003. As of December 31, 2002 there was no outstanding balance. The letter of credit was issued to guaranty payment of the costs associated with the closure and post closure care of the County landfill. The landfill was closed during 2001.

The following is a summary of the County's future debt payments, for its general obligation bonds:

<u>Year</u>	<u>General Obligation Bonds</u>
2003	\$776,375
2004	764,522
2005	713,992
2006	663,616
2007	644,844
2008 and Thereafter	<u>7,012,002</u>
Total	<u><u>\$10,575,351</u></u>

PUTNAM COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002  
(Continued)

**NOTE 8 – PERMISSIVE SALES AND USE TAX**

In 1973, the County Commissioners by resolution imposed a 0.5 percent tax on all retail sales (except sales of motor vehicles) made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles; in 1987 the County Commissioners imposed an additional 0.5 percent tax; and effective June 1, 2001, the County Commissioners imposed an additional 0.25 percent tax for a period of five years, bringing the total permissive sales tax to 1.25 percent. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County. Tax proceeds are split between the General Fund (95 percent) and the Capital Improvement Capital Projects Fund (5 percent). Permissive sales and use tax revenue totaled \$2,910,567 in 2002.

**NOTE 9 – CONTINGENT LIABILITIES**

**A. Litigation**

There is currently one case pending with the County as defendant. The case is currently in the pre-trial phase and no estimate can currently be made of the amount or range of potential loss.

**B. Contractually Assumed Obligations**

The County had the following outstanding contractual commitments as of December 31, 2002:

<u>Contract</u>	<u>Project</u>	<u>Original Contract Amount</u>	<u>Contract Balance 12/31/02</u>
Peterson Construction	Jail Construction	\$3,120,700	\$105,036
Richard Schumm Plbg/Htg	Jail Construction	459,200	32,961
Armor Fire Protection Inc.	Jail Construction	124,030	24,590
L. R. Babcock, Inc.	Jail Construction	883,610	30,041
Reynold Electric Co., Inc.	Jail Construction	938,850	72,082
Miller Contracting	Kramer Ditch Tile Portion	63,796	12,384
Neff Construction	Kramer Ditch Layover	39,496	500
Schalk Brothers	Bridge 3-10.40	972,213	767,044
Ward Construction	Airport Improvement	60,880	87,783
Underground Utilities	Miller City Waterline	1,302,952	99,168
Phoenix Fabricators	Kalida Elevated Tank	410,674	45,417

**NOTE 10 – SUBSEQUENT EVENTS**

As of May 29, 2002 the County entered into an irrevocable letter of credit for \$1,869,040 that matured May 29, 2003. On May 29, 2003 the letter of credit was extended until June 30, 2003. The letter of credit was issued to guaranty payment of the costs associated with the closure and post closure care of the County landfill. The landfill was closed during 2001.

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**PUTNAM COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>FEDERAL GRANTOR</b> <i>Pass-through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	Disburse- ments	Non-cash Disburse- ments
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>				
<i>Passed through the Ohio Department of Education</i>				
<u>Mental Retardation and Developmental Disabilities Board</u>				
Nutrition Cluster				
Food Donation Program	10.550	-		\$2,251
National School Lunch Program	10.555	-	\$433	
Total Department of Agriculture			433	2,251
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed through the Ohio Department of Development</i>				
<u>County Commissioners</u>				
Home Investment Partnership Program	14.239	B-C-02-064-1	6,000	
Community Development Block Grant	14.228	B-F-00-064-1	21,450	
Community Development Block Grant	14.228	B-F-01-064-1	113,100	
Community Development Block Grant	14.228	B-F-02-064-1	6,400	
Community Development Block Grant	14.228	B-E-01-064-1	110,000	
Community Development Block Grant	14.228	B-E-02-064-1	130,000	
Total Community Development Block Grant			380,950	
Total Department of Housing and Urban Development			<b>386,950</b>	
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>				
<i>Passed through the Ohio Adjutant General's Department of Emergency Management</i>				
<u>Emergency Management Agency</u>				
State Domestic Preparedness Equipment Support Program	16.007	2002-TE-CX-0049	<b>6,795</b>	
<b>UNITED STATES DEPARTMENT OF LABOR</b>				
<i>Passed through the Ohio Department of Jobs and Family Services</i>				
<u>Jobs and Family Services</u>				
Workforce Investment Act - Adult	17.258	-	46,445	
Workforce Investment Act - Adult Administrative	17.258	-	4,560	
Workforce Investment - Adult Total			51,005	
Workforce Investment Act - Youth	17.259	-	51,678	
Workforce Investment Act - Youth Administrative	17.259	-	5,073	
Workforce Investment - Youth Total			56,751	
Workforce Investment Act - Dislocated Worker	17.260	-	398,350	
Workforce Investment Act - Dislocated Worker Administrative	17.260	-	39,108	
Workforce Investment - Dislocated Worker Total			437,458	
Total Department of Labor			<b>545,214</b>	
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed through the Ohio Department of Transportation</i>				
<u>County Engineer</u>				
Highway Planning and Construction	20.205	-	<b>207,627</b>	

(Continued)

**PUTNAM COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(Continued)**

<b>FEDERAL GRANTOR</b> <i>Pass-through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	Disburse- ments	Non-cash Disburse- ments
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				
<i>Passed through the Ohio Adjutant General's Department of Emergency Management</i>				
<u>Emergency Management Agency</u>				
Emergency Management Assistance	83.534	-	18,959	
Emergency Management Performance Grants	83.552	-	33,500	
Total Emergency Management Agency			<b>52,459</b>	
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>				
<i>Passed through the Ohio Department of Education</i>				
<u>Mental Retardation and Developmental Disabilities Board</u>				
Special Education - Grants to States	84.027	066209-6B-SF-02	1,440	
Special Education - Grants to States	84.027	066209-6B-SF-03	701	
Total Special Education - Grants to States			2,141	
Innovative Education Program Strategies	84.298	C2-S1-02	287	
Innovative Education Program Strategies	84.298	C2-S1-03	16	
Total Innovative Education Program Strategies			303	
Total Department of Education			<b>2,444</b>	
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed through the Ohio Department of Mental Retardation and Developmental Disabilities</i>				
<u>Mental Retardation and Developmental Disabilities Board</u>				
Medical Assistance Program	93.778	TCM	21,744	
Medical Assistance Program	93.778	CAFS	270,045	
Social Services Block Grant	93.667		26,030	
<i>Passed through the Ohio Department of Jobs and Family Services</i>				
<u>Jobs and Family Services Department</u>				
Child Welfare Services	93.645	-	39,508	
Independent Living Program	93.674	-	802	
Promoting Safe and Stable Families	93.556	-	10,544	
<i>Passed through the Ohio Department of Alcohol and Drug Addiction Services</i>				
<u>Alcohol, Drug Addiction, and Mental Health Services Board</u>				
Substance Abuse	93.959	-	93,484	
Medical Assistance Program	93.778	-	1,963	
<i>Passed through the Ohio Department of Mental Health</i>				
<u>Alcohol, Drug Addiction, and Mental Health Services Board</u>				
Block Grants for Community Mental Health Services	93.958	-	42,428	
Social Services Block Grant	93.667	-	13,314	
Medical Assistance Program	93.778	-	212,238	
Total Medical Assistance Program			505,990	
Total Social Service Block Grants			39,344	
Total Department of Health and Human Services			<b>732,100</b>	
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$1,934,022</b>	<b>\$2,251</b>

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

## **PUTNAM COUNTY**

### **NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2002**

#### **NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

#### **NOTE B – SUBRECIPIENTS**

The County passes-through certain Federal assistance received from the Ohio Department of Alcohol and Drug Addiction Services, and the Ohio Department of Mental Health, to other governments or not-for-profit agencies (subrecipients). As described in Note A, the County records expenditures of Federal awards to subrecipients when paid in cash.

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

#### **NOTE C – FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At December 31, 2002, the County had no significant food commodities in inventory.

#### **NOTE D – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). There was one such initial loan of \$186,600 made during 2002. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by machinery and equipment and by land and buildings. At December 31, 2002, the gross amount of loans outstanding under this program was \$796,245. There was one delinquent loan at December 31, 2002, with an outstanding balance of \$361,439. The ultimate collectability of the obligation can not be determined.

#### **NOTE E – MATCHING REQUIREMENTS**

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

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**Auditor of State  
Betty Montgomery**

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

Putnam County  
245 E. Main Street  
P.O. Box 345  
Ottawa, Ohio 45875-0345

To the Board of County Commissioners:

We have audited the financial statements of Putnam County (the County) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 11, 2003, in which we noted that the County prepares its financial statements on the basis of accounting other than that prescribed by Ohio Administrative Code § 117-2-03(B). We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-001. We also noted certain other immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated June 11, 2003.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated June 11, 2003.

One Government Center / Room 1420 / Toledo, OH 43604-2246  
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 11, 2003



**Auditor of State  
Betty Montgomery**

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

Putnam County  
245 E. Main Street  
P.O. Box 345  
Ottawa, Ohio 45875-0345

To the Board of County Commissioners:

**Compliance**

We have audited the compliance of Putnam County (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002. We noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the County in a separate letter dated June 11, 2003.

### **Internal Control over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over compliance that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated June 11, 2003.

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



**Betty Montgomery**  
Auditor of State

June 11, 2003



**PUTNAM COUNTY**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A -133 §.505**  
**DECEMBER 31, 2002**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions 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 internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grant CFDA # 14.228 Workforce Investment Act CFDA # 17.258
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2002-001**

**Noncompliance Citation**

Ohio Administrative Code §117-2-3(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, the County prepares its financial statements in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**PUTNAM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 §.315 (b)  
DECEMBER 31, 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2001-60269-001	<b>ORC § 3375.52</b> finding for excess fines sent to the law library.	Yes	
2001-60269-002	<b>OAC §117-2-3b</b> reporting on basis other than generally accepted accounting principles.	No	Finding has not been corrected and is repeated in this report as item 2002-001.
2001-60269-003	<b>ORC § 5705.41(B)</b> expenditures exceeded appropriations.	Yes	





**Auditor of State  
Betty Montgomery**

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800-282-0370

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## **FINANCIAL CONDITION**

### **PUTNAM COUNTY**

#### **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 3, 2003**