

WASHINGTON COUNTY, OHIO

MARIETTA, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 1999

SNODGRASS

Certified Public Accountants and Consultants



WASHINGTON COUNTY, OHIO

MARIETTA, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 1999

Washington County, Ohio
**GENERAL PURPOSE FINANCIAL STATEMENTS
 WITH INDEPENDENT AUDITOR'S REPORT
 DECEMBER 31, 1999**

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Unit	4 - 7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Similar Trust Funds	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and Similar Trust Funds	9 - 12
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type, and Discretely Presented Component Unit	13
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Budget Basis) - Proprietary Fund Type	14
Combined Statement of Cash Flows - Proprietary Fund Type, and Discretely Presented Component Unit	15 - 16
Notes to the General Purpose Financial Statements	17 - 46
Schedule of Expenditures of Federal Awards - Cash Basis	47 - 48
Notes to the Schedule of Expenditures of Federal Awards	49
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	50 - 51
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	52 - 53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	54 - 55
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	56
CONCLUSION STATEMENT	57



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

County Commissioners
Washington County

We have reviewed the Independent Auditor's Report of the Washington County, prepared by S.R. Snodgrass, A.C., for the audit period January 1, 1999 to December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Washington County is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

July 18, 2000

SNODGRASS

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Washington County, Ohio
Marietta, Ohio

We have audited the accompanying general purpose financial statements of Washington County, Ohio, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Washington County, Ohio, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2000, 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. This 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.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Washington County, Ohio, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

S. M. Snodgrass, A.C.

Wheeling, West Virginia
June 2, 2000

WASHINGTON COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS, AND
 DISCRETELY PRESENTED COMPONENT UNIT
 DECEMBER 31, 1999 - PRIMARY GOVERNMENT
 AUGUST 31, 1999 - COMPONENT UNIT

ASSETS AND OTHER DEBITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets:				
Cash and Cash Equivalents	\$ 1,977,050	\$ 15,484,367	\$ 83,475	\$ 240,744
Cash and Cash Equivalents in Segregated Accounts	27,318	-	-	1,798
Investments	-	-	-	-
Investments in Segregated Accounts	-	-	-	-
Receivables:				
Taxes	421,810	1,687,088	-	-
Accounts	7,709	75,616	-	-
Special Assessments	-	-	-	-
Accrued Interest	16,471	1,291	-	-
Loans	-	31,613	-	-
Intergovernmental	143,678	2,118,250	-	-
Interfund	-	6,577	-	-
Due from Other Funds (excluding Agency Funds)	9,649	52,860	-	-
Due from Agency Funds:				
Property Taxes	2,236,076	4,018,798	186,341	-
Accounts	49,326	30,535	-	-
Court Costs	48,842	8,563	-	4,326
Special Assessments	-	-	-	-
Delinquent Sewer Accounts	-	-	-	-
Materials and Supplies Inventory	58,560	264,934	-	-
Prepaid Items	15,785	24,034	-	1,892
Construction in Progress	-	-	-	-
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	-	-	-	-
Other Debits:				
Amount to be Provided from General Government Resources	-	-	-	-
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	-	-	-	-
Total Assets and Other Debits	\$ 5,012,274	\$ 23,804,526	\$ 269,816	\$ 248,760

The accompanying notes are an integral part of the general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Primary Government Totals (Memorandum Only)	Component Unit	Reporting Entity Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations			
Enterprise	Trust and Agency					
\$ 122,750	\$ 2,521,176	\$ -	\$ -	\$ 20,429,562	\$ 69,388	\$ 20,498,950
-	446,799	-	-	475,915	-	475,915
-	-	-	-	-	87,794	87,794
-	302,451	-	-	302,451	-	302,451
-	43,682,559	-	-	45,791,457	-	45,791,457
34,751	74,814	-	-	192,890	43,237	236,127
-	438,474	-	-	438,474	-	438,474
-	-	-	-	17,762	1,499	19,261
-	-	-	-	31,613	-	31,613
1,365	379,353	-	-	2,642,646	37,862	2,680,508
-	-	-	-	6,577	-	6,577
-	-	-	-	62,509	-	62,509
-	-	-	-	6,441,215	-	6,441,215
-	-	-	-	79,861	-	79,861
-	1,423	-	-	63,154	-	63,154
351,309	-	-	-	351,309	-	351,309
3,033	-	-	-	3,033	-	3,033
-	-	-	-	323,494	6,403	329,897
-	-	-	-	41,711	7,369	49,080
5,477	-	-	-	5,477	-	5,477
5,285,371	-	21,203,621	-	26,488,992	48,765	26,537,757
-	-	-	6,662,682	6,662,682	-	6,662,682
-	-	-	83,475	83,475	-	83,475
<u>\$ 5,804,056</u>	<u>\$ 47,847,049</u>	<u>\$ 21,203,621</u>	<u>\$ 6,746,157</u>	<u>\$ 110,936,259</u>	<u>\$ 302,317</u>	<u>\$ 111,238,576</u>

(Continued)

WASHINGTON COUNTY, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS, AND
 DISCRETELY PRESENTED COMPONENT UNIT
 DECEMBER 31, 1999 - PRIMARY GOVERNMENT
 AUGUST 31, 1999 - COMPONENT UNIT
 (Continued)

LIABILITIES, FUND EQUITY, AND OTHER CREDITS:	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities:				
Accounts Payable	\$ 106,304	\$ 615,261	\$ -	\$ -
Contracts Payable	50	55,276	-	-
Accrued Wages and Benefits	57,501	236,324	-	-
Compensated Absences Payable	18,778	59,146	-	-
Retainage Payable	-	18,767	-	-
Interfund Payable	-	6,577	-	-
Due to Other Funds	13,666	48,843	-	-
Intergovernmental Payable	70,323	351,482	-	-
Deferred Revenue	2,328,872	4,670,147	186,341	4,326
Due to Others	-	-	-	-
Accrued Interest Payable	-	-	-	8,233
Notes Payable	-	-	-	190,000
Loans Payable	-	-	-	-
OPWC Loans Payable	-	-	-	-
FHA Loans Payable	-	-	-	-
Tax Refund Payable	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Total Liabilities	2,595,494	6,061,823	186,341	202,559
Fund Equity and Other Credits:				
Investment in General Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings:				
Unreserved (Deficit)	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	255,335	1,334,572	-	89,692
Reserved for Inventory	58,560	264,934	-	-
Reserved for Unclaimed Monies	71,900	-	-	-
Reserved for Loans	-	31,613	-	-
Unreserved:				
Undesignated (Deficit)	2,030,985	16,111,584	83,475	(43,491)
Total Fund Equity and Other Credits	2,416,780	17,742,703	83,475	46,201
Total Liabilities, Fund Equity and Other Credits	\$ 5,012,274	\$ 23,804,526	\$ 269,816	\$ 248,760

The accompanying notes are an integral part of the general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Primary Government Totals (Memorandum Only)	Component Unit	Reporting Entity Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations			
Enterprise	Trust and Agency					
\$ 6,482	\$ -	\$ -	\$ -	\$ 728,047	\$ 43,242	\$ 771,289
-	-	-	-	55,326	-	55,326
1,326	-	-	-	295,151	13,901	309,052
3,058	-	-	615,316	696,298	7,176	703,474
-	-	-	-	18,767	-	18,767
-	-	-	-	6,577	-	6,577
-	6,938,572	-	-	7,001,081	-	7,001,081
2,637	39,847,004	-	-	40,271,446	3,944	40,275,390
-	-	-	-	7,189,686	-	7,189,686
-	790,922	-	-	790,922	-	790,922
7,030	-	-	-	15,263	-	15,263
15,000	-	-	114,523	319,523	-	319,523
-	-	-	1,250,000	1,250,000	-	1,250,000
596,717	-	-	-	596,717	-	596,717
859,500	-	-	-	859,500	-	859,500
-	-	-	26,318	26,318	-	26,318
-	-	-	4,740,000	4,740,000	-	4,740,000
1,491,750	47,576,498	-	6,746,157	64,860,622	68,263	64,928,885
-	-	21,203,621	-	21,203,621	-	21,203,621
5,012,222	-	-	-	5,012,222	-	5,012,222
(699,916)	-	-	-	(699,916)	234,054	(465,862)
-	-	-	-	1,679,599	-	1,679,599
-	-	-	-	323,494	-	323,494
-	-	-	-	71,900	-	71,900
-	-	-	-	31,613	-	31,613
-	270,551	-	-	18,453,104	-	18,453,104
4,312,306	270,551	21,203,621	-	46,075,637	234,054	46,309,691
<u>\$ 5,804,056</u>	<u>\$ 47,847,049</u>	<u>\$ 21,203,621</u>	<u>\$ 6,746,157</u>	<u>\$ 110,936,259</u>	<u>\$ 302,317</u>	<u>\$ 111,238,576</u>

WASHINGTON COUNTY, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
REVENUES						
Property Taxes	\$ 2,109,186	\$ 3,725,512	\$ 175,759	\$ -	\$ -	\$ 6,010,457
Sales Taxes	1,351,992	7,342,094	-	-	-	8,694,086
Charges for Services	1,760,278	2,465,179	-	87,362	-	4,312,819
Licenses and Permits	8,671	627,395	-	-	-	636,066
Fines and Forfeitures	98,152	142,134	-	-	-	240,286
Intergovernmental	1,582,611	18,761,171	17,454	4,574,840	-	24,936,076
Interest	1,103,929	80,235	-	-	14,270	1,198,434
Rent	11,995	590	134,076	-	-	146,661
Other	129,602	199,522	-	50,000	-	379,124
Total Revenues	8,156,416	33,343,832	327,289	4,712,202	14,270	46,554,009
EXPENDITURES						
Current:						
General Government:						
Legislative and Executive	2,870,759	240,906	3,830	-	-	3,115,495
Judicial	1,594,225	244,965	-	-	-	1,839,190
Public Safety	1,408,248	3,404,614	-	-	-	4,812,862
Public Works	53,153	8,526,396	-	-	-	8,579,549
Health	61,570	9,981,058	-	-	-	10,042,628
Human Services	1,378,968	7,780,266	-	-	11,857	9,171,091
Economic Development and Assistance	-	718,948	-	-	-	718,946
Other	278,641	-	-	-	-	278,641
Refund of Property Taxes	2,734	5,811	228	-	-	8,773
Capital Outlay	-	-	-	6,634,266	-	6,634,266
Intergovernmental	384,276	263,962	-	-	-	648,238
Debt Service:						
Principal Retirement	-	280,000	225,000	-	-	505,000
Interest and Fiscal Charges	-	-	257,451	9,865	-	267,316
Total Expenditures	8,032,574	31,446,924	486,509	6,644,131	11,857	46,621,995
Excess of Revenues Over (Under) Expenditures	123,842	1,896,908	(159,220)	(1,931,929)	2,413	(67,986)
OTHER FINANCING SOURCES (USES)						
Proceeds from Notes	-	-	-	114,523	-	114,523
Proceeds from Loans	-	-	-	1,530,000	-	1,530,000
Operating Transfers In	105,000	48,313	164,313	-	-	317,626
Operating Transfers Out	(44,313)	(259,000)	-	(14,313)	-	(317,626)
Total Other Financing Sources (Uses)	60,687	(210,687)	164,313	1,630,210	-	1,644,523
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and and Other Financing Uses	184,529	1,686,221	5,093	(301,719)	2,413	1,576,537
FUND BALANCES AT BEGINNING OF YEAR - RE-STATE (NOTE 3)	2,227,353	16,023,863	76,382	347,920	268,138	18,945,656
Increase in Reserve for Inventory	4,898	32,619	-	-	-	37,517
FUND BALANCES AT END OF YEAR	\$ 2,416,780	\$ 17,742,703	\$ 83,475	\$ 46,201	\$ 270,551	\$ 20,559,710

The accompanying notes are an integral part of the general purpose financial statements

WASHINGTON COUNTY, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property Taxes	\$ 2,106,452	\$ 2,106,452	\$ -
Sales Taxes	1,200,000	1,200,000	-
Charges for Services	1,798,862	1,798,862	-
Licenses and Permits	8,671	8,671	-
Fines and Forfeitures	99,908	99,908	-
Intergovernmental	1,569,625	1,569,625	-
Interest	1,087,313	1,087,313	-
Rent	13,995	13,995	-
Other	133,188	133,188	-
Total Revenues	8,018,014	8,018,014	-
EXPENDITURES			
Current:			
General Government:			
Legislative and Executive	3,549,836	2,996,145	553,691
Judicial	1,905,484	1,665,259	240,225
Public Safety	1,793,718	1,561,971	231,747
Public Works	72,463	53,195	19,268
Health	92,971	61,955	31,016
Human Services	1,474,627	1,437,239	37,388
Economic Development and Assistance	-	-	-
Other	341,988	318,482	23,506
Capital Outlay	-	-	-
Intergovernmental	385,920	384,276	1,644
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	9,617,007	8,478,522	1,138,485
Excess of Revenues Over (Under) Expenditures	(1,598,993)	(460,508)	1,138,485
OTHER FINANCING SOURCES (USES)			
Proceeds of Notes	-	-	-
Proceeds of Loans	-	-	-
Advances In	-	-	-
Advances Out	-	-	-
Operating Transfers In	105,000	105,000	-
Operating Transfers Out	(123,451)	(44,313)	79,138
Total Other Financing Sources (Uses)	(18,451)	60,687	79,138
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,617,444)	(399,821)	1,217,623
FUND BALANCES AT BEGINNING OF YEAR	1,580,969	1,580,969	-
Prior Year Encumbrances Appropriated	319,042	319,042	-
FUND BALANCES AT END OF YEAR	\$ 282,567	\$ 1,500,190	\$ 1,217,623

The accompanying notes are an integral part of the general purpose financial statements.

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 3,719,701	\$ 3,719,701	\$ -	\$ 175,531	\$ 175,531	\$ -
6,734,250	6,734,250	-	-	-	-
2,488,336	2,488,336	-	-	-	-
629,248	629,248	-	-	-	-
140,472	140,472	-	-	-	-
18,873,271	18,879,878	6,607	17,454	17,454	-
85,040	85,040	-	-	-	-
-	-	-	134,076	134,076	-
185,547	185,547	-	-	-	-
<u>32,855,865</u>	<u>32,862,472</u>	<u>6,607</u>	<u>327,061</u>	<u>327,061</u>	<u>-</u>
660,462	413,801	246,661	4,350	3,830	520
497,916	277,458	220,458	-	-	-
4,143,769	3,687,499	456,270	-	-	-
11,231,610	9,015,633	2,215,977	-	-	-
12,522,773	10,538,478	1,984,295	-	-	-
9,291,093	8,280,053	1,011,040	-	-	-
852,603	768,520	84,083	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
269,125	267,486	1,639	-	-	-
280,000	280,000	-	225,000	225,000	-
-	-	-	257,607	257,451	156
<u>39,749,351</u>	<u>33,528,928</u>	<u>6,220,423</u>	<u>486,957</u>	<u>486,281</u>	<u>676</u>
<u>(6,893,486)</u>	<u>(666,456)</u>	<u>6,227,030</u>	<u>(159,896)</u>	<u>(159,220)</u>	<u>676</u>
-	-	-	-	-	-
-	-	-	-	-	-
42,600	42,600	-	-	-	-
(56,100)	(42,600)	13,500	-	-	-
48,313	48,313	-	164,313	164,313	-
(293,816)	(259,000)	34,816	-	-	-
<u>(259,003)</u>	<u>(210,687)</u>	<u>48,316</u>	<u>164,313</u>	<u>164,313</u>	<u>-</u>
(7,152,489)	(877,143)	6,275,346	4,417	5,093	676
11,771,758	11,771,758	-	78,382	78,382	-
2,532,511	2,532,511	-	-	-	-
<u>\$ 7,151,780</u>	<u>\$ 13,427,126</u>	<u>\$ 6,275,346</u>	<u>\$ 82,799</u>	<u>\$ 83,475</u>	<u>\$ 676</u>

(Continued)

WASHINGTON COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
 ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999
 (CONTINUED)

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Sales Taxes	-	-	-
Charges for Services	88,590	88,590	-
Licenses and Permits	-	-	-
Fines and Forfeitures	-	-	-
Intergovernmental	649,735	4,584,865	3,935,130
Interest	-	-	-
Rent	-	-	-
Other	50,000	50,000	-
Total Revenues	<u>788,325</u>	<u>4,723,455</u>	<u>3,935,130</u>
EXPENDITURES			
Current:			
General Government:			
Legislative and Executive	-	-	-
Judicial	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Health	-	-	-
Human Services	-	-	-
Economic Development and Assistance	-	-	-
Other	-	-	-
Capital Outlay	1,390,586	6,747,467	(5,356,881)
Intergovernmental	-	-	-
Debt Service:			
Principal Retirement	96,000	96,000	-
Interest and Fiscal Charges	3,819	3,819	-
Total Expenditures	<u>1,490,405</u>	<u>6,847,286</u>	<u>(5,356,881)</u>
Excess of Revenues Over (Under) Expenditures	<u>(702,080)</u>	<u>(2,123,831)</u>	<u>(1,421,751)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of Notes	304,523	304,523	-
Proceeds of Loans	-	1,530,000	1,530,000
Advances In	-	-	-
Advances Out	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	(14,313)	(14,313)	-
Total Other Financing Sources (Uses)	<u>290,210</u>	<u>1,820,210</u>	<u>1,530,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(411,870)</u>	<u>(303,621)</u>	<u>108,249</u>
FUND BALANCES AT BEGINNING OF YEAR	375,720	375,720	-
Prior Year Encumbrances Appropriated	75,044	75,044	-
FUND BALANCES AT END OF YEAR	<u>\$ 38,894</u>	<u>\$ 147,143</u>	<u>\$ 108,249</u>

The accompanying notes are an integral part of the general purpose financial statements.

Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 6,001,684	\$ 6,001,684	\$ -
-	-	-	7,934,250	7,934,250	-
-	-	-	4,375,788	4,375,788	-
-	-	-	637,919	637,919	-
-	-	-	240,380	240,380	-
15,212	14,270	(942)	21,110,085	25,051,822	3,941,737
-	-	-	1,187,565	1,186,623	(942)
-	-	-	148,071	148,071	-
-	-	-	368,735	368,735	-
15,212	14,270	(942)	42,004,477	45,945,272	3,940,795
-	-	-	4,214,648	3,413,776	800,872
-	-	-	2,403,400	1,942,717	460,683
-	-	-	5,937,487	5,249,470	688,017
-	-	-	11,304,073	9,068,828	2,235,245
-	-	-	12,615,744	10,600,433	2,015,311
252,347	11,857	240,490	11,018,067	9,729,149	1,288,918
-	-	-	852,603	768,520	84,083
-	-	-	341,988	318,482	23,506
-	-	-	1,390,586	6,747,467	(5,356,881)
-	-	-	655,045	651,762	3,283
-	-	-	601,000	601,000	-
-	-	-	261,426	261,270	156
252,347	11,857	240,490	51,596,067	49,352,874	2,243,193
(237,135)	2,413	239,548	(9,591,590)	(3,407,602)	6,183,988
-	-	-	304,523	304,523	-
-	-	-	-	1,530,000	1,530,000
-	-	-	42,600	42,600	-
-	-	-	(56,100)	(42,600)	13,500
-	-	-	317,626	317,626	-
-	-	-	(431,580)	(317,626)	113,954
-	-	-	177,069	1,834,523	1,657,454
(237,135)	2,413	239,548	(9,414,521)	(1,573,079)	7,841,442
268,138	268,138	-	14,074,967	14,074,967	-
-	-	-	2,926,597	2,926,597	-
\$ 31,003	\$ 270,551	\$ 239,548	\$ 7,587,043	\$ 15,428,485	\$ 7,841,442

WASHINGTON COUNTY, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1999 - PRIMARY GOVERNMENT
FOR THE FISCAL YEAR ENDED AUGUST 31, 1999 - COMPONENT UNIT

	Proprietary Fund Type		Reporting Entity Totals (Memorandum Only)
	Enterprise	Component Unit	
OPERATING REVENUES			
Charges for Services	\$ 288,870	\$ 761,843	\$ 1,050,713
In-Kind Contributions	-	37,496	37,496
Other	392	255	647
Total Operating Revenues	<u>289,262</u>	<u>799,594</u>	<u>1,088,856</u>
OPERATING EXPENSES			
Salaries and Wages	69,758	478,177	547,935
Fringe Benefits	11,781	52,500	64,281
Contractual Services	114,566	79,961	194,527
Materials and Supplies	10,664	129,469	140,133
Other Operating Expenses	18,379	4,561	22,940
In-Kind Contributions	-	37,496	37,496
Depreciation	170,047	14,504	184,551
Total Operating Expenses	<u>395,195</u>	<u>796,668</u>	<u>1,191,863</u>
Operating Income (Loss)	<u>(105,933)</u>	<u>2,926</u>	<u>(103,007)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and Fiscal Charges	(43,738)	-	(43,738)
Interest Income	-	3,623	3,623
Other Non-Operating Revenues	1,465	7	1,472
Total Non-Operating Revenues (Expenses)	<u>(42,273)</u>	<u>3,630</u>	<u>(38,643)</u>
Net Income (Loss)	<u>(148,206)</u>	<u>6,556</u>	<u>(141,650)</u>
Depreciation on Fixed Assets Acquired by Contributed Capital	75,199	-	75,199
RETAINED EARNINGS (DEFICIT)			
AT BEGINNING OF YEAR - RESTATED (NOTE 3)	<u>(626,909)</u>	<u>227,498</u>	<u>(399,411)</u>
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	<u>\$ (\$699,916)</u>	<u>\$ 234,054</u>	<u>\$ (\$465,862)</u>

The accompanying notes are an integral part of the general purpose financial statements

**WASHINGTON COUNTY, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Enterprise Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for Services	\$ 277,308	\$ 277,308	\$ -
Tap-In Fees	12,737	12,737	-
Other Operating Revenues	392	392	-
Other Non-Operating Revenues	100	100	-
Note Proceeds	35,111	35,111	-
Special Assessments	10,200	10,200	-
Grants	170,725	170,725	-
Total Revenues	506,573	506,573	-
EXPENSES			
Salaries and Wages	82,882	69,193	13,689
Fringe Benefits	17,008	13,487	3,521
Contractual Services	165,765	125,328	40,437
Materials and Supplies	17,325	9,805	7,520
Other Operating Expenses	23,265	19,392	3,873
Capital Outlay	216,675	210,735	5,940
Debt Principal Retirement	80,414	75,437	4,977
Interest and Fiscal Charges	46,903	43,890	3,013
Total Expenses	650,237	567,267	82,970
Excess of Revenues Under Expenses	(143,664)	(60,694)	82,970
FUND EQUITY AT BEGINNING OF YEAR	138,120	138,120	-
Prior Year Encumbrances Appropriated	30,469	30,469	-
FUND EQUITY AT END OF YEAR	\$ 24,925	\$ 107,895	\$ 82,970

The accompanying notes are an integral part of the general purpose financial statements

**WASHINGTON COUNTY, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED DECEMBER 31, 1999 - PRIMARY GOVERNMENT
 FOR THE FISCAL YEAR ENDED AUGUST 31, 1999 - COMPONENT UNIT**

	<u>Proprietary Fund Type</u>		<u>Reporting Entity Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Component Unit</u>	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 277,308	\$ 765,710	\$ 1,043,018
Cash Payments for Employee Services and Benefits	(82,680)	(526,755)	(609,435)
Cash Payments for Goods and Services	(122,791)	(179,889)	(302,680)
Other Operating Revenues	392	255	647
Other Operating Expenses	(18,379)	(4,561)	(22,940)
Other Non-Operating Revenues	100	7	107
Net Cash Provided by Operating Activities	<u>53,950</u>	<u>54,767</u>	<u>108,717</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(209,235)	(18,706)	(227,941)
Note Proceeds	35,111	-	35,111
Contributed Capital	183,462	-	183,462
Special Assessments	10,200	-	10,200
Principal Paid on Notes and Loans Payable	(75,437)	-	(75,437)
Interest Paid on Notes and Loans Payable	(43,890)	-	(43,890)
Net Cash Used in Capital and Related Financing Activities	<u>(99,789)</u>	<u>(18,706)</u>	<u>(118,495)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investment	-	16,597	16,597
Interest	-	4,050	4,050
Net Cash Provided by Investing Activities	<u>-</u>	<u>20,647</u>	<u>20,647</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(45,839)</u>	<u>56,708</u>	<u>10,869</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>168,589</u>	<u>12,680</u>	<u>181,269</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 122,750</u>	<u>\$ 69,388</u>	<u>\$ 192,138</u>

(Continued)

The accompanying notes are an integral part of the general purpose financial statements.

**WASHINGTON COUNTY, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED DECEMBER 31, 1999 - PRIMARY GOVERNMENT
 FOR THE FISCAL YEAR ENDED AUGUST 31, 1999 - COMPONENT UNIT
 (CONTINUED)**

	<u>Proprietary Fund Type</u>		Reporting Entity Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Component Unit</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (105,933)	\$ 2,926	\$ (103,007)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:			
Other Non-Operating Revenues	100	7	107
Depreciation Expense	170,047	14,504	184,551
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(10,600)	2,947	(7,653)
(Increase) Decrease in Intergovernmental Receivables	-	920	920
Increase in Due from Other Funds	(962)	-	(962)
Decrease in Materials and Supplies Inventory	-	1,034	1,034
Increase in Prepaid Items	-	(1,140)	(1,140)
Increase in Accounts Payable	2,158	28,195	30,353
Increase in Accrued Wages and Benefits	266	3,873	4,139
Increase in Compensated Absences Payable	299	687	986
Increase (Decrease) in Intergovernmental Payables	(1,425)	814	(611)
Net Cash Provided by Operating Activities	<u>\$ 53,950</u>	<u>\$ 54,767</u>	<u>\$ 108,717</u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

During 1999, the 1% Permissive Sales Tax Special Revenue Fund acquired fixed assets for the Sewer Enterprise Fund in the amount of \$12,572. Also, the County levied a special assessment for Cherry Blossom Sewer improvements. This special assessment is reflected as contributed capital in the amount of \$57,552. The receivable is reflected as Due from Agency Funds - Special Assessments on the Combined Balance Sheet and will be reduced each subsequent year as the levy is collected.

The accompanying notes are an integral part of the general purpose financial statements.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

Washington County, Ohio (The County) was created July 26, 1778, by Governor Aurthur St. Clair. The County was the first county formed in the Northwest Territory and is comprised of twenty-two townships. The County is governed by a board of three County Commissioners elected by the voters of the County. An elected County Auditor serves as chief fiscal officer. In addition, there are seven other elected administrative officials. These officials are: County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, and Sheriff. Also elected are two Common Pleas Court Judges, and a Probate and Juvenile Court Judge. The County Commissioners serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the County.

A. Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading.

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Washington County, this includes the Board of Mental Retardation and Developmental Disabilities, the Mental Health and Recovery Services Board, 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 program's governing board and (1) the County is able to significantly influence the programs of services performed or provided by the organization; or (2) the County is legally entitled to or can 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 for which the County approves the budget, the levying of taxes, or the issuance of debt.

Discretely Presented Component Unit Wasco, Inc. is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The workshop, under a contractual agreement with the Washington County Board of Mental Retardation and Developmental Disabilities, provides sheltered employment for mentally retarded or handicapped adults in Washington County. The Washington County Board of MR/DD provides the workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the workshop. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the retarded and handicapped adults of Washington County, the workshop is presented as a component unit of Washington County. Wasco, Inc. operates on a fiscal year ending August 31. The financial statements of Wasco, Inc. were prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 29 following the governmental model of reporting. The workshop is required only to report operating information at the program level; however, since it operates under a single program, object level information is presented to provide more comprehensive financial information. Separately issued financial statements can be obtained from Wasco, Inc., Marietta, Ohio.

The following potential component units have been excluded from the County's financial statements:

- Washington County Career Center
- Washington County Educational Service Center
- Washington County Agriculture and Mechanical Association
- Washington County Historical Society
- Washington State Community College
- Washington County Cooperative Extension
- Marietta Tourist and Convention Bureau
- Washington County Law Library

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (CONTINUED)

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

Washington County General Health District The District is governed by the Board of Health which oversees the operation of the District and is elected by a regional advisory council comprised of township trustees, mayors of participating municipalities, and one County Commissioner. The council adopts its own budget and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with state and federal grants applied for by the District.

Washington County Soil and Water Conservation District The Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

The County is associated with certain organizations which are defined as jointly governed organizations and insurance purchasing pools. These organizations are presented in Note 19 and Note 21 to the General Purpose Financial Statements. The organizations are:

- Buckeye Hills-Hocking Valley Regional Development District
- Joint Solid Waste District
- Washington County Family and Children First Council
- Washington-Morgan Community Action Corporation
- Wood, Washington, and Wirt Planning Commission
- Buckeye Joint-County Self-Insurance Council
- County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is associated with the Washington County Public Library which is classified as a related organization. Additional information concerning the related organization is presented in Note 20.

B. Basis of Presentation - Fund Accounting

The County (primary government) and Wasco, Inc. (component unit) uses funds and account groups to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

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

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

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

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (CONTINUED)

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

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

Debt Service Fund This fund is used to account for the accumulation of financial resources for, and the payment of, general long-term obligations principal, interest, and related costs.

Capital Projects Funds These 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 the Proprietary Fund).

Proprietary Fund Type The Proprietary Fund is used to account for the County's ongoing activities which are similar to those found in the private sector. The County's Proprietary Fund is an Enterprise Fund. The Enterprise Fund is 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.

Fiduciary Fund Types These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following are the County's Fiduciary Fund types:

Expendable Trust Funds These funds are accounted for in essentially the same manner as governmental funds.

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to Generally Accepted Accounting Principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. The County applies Financial Accounting Standards Board statements and interpretations issued prior to November 30, 1989, to proprietary activities provided they do not conflict with Governmental Accounting Standards Board statements and interpretations.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Measurement Focus and Basis of Accounting

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

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

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

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

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: earnings on investments, sales tax (see Note 8), federal and state grants and subventions, and charges for current services. Major revenue sources not susceptible to accrual include licenses and permits, and fines and forfeitures, which are not considered measurable until received.

The County reports deferred revenues on its Combined Balance Sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the Combined Balance Sheet and revenue is recognized. Property taxes measurable as of December 31, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 1999 operations, have also been recorded as deferred revenue. Election costs, court costs, and child support enforcement and public assistance allocations also have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type and Wasco, Inc. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year end.

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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, legally are required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners. Budgetary information for Wasco, Inc. (component unit) is not reported because it is not included in the entity for which "the appropriated budget" is adopted, and does not itself maintain budgetary financial records.

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

Estimated Resources The County Budget Commission reviews estimated revenue 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 revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs either to be increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued on December 31, 1999.

Appropriations A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, program, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the Commissioners. Several supplemental appropriation resolutions were legally enacted by the County Commissioners during the year. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and reported in the Notes to the Financial Statements for the Proprietary Fund.

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.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Basis of Accounting While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of GAAP, the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts and disbursements and encumbrances.

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis), All Governmental Fund Types and Similar Trust Funds and the Combined Statement of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Budget Basis), Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis). Material encumbrances are disclosed in the Notes to the Financial Statements for the proprietary fund type (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. For the proprietary fund type, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. Revenues received by year end and not posted to cash (budget basis) are recorded as revenue (GAAP basis).

C. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled. Monies for all funds, including the Proprietary Fund, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the Combined Balance Sheet.

During 1999, the County had investments in certificates of deposit, which are reported at cost, and in money market funds and United States Government Bonds as part of the expendable trust funds. These investments have maturities greater than three months and are reported at fair value which is based on quoted market prices. The County Court Agency Fund also holds a certificate of deposit. The County Court Agency Fund's certificate of deposit and the investments of the expendable trust funds are reflected on the Combined Balance Sheet as "Investment in Segregated Accounts".

Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 1999 amounted to \$1,103,929, which includes \$1,020,528 assigned from other County funds.

The County has segregated bank accounts for monies held separate from the County's pooled accounts. These depository accounts are presented in the Combined Balance Sheet as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the County's Treasury.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments. *Investments for Wasco, Inc. (component unit) consist of certificates of deposit. These investments have maturities of more than three months.*

D. Receivables and Payables

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

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

E. Inventory

Inventories of governmental funds are stated at cost while inventories of the proprietary fund and Wasco, Inc. are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund type when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 1999, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

G. Interfund Assets and Liabilities

Short-term interfund loans or the short-term portion of advances are classified as interfund receivables/payables.

Amounts owed to a particular fund by another fund for goods or services rendered are classified as "Due from Other Funds/Due to Other Funds." The agency funds receive all tax collections and special assessments (including the County's portion) within the County and then distributes them to the political subdivisions. Therefore, receivables for the County's portion of property taxes, accounts, outstanding court costs, special assessments, and delinquent sewer accounts were reported as "Due from Agency Funds" in the governmental fund types. Their corresponding payables were reported as "Due to Other Funds" in the agency funds.

H. Fixed Assets and Depreciation

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

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

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property, plant, and equipment reflected in the Enterprise Fund are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation in the proprietary fund type and by Wasco, Inc. has been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Primary Government Estimated Lives</u>	<u>Wasco, Inc. Estimated Lives</u>
Buildings	40 years	10 years
Improvements other than Buildings	40 years	N/A
Equipment and Fixtures	5-20 years	10 years
Vehicles	5 years	10 years

Fixed asset values of the primary governments initially were determined at December 31, 1991, assigning original acquisition costs when such information was available. In cases when original costs were not practicably determinable, estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated. Wasco, Inc.'s asset values were determined at original acquisition cost when purchased.

I. Compensated Absences

GASB Statement 16, "Accounting for Compensated Absences", specifies the methods used to accrue liabilities for leave benefits. Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the County's termination policy. For Wasco, Inc., all unused vacation leave at fiscal year end is accrued as a liability.

The County records a liability for accumulated, unused vacation and compensatory time when earned for all employees exceeding their probation period. The County records a liability for accumulated, unused sick leave for all employees of the following departments after fifteen years of service: Recorder, Veterans, Commissioners, Auditor, Treasurer, Common Pleas Court, County Home, Juvenile/Probate Court, Clerk of Courts, and Board of Elections, and after twenty years of service for the remaining departments. For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the General Long-Term Obligations Account Group. In the Proprietary Fund and Wasco, Inc., the entire amount of compensated absences is reported as a fund liability.

J. Intergovernmental Revenues

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

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Obligation

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

Long-term debt and other obligations financed by the Proprietary Fund are reported as liabilities in the Proprietary Fund.

L. Contributed Capital

Contributed capital represents resources from other funds, other governments and customers provided to enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Tap-in fees are recorded as contributed capital to the extent they exceed the actual costs of the connection to the waste water system. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end except for depreciation on assets acquired through grants, which is expensed and closed to contributed capital at year end.

Because the County had not prepared financial statements in accordance with Generally Accepted Accounting Principles prior to 1991, the exact amount of contributed capital at December 31, 1991, cannot be determined. Consequently, only those amounts that have been able to be identified specifically have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the Proprietary Fund have been classified as retained earnings.

M. Capitalization of Interest

The County's policy is to capitalize net interest on Proprietary Fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax/exempt borrowing used to finance the project and interest earned from temporary investments on the debt proceeds. Capitalized interest is amortized on a straight-line basis over the estimated useful life of the asset.

For 1999, interest costs incurred on construction projects of the Proprietary Fund were not material.

N. Reserves of Fund Equity

The County records reservations for portions of fund equity which are legally separated for a specific future use or which do not represent available, spendable resources, and, therefore, are not available for appropriations for expenditures. Designated fund balances represent tentative plans for future use of financial resources. Undesignated fund balance indicates that portion of fund equity which is available for appropriations in future periods. Fund balance reserves have been established for encumbrances, inventory, unclaimed monies, and loans (community development block grant monies loaned to local businesses). By law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years.

O. Interfund Transactions

During the course of normal operations the County has numerous transactions between funds. The most significant include operating transfers and reimbursements.

Washington County, Ohio
Notes to the General Purpose Financial Statements
 December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Transfers of resources from one fund to another fund through which resources are to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.

P. Total Columns on General Purpose Financial Statements

Total Columns on the General Purpose Financial Statements are captioned "(Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with Generally Accepted Accounting Principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. When the title of a statement indicates that a component unit is included, two total columns are presented. The first is captioned "Primary Government" to indicate that only those activities that comprise the County's legal entity have been included. The second is captioned "Reporting Entity" and includes the activity and operations of the County's legally separate discretely presented component unit. (See Note 1). The total column on statements which do not include a component unit have no additional caption.

NOTE 3 - RESTATEMENT OF FUND EQUITY

During 1999, the County discovered that depreciation was understated in the Enterprise Fund. This adjustment had the following effect on net loss as previously reported as of December 31, 1998:

	Enterprise
Net Loss as Previously Reported	(\$180,290)
Understatement of Depreciation	(35,776)
Restated Net Loss for the Year Ended December 31, 1998	(\$216,066)

This and other changes had the following effects on fund balances/retained earnings as it was previously reported as of December 31, 1998:

	General	Special Revenue
Balances as Previously Reported	\$2,296,406	\$15,954,810
Cash Adjustments	(69,053)	69,053
Restated Balances as of December 31, 1998	\$2,227,353	\$16,023,863

	Enterprise
Balance as Previously Reported	(\$491,400)
Understatement of Depreciation	(135,509)
Restated Balance as of December 31, 1998	(\$626,909)

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 3 - RESTATEMENT OF FUND EQUITY (CONTINUED)

The General Fixed Assets Account Group was understated by \$7,862 in the previous year. The Account Group's balance at January 1, 1999, increased from \$21,176,949 to \$21,184,811.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES
ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR TRUST FUNDS

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$ 184,529	\$ 1,686,221	\$ 5,093	\$ (301,719)	\$ 2,413
Revenue Accruals	7,101	(463,842)	-	16,960	-
Segregated Accounts	(27,318)	-	-	(1,798)	-
Unrecorded Cash	(118,185)	(17,518)	-	(3,909)	-
Advances In	-	42,600	-	-	-
Prepays	15,785	24,034	-	1,892	-
Proceeds of Notes	-	-	-	190,000	-
Expenditure Accruals	(103,058)	(66,315)	-	(25,401)	-
Debt Service:					
Principal Retirement	-	-	-	(96,000)	-
Interest and Fiscal Charges	-	-	-	6,046	-
Advances Out	-	(42,600)	-	-	-
Encumbrances	<u>(358,675)</u>	<u>(2,039,723)</u>	<u>-</u>	<u>(89,692)</u>	<u>-</u>
Budget Basis	<u>\$ (399,821)</u>	<u>\$ (877,143)</u>	<u>\$ 5,093</u>	<u>\$ (303,621)</u>	<u>\$ 2,413</u>

Net Income (Loss)/Excess of Revenues Over (Under) Expenses
Proprietary Fund Type and Discretely Presented Component Unit

	<u>Enterprise</u>	<u>Component Unit</u>
GAAP Basis	\$ (148,206)	\$ 6,556
Revenue Accruals	(2,727)	-
Note Proceeds	35,111	-
Contributed Capital	183,462	-
Expenditure Accruals	1,146	-
Depreciation	170,047	-
Debt Principal	(75,437)	-
Capital Outlay	(209,235)	-
Excess of Revenues Collected Over Expenses for Non-Budgeted Activity	-	(6,556)
Encumbrances	<u>(14,855)</u>	<u>-</u>
Budget Basis	<u>\$ (60,694)</u>	<u>\$ -</u>

Washington County, Ohio
Notes to the General Purpose Financial Statements
 December 31, 1999

NOTE 5 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following funds had deficit fund balances/retained earnings as of December 31, 1999:

	Deficit Balances
<u>Special Revenue Funds:</u>	
Public Assistance	\$ 111,789
Cops More	399
 <u>Capital Projects Fund:</u>	
Salt Shed Construction	40,995
 <u>Enterprise Fund:</u>	
Sewer	699,916

The deficits in the Special Revenue Funds are the result of the recognition of payables in accordance with Generally Accepted Accounting Principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The deficit in the Salt Shed Construction Capital Projects Fund is the result of the issuance of notes to finance the project. Once the notes are retired, the deficit will be eliminated.

The deficit in the Sewer Enterprise Fund is due to the recognition of contributed capital and depreciation expense in accordance with Generally Accepted Accounting Principles. Management is reviewing and analyzing the sewer operations to determine appropriate measures necessary to eliminate this deficit.

B. Statutory Compliance

The following funds had appropriations in excess of estimated resources plus available balances for the year ended December 31, 1999:

	Resources	Appropriations	Excess
<u>Special Revenue Funds:</u>			
Litter Control	\$68,929	\$74,743	\$5,814
Community Development Block Grant	589,544	596,152	6,608
Federal Emergency Management Agency	396,517	403,679	7,162

The following accounts has expenditures/expenses plus encumbrances in excess of appropriations contrary to Section 5705.41, Ohio Revised Code:

	Excess
<u>Special Revenue Fund:</u>	
Motor Vehicle and Gasoline Tax Fund	
Public Works - Fringe Benefits	\$128,962
 <u>Capital Projects Fund:</u>	
Issue II Paving Fund	
Capital Outlay	222,610

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

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 demand upon the County Treasury. Active monies must be maintained either as cash in the County Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Monies held by the County which are not considered active are classified as inactive. 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 and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds 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) of this section 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) of this section 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; and,
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

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

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

Cash on Hand At year end, the County had \$151,729 in undeposited cash on hand which is included on the balance sheet of the County as part of "Cash and Cash Equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits At year end, the carrying amount of the County's deposits was \$20,785,648 and the bank balance was \$22,683,813. Of the bank balance:

1. \$746,895 was covered by federal depository insurance; and
2. \$21,936,918 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the County held to a successful claim by the FDIC.

Investments The County's investments are required to be categorized to give an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

	Interest Rates	Category 3	Fair Value
US Government Bonds	4.83 - 6.75%	\$270,551	\$270,551

The US Government Bonds have maturities ranging from January 15, 2000 to February 15, 2004.

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement 9	\$20,905,477	\$302,451
Cash on Hand	(151,729)	0
Certificates of Deposit	31,900	(31,900)
GASB Statement 3	\$20,785,648	\$270,551

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (CONTINUED)

COMPONENT UNIT

At fiscal year end, the carrying amount of Wasco, Inc.'s deposits was \$157,182 and the bank balance was \$159,021. All of the bank balances were covered by federal depository insurance. Wasco, Inc. holds two certificates of deposit totaling \$87,794. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit corporation.

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the County. Property tax revenue received during 1999 for real and public utility property taxes represents collections of 1998 taxes. Property tax payments received during 1999 for tangible personal property (other than public utility property) is for 1999 taxes.

1999 real property taxes are levied after October 1, 1999, on the assessed value as of January 1, 1999, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 1999 real property taxes are collected in and intended to finance 2000.

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. 1999 public utility property taxes became a lien December 31, 1998, are levied after October 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after October 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all County operations for the year ended December 31, 1999, was \$7.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

Real Property	\$638,112,270
Public Utility Tangible Personal Property	136,148,270
Tangible Personal Property	<u>212,248,100</u>
Total Assessed Value	<u>\$986,508,640</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 1999 operations. The receivable is offset by deferred revenue.

Washington County, Ohio
Notes to the General Purpose Financial Statements
 December 31, 1999

NOTE 8 - PERMISSIVE SALES AND USE TAX

In 1983, the County Commissioners by resolution imposed a one percent tax on all retail sales made in the County and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. At the November 1989 general election, an additional one-half percent tax was approved by the voters of the County. 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 the month. The State Auditor then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited to the General Fund and the 1% Permissive Sales Tax and Sheriff's Sales Tax Special Revenue Funds. Sales tax revenues that are measurable and available at year end are accrued as revenue. Sales and use tax revenue in 1999 amounted to \$8,694,086.

NOTE 9 - RECEIVABLES

Receivables at December 31, 1999, consisted of taxes, accounts (billings for user charged services including unbilled utility services, rent, County Home board and care, and outstanding court costs), special assessments, interfund, accrued interest, and intergovernmental receivables arising from grants and shared revenues. Loans receivable of \$31,613 is reported in the Community Development Block Grant Loan Special Revenue Fund which represents loans to local businesses which provides goods and services to the general public. All receivables are considered collectible in full, except delinquent court costs. The gross amount of court costs outstanding at year end was \$85,503. Amounts deemed uncollectible for these costs were \$14,033 for a net receivable of \$71,781. Delinquent sewer accounts receivable (billings for user charged services including unbilled utility services) are certified and collected as a special assessment, subject to foreclosure for nonpayment. Wasco, Inc. uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible at fiscal year end; therefore, no allowance for doubtful accounts has been recorded.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amount
General Fund:	
Defense of Indigents	\$10,599
Detention Services	4,425
Estate Tax	1,382
Federal Emergency Management Assistance	2,193
House Bill 408 Reimbursement	3,103
Juvenile Court Subsidy	19,767
Local Government	88,605
Municipal Court Fines	5,941
School Lunch Reimbursement	2,360
Sheriff Contracts	2,100
Tuition Reimbursement	3,175
Other	28
Total General Fund	143,678

Washington County, Ohio
Notes to the General Purpose Financial Statements
 December 31, 1999

NOTE 9 - RECEIVABLES (CONTINUED)

<u>Intergovernmental Receivables</u>	<u>Amount</u>
Special Revenue Funds:	
Bridge Credits	\$567,724
Case Management	1,104
CDBG	29,468
Child Welfare Subsidy	88,334
Childrens Trust Grant	5,944
Disaster Services Grant	3,880
Drug Abuse Resistance Education	11,705
Federal COPS Grant	3,605
Federal COPS More Grant	758
Foster Care Grant	11,725
Gas Excise Tax	75,070
Individual Options	7,330
Jail Diversion	36,881
Jobs Coach Grant	14,182
Juvenile Victim Witness	4,547
Large Project Damage Survey	65,486
Litter Control Grant	22,640
Medicaid	187,573
Mental Health Operating Subsidy	326,909
Motor Vehicle License	98,359
Municipal Court Fines	6,803
ODHS 2820	15,087
ODMH PASARR Grant	4,019
ODOT Funds	22,189
Per Capita Block Grant	34,026
Permissive Motor Vehicle License	24,952
Public Transit Matching Funds	4,455
School Lunch Reimbursement	3,701
Southern Consortium	16,875
Take Pride in Ohio Schools Grant	300
Title IV-E	119,167
Title XIX and Total Case Management	218,422
Title XX	11,427
Urban Mass Transportation Grant	63,724
Victim Witness	4,530
Women's Set Aside Grant	<u>5,349</u>
Total Special Revenue Funds	<u>2,118,250</u>

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 9 - RECEIVABLES (CONTINUED)

Intergovernmental Receivables	Amount
Enterprise Fund:	
Federal Emergency Management Assistance	1,365
Agency Funds:	
Gas Excise Tax	59,693
Library and Local Government	183,106
Local Government	108,427
Motor Vehicle License	28,127
Total Agency Funds	379,353
Total All Funds	\$2,642,646

NOTE 10 - FIXED ASSETS

A summary of the Enterprise Fund's fixed assets at December 31, 1999, and the fixed assets of Wasco, Inc. at August 31, 1999, follows:

Asset Category	Primary Government	Component Unit
Land	\$3,143	\$0
Buildings	418,785	1,805
Improvements other than Buildings	6,150,813	0
Equipment and Furniture	75,137	165,794
Vehicles	44,223	72,795
Construction in Progress	5,477	0
Total	6,697,578	240,394
Less Accumulated Depreciation	1,406,730	191,629
Net Fixed Assets	\$5,290,848	\$48,765

A summary of the changes in general fixed assets during 1999 follows:

Asset Category	Balance at 12/31/98	Additions	Deletions	Balance at 12/31/99
Land	\$233,413	\$0	\$0	\$233,413
Buildings	10,193,260	0	0	10,193,260
Machinery and Equipment	6,607,211	379,100	413,087	6,573,224
Furniture and Fixtures	1,520,612	44,527	3,726	1,561,413
Vehicles	2,630,315	374,905	362,909	2,642,311
Total	\$21,184,811	\$798,532	\$779,722	\$21,203,621

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 11 - RISK MANAGEMENT

PRIMARY GOVERNMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee injuries; and natural disasters. During 1999, the County contracted with the Buckeye Joint-County Self-Insurance Council (an insurance purchasing pool, see Note 21) for liability, auto, and crime insurance for members. Each member pays a premium for their coverage. The agreement provides that the Council will be self-sustaining through member premiums. Coverage provided by the program and applicable deductibles are as follows:

	<u>Coverage</u>	<u>Deductible</u>
General Liability	\$1,000,000/2,000,000	\$1,000
Public Officials Including Law Enforcement	1,000,000/2,000,000	1,000
Automobile	1,000,000 Per Occurrence	0
Pollution Liability	10,000	1,000
Risk Blanket Property	Per Schedule	500
Flood	Included	2,500
Earthquake	Included	25,000
Electronic Data Processing Equipment	175,000	500
Blanket Bond	250,000	0
Elected Officials Bond	Per Schedule	0
Money and Securities	500,000	500
Boiler and Machinery	Included	500
Inland Marine	Per Schedule	100
Auto Comprehensive	Per Schedule	100
Auto Collision	Per Schedule	250
Nurse Liability	1,000,000	1,000
EMT/EMTA/Paramedics	1,000,000/2,000,000	1,000

Settled claims have not exceeded coverage in any of the last three years. There has been no significant reduction in coverage from the prior year.

For 1999, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 21). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The worker's compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of Gates McDonald, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 11 - RISK MANAGEMENT (CONTINUED)

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

The County pays all elected official bonds by State statute.

COMPONENT UNIT

Professional and general liability is protected by the Erie Insurance Group with a \$1,000,000 per occurrence limit. Property damage is covered up to \$80,000 per scheduled property. Vehicles are also covered under the Erie Insurance Group with liability coverage up to \$1,000,000 per occurrence. Officers and directors liability is covered through Cincinnati Insurance Company at \$1,000,000. Settlement amounts have not exceeded this coverage in any of the past three years.

Wasco, Inc. pays the State Workers' Compensation System a premium for employee injury coverage. The premium is based on a rate per \$100 of covered wages. This rate is calculated based on accident history and administrative costs.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

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

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the County is required to contribute 9.35 percent. For law enforcement employees, the employee contribution is 9 percent and the employer contribution is 12.5 percent. Contributions are authorized by State statute. The County's required contributions to PERS for the years ended December 31, 1999, 1998, and 1997 were \$1,299,949, \$1,214,410, and \$1,007,468, respectively; 95.79 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$54,699 represents the unpaid contribution for fiscal year 1999 and is recorded as a liability within the respective funds.

B. State Teachers Retirement System

Certified teachers employed by the school for the Mental Retarded/Developmentally Disabled participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

For the fiscal year ended June 30, 1999, plan members were required to contribute 9.3 percent of their annual covered salaries. The County was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's required contributions for pension obligations to STRS for the years ended December 31, 1999, 1998, and 1997 were \$97,671, \$82,848 and \$73,051, respectively; 97.93 percent has been contributed for 1999 and 100 percent for 1998 and 1997. \$843 represents the unpaid contribution for 1999 and is recorded as a fund liability.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 1999 employer contribution rate was 13.55 percent of covered payroll for employees not engaged in law enforcement, and 16.70 percent for law enforcement employees; 4.2 percent was the portion that was used to fund health care.

Benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The County's actual contributions for 1999 which were used to fund OPEB were \$563,290.

During 1997, PERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health coverage.

B. State Teachers Retirement System

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the County, this amount equaled \$54,387 for 1999.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 13 - POSTEMPLOYMENT BENEFITS (CONTINUED)

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1998, (the latest information available) the balance in the Fund was \$2,156 million. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

NOTE 14 - OTHER EMPLOYER BENEFITS

A. Deferred Compensation Plan

Washington County employees and elected officials may participate in a state-wide deferred compensation plan created in accordance with Internal Revenue Code Section 457 offered by the State of Ohio. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

B. Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. Accumulated, unused vacation time, accumulated, unused sick leave, and compensatory time is paid to a terminated employee at varying rates depending on length of service and department policy.

C. Insurance Benefits

The County provides employee medical/surgical benefits, life insurance, and accidental death and dismemberment insurance to employees, except Children Services, and MR/DD, through Aetna. The plan has \$100 single and \$250 family deductible limits. Except for employees of the Department of Human Services, Child Support Enforcement Agency, Mental Health, Health Department, and the Engineer Department, the County pays 70 percent of the total monthly premium for family coverage and 80 percent for single coverage. The County pays 80 percent for both single and family coverage for employees of the Department of Human Services and the Child Support Enforcement Agency. The County pays 100 percent for both single and family coverage for employees of the Mental Health Department. The County pays 100 percent for single coverage and 81 percent for family coverage for employees of the Health Department. The County pays 85 percent for single coverage and 75 percent for family coverage for employees of the Engineer Department. Premiums are paid from the same funds that pay the employee's salaries.

Employee medical/surgical benefits, life insurance, and accidental death and dismemberment insurance to employees of the Children Services Department and MR/DD through Medical Benefits Mutual.

Dental insurance is provided to employees of the Department of Human Services, Child Support Enforcement Agency, and the Children Services Board. Vision insurance is provided to employees of the Department of Human Services and the Child Support Enforcement Agency.

NOTE 15 - CONTRACTUAL COMMITMENTS

As of December 31, 1999, the County had contractual purchase commitments as follows:

Projects	Fund	Purchase Commitments	Amounts Paid as of 12/31/99	Amounts Remaining on Contracts
Courthouse Restoration	1% Permissive Sales	\$462,078	\$218,050	\$244,028
1999 Paving Project	Motor Vehicle and Gasoline Tax	783,306	722,693	60,613
Total		<u>\$1,245,384</u>	<u>\$940,743</u>	<u>\$304,641</u>

Washington County, Ohio
Notes to the General Purpose Financial Statements
 December 31, 1999

NOTE 16 - LONG-TERM OBLIGATIONS

Changes in the County's long-term obligations during the year consisted of the following:

	Outstanding 12/31/98	Additions	Deletions	Outstanding 12/31/99
General Long-Term Obligations:				
General Obligation Bonds:				
Open Door Home - 4.40%-5.90%	\$1,800,000	\$0	\$45,000	\$1,755,000
Courthouse Renovation - 3.75%-5.00%	1,175,000	0	95,000	1,080,000
Building Acquisition - Human Services - 3.75%-5.50%	1,675,000	0	50,000	1,625,000
Building Acquisition - Commissioners - 3.75%-4.75%	315,000	0	35,000	280,000
Total General Obligation Bonds	4,965,000	0	225,000	4,740,000
Energy Conservation Note - 5.125%	0	114,523	0	114,523
SIB Putnam Street Bridge Loan - 4.25%	0	1,530,000	280,000	1,250,000
Compensated Absences	598,308	849,676	832,668	615,316
Tax Refund Payable	35,091	0	8,773	26,318
Total General Long-Term Obligations	5,598,399	2,494,199	1,346,441	6,746,157
Enterprise Fund Obligations:				
OPWC Loans:				
Devola Sewer Loan - 0%	262,841	0	16,428	246,413
Waste Water Treatment Plant Loan - 4%	78,193	0	10,759	67,434
Cherry Blossom Sewer Loan - 2%	60,259	20,111	0	80,370
Barlow Vincent Sewer Plant Loan - 0%	213,750	0	11,250	202,500
Total OPWC Loans	615,043	20,111	38,437	596,717
FHA Sewer Loans	866,500	0	7,000	859,500
Total Enterprise Fund Obligations	1,481,543	20,111	45,437	1,456,217
Total Long-Term Obligations	\$7,079,942	\$2,514,310	\$1,391,878	\$8,202,374

The Courthouse Renovation, Open Door Home Construction, and the Commissioners portion of the Building Acquisition general obligation bonds are unvoted and will be retired from the General Bond Retirement Fund with general property tax revenues. The Human Services portion of the Building Acquisition general obligation bonds is unvoted and will be retired from the Human Services Bond Retirement Fund with rental payments received from the Public Assistance Special Revenue Fund. The Energy Conservation Note is unvoted and will be retired with monies realized through energy savings.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 16 - LONG-TERM OBLIGATIONS (CONTINUED)

Compensated absences reported in the "Compensated Absences Payable" account will be paid from the fund from which the employees' salaries are paid.

Based on the March 26, 1997 decision by the Ohio State Supreme Court, the County is required to refund to Texas Eastern Transmission Corporation public utility property taxes collected for the 1991 through 1996 tax years. The liability will be paid from the General Fund, the County Home and MR/DD Special Revenue Funds, and the Bond Retirement Fund through reductions in tax settlements. No interest will be charged on the liability for the 1992 through 1996 tax years.

The following is a summary of the County's future annual principal and interest (of \$2,361,667) requirements to retire general obligation bonds:

Year Ended December 31,	Total
2000	\$484,473
2001	483,249
2002	486,322
2003	483,542
2004	485,032
2005 - 2009	2,113,074
2010 - 2014	1,420,750
2015 - 2018	1,145,225
	\$7,101,667

The Ohio Public Works Commission Devola loan and part of the Cherry Blossom loan will be repaid using revenue from a special assessment assessed upon property owners. In the event of default of the property owners, the County would pay the loan using the operating revenues of the sewer district. The Waster Water Treatment Plant loan, the Barlow Vincent Sewer loan, parts of the Cherry Blossom loan, and the FHA loan will be repaid using operating revenues of the sewer district. All of the loans are recorded in the Sewer Enterprise Fund.

The following is a summary of the County's future annual principal and interest (of \$997,463) requirements to retire loans:

Year Ended December 31,	Total
2000	\$87,243
2001	87,320
2002	86,983
2003	87,647
2004	83,209
2005 - 2009	385,500
2010 - 2014	367,443
2015 - 2019	356,683
2020 - 2024	234,737
2025 - 2037	676,915
	\$2,453,680

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 16 - LONG-TERM OBLIGATIONS (CONTINUED)

In 1998, the County entered into a loan agreement for \$1,530,000 with the State Infrastructure Bank for the construction of the Putnam Street bridge. The loan was issued for seven years, one year at 0% interest and 4% interest thereafter. As of December 31, 1999, the County had received all draws from this loan; however, since construction is not yet complete, payments on the loan are not yet required and an amortization schedule has not been established. The County, though, has elected to make a \$280,000 payment during 1999. The County has pledged sales tax revenues for payment of the loan.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total valuation of the County. The Code further provides that the total shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The County's overall legal debt margin was \$17,081,191 at December 31, 1999.

Pursuant to State statute, various industrial revenue bonds have been issued for private industry within the County. The proceeds of the industrial revenue bonds are used by the various private industries for new construction or improvements. The bonds are to be repaid by the recipients of the proceeds and do not represent an obligation of the County. As of December 31, 1999, \$56,050,000 of industrial revenue bonds had been issued, and \$45,724,891 of those remained outstanding.

NOTE 17 - NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 1999, follows:

	Outstanding 12/31/98	Additions	Reductions	Outstanding 12/31/99
Capital Projects Funds:				
Salt Shed - 7.50%	\$81,000	\$40,000	\$81,000	\$40,000
Detention Center Computers - 7.50%	0	150,000	0	150,000
Court Computers - 7.50%	15,000	0	15,000	0
Total Capital Projects Funds	96,000	190,000	96,000	190,000
Enterprise Fund:				
Cherry Blossom - 4.00%	30,000	15,000	30,000	15,000
Total Enterprise Fund	30,000	15,000	30,000	15,000
Total All Funds	\$126,000	\$205,000	\$126,000	\$205,000

The notes are backed by the full faith and credit of Washington County and will mature in one year. The note liability is reflected in the fund which received the proceeds. The notes are issued in anticipation of long-term bond financing and are refinanced until such bonds are issued.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 18 - INTERFUND TRANSACTIONS

Due from Other Funds and Due to Other Funds at December 31, 1999, consisted of the following:

<u>Due from/to Other Funds</u>	<u>Recipient</u>	<u>Payer</u>
General Fund	\$2,343,893	\$13,666
Special Revenue Funds:		
Mental Health	5,500	17,040
Public Assistance	0	22,561
Child Support Enforcement Agency	8,702	1,502
Certificate of Title Administration	17,066	0
Motor Vehicle and Gasoline Tax	12,671	0
MR/DD	2,790,271	260
County Home	1,245,567	0
Children Services	28,879	7,480
Felony Delinquent Care	1,080	0
Law Enforcement Block Grant	8	0
Indigent Guardianship	25	0
Community Development Block Grant	987	0
Total Special Revenue Funds	<u>4,110,756</u>	<u>48,843</u>
Bond Retirement Fund	<u>186,341</u>	<u>0</u>
Court Computer Capital Projects Fund	<u>4,326</u>	<u>0</u>
Sewer Enterprise Fund	<u>354,342</u>	<u>0</u>
Agency Funds:		
Undivided Tax	0	6,839,511
County Court Agency	0	80,220
Family and Children First	0	13,794
Sheriff Agency	0	5,047
Law Library	1,423	0
Total Agency Funds	<u>1,423</u>	<u>6,938,572</u>
Total Due from/to Other Funds	<u>\$7,001,081</u>	<u>\$7,001,081</u>

Washington County, Ohio
Notes to the General Purpose Financial Statements
 December 31, 1999

NOTE 18 - INTERFUND TRANSACTIONS (CONTINUED)

Interfund Receivables and Payables at December 31, 1999, consisted of the following:

<u>Interfund Receivables and Payables</u>	<u>Receivable</u>	<u>Payable</u>
Special Revenue Funds:		
1% Permissive Sales Tax	\$577	\$0
Urban Mass Transportation	0	577
Sheriff's Sales Tax	6,000	0
COPS More	0	6,000
	<hr/>	<hr/>
Total	\$6,577	\$6,577
	<hr/> <hr/>	<hr/> <hr/>

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

A. *Buckeye Hills-Hocking Valley Regional Development District*

The Buckeye Hills-Hocking Valley Regional Developmental District serves as the Area Agency on Aging for Washington, Athens, Hocking, Meigs, Monroe, Morgan, Noble, and Perry Counties. The District was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The District is governed by a fifteen member Board of Directors. The Board is composed of one County Commissioner from each county, one member from the City of Athens, one member from the City of Marietta, four at-large members appointed from the ten government members, and one member from the minority sector. The Board has total control over budgeting, personnel, and all other financial matters. The District administers County Community Development Block Grant and Issue II monies. During 1999, the District received \$5,243 in administrative fees from Washington County. The continued existence of the District is not dependent on the County's continued participation and no equity interest exists.

B. *Joint Solid Waste District*

The County is a member of the Joint Solid Waste District which consists of Washington, Guemsey, Monroe, Morgan, Muskingum, and Noble Counties. The purpose of the District is to make disposal of waste in the six-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by Ohio Revised Code.

The Joint Solid Waste District is governed and operated through three groups. An eighteen-member Board of Directors, composed of the three Commissioners from each County, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no contributions were received from the County in 1999. No future contributions by the County are anticipated. A thirty-one Member Policy Committee, composed of five members from each county and one at-large member appointed by the Policy Committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the Policy Committee. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

C. Washington County Family and Children First Council

The Washington County Family and Children First Council provides services to multi-need youth in Washington County. Members of the Cluster include the Washington County Health Department, the Regional Office of Youth Services, the Washington County Juvenile Court, the Washington County Mental Health Board, Washington County Children Services, the General Health District, a representative from the City of Marietta Health Department, and a representative of the Washington County School Districts. The operation of the Council is controlled by an advisory committee which consists of a representative from each agency. In 1999, the County contributed \$47,349. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists.

D. Washington-Morgan Community Action Corporation

The Community Action Program Corporation of Washington-Morgan Counties is operated as non-profit organization formed to provide various programs in Washington and Morgan Counties. Currently, the Corporation administers the Family Service and Outreach Program, the Community Action Bus Line (CABL), the Child Development Program, the Senior Nutrition Program, Women, Infants and Children's Supplemental Nutrition Program, the Home Weatherization Assistance and Energy Program, the Job Training and Partnership Act Program, Housing and Urban Development Section 8 Existing Housing Voucher/Certificate Program, and various other state and federal programs. The Corporation is the direct recipient of the federal and state monies. The Corporation is governed by a fifteen member Council. The Council is composed of the Mayor of the City of Marietta, the Mayor of the City of Belpre, two Commissioners from Washington County, one Commissioner from Morgan County, five lower income representatives, and five private sector representatives from Washington and Morgan Counties selected by outreach workers. Currently, the Corporation, by contract with the City of Marietta and Washington and Morgan Counties, provides administrative services to these governments in specific programs. The continued existence of the Corporation is not dependent on the County's continued participation and no equity interest exists.

E. Wood, Washington, and Wirt Planning Commission

The Wood, Washington, and Wirt Planning Commission was created to fulfill the requirements governing urban transportation planning under the Federal Highway Administration and Urban Mass Transportation Administration program regulations in Wood, Washington, and Wirt Counties. The Commission was formed pursuant to West Virginia Code Sections and Ohio Revised Code Section 713.30 and serves as a form of a regional planning commission. The Commission is composed of representatives from county and city governments and a cross section of members from the community appointed by the governmental units. Currently, the Commission has eight governmental representatives and one Washington County Commissioner serves on the Commission. Revenues are derived from Federal Highway and Federal Transportation Administration Grants distributed by the States of Ohio and West Virginia. Local governments contribute a ten percent local match. In 1999, the County contributed \$5,314. The continued existence of the Commission is not dependent on the County's continued participation and no equity interest exists.

NOTE 20 - RELATED ORGANIZATION

The Washington County Public Library is statutorily created as a separate and distinct political subdivision of the State governed by a Board of Trustees consisting of seven members. The Washington County Commissioners appoint three members. The County made no contributions to the Public Library. 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 of the Library, this is strictly a ministerial function. Once the Board of Trustees has determined that a levy is necessary, its amount, and its duration, the County must place the levy before the voters. The Library may issue debt or the County may provide facilities for the Library through the issuance of debt if the voters agree.

Washington County, Ohio
Notes to the General Purpose Financial Statements
 December 31, 1999

NOTE 21 - INSURANCE PURCHASING POOLS

A. Buckeye Joint-County Self-Insurance Council

The Buckeye Joint-County Self-Insurance Council is an insurance purchasing pool that serves Washington, Athens, Hocking, Jackson, Lawrence, Meigs, Monroe, Morgan, Noble, Perry, Pike, and Vinton Counties, and was formed as an Ohio not-for-profit corporation for the purpose of establishing an insurance pool to obtain general liability, law enforcement, professional, and fleet insurance. Member counties provide operating resources to the Council based on actuarially determined rates.

The degree of control exercised by any participating government is limited to its representation on the Council. The Governing Board is composed of at least one County Commissioner from each of the participating counties. The Governing Board annually elects officers which include a President, Vice President, Second Vice President, and two Governing Board members. The expenses and investment of funds by the officers must be approved by the Governing Board unless specific limits have been set by the Governing Board to permit otherwise.

In the event of losses, the first \$250 to \$2,500 of any valid claim, depending on type of loss, will be paid by the member. The next payment, with a maximum pay out ranging from \$100,000 to \$1,000,000 per occurrence, will come from the self-insurance pool based on the member's percentage of contribution. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments. Washington County does not have any ongoing financial interest or responsibility. The agreement between the counties and the Council indicates that a voluntary withdrawal or termination by any county shall constitute a forfeiture of any pro rate share of the Council reserve fund. Current calculation of this potential residual interest is, therefore, not possible. During 1999, Washington County paid \$172,385 to the Council for insurance coverage.

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

The County is participating in a group rating plan for workers' compensation as established under Section 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 CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuring year by the participants at the meeting held in the month of December each year. No participant can have more than member of the Group Executive Committee in any year and each elected member shall be a County Commissioner.

NOTE 22 - CONTRIBUTED CAPITAL

During the year, contributed capital changed by the following amounts:

Contributed Capital at 12/31/98	\$5,004,560
Contributions During the Year:	
Customers	70,289
County Funds	12,572
	82,861
Depreciation of Assets Acquired by Contributed Capital	(75,199)
Contributed Capital at 12/31/99	\$5,012,222

Washington County, Ohio
Notes to the General Purpose Financial Statements
December 31, 1999

NOTE 23 - FOOD STAMPS

The County's Department of Human Services (Welfare) distributes, through contracting issuance centers, federal food stamps to entitled recipients within Washington County. The receipt and issuance of these stamps have the characteristics of a federal grant. However, the Department of Human Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. The County's Department of Human Services had on hand for distribution approximately \$33,840 of federal food stamps at December 31, 1999.

NOTE 24 - RELATED PARTY TRANSACTIONS

Wasco, Inc., a discretely presented component unit of Washington County, received contributions from the County for facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of its program. These contributions are reflected as operating revenues and operating expenses at cost or fair market value, as applicable, in the General Purpose Financial Statements in the amount of \$37,496. Additional habilitative services provided directly to the component unit's clients by the County amounted to \$847,925.

NOTE 25 - CONTINGENT LIABILITIES

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.

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecutor, any potential liability would not have a material effect on the County's financial condition.

WASHINGTON COUNTY, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 1999

FEDERAL GRANTOR/ GRANTOR/PASS-THROUGH AGENCY Program Title	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Ohio Department of Development: Community Development Block Grants:			
New Horizons Fair Housing Assistance Program	14.228	B-N-95-077-1	\$ 4,000
Community Housing Improvement	14.228	B-C-98-077-1	116,326
Small Cities - Formula Allocation Program	14.228	B-F-97-077-1	1,547
Small Cities - Formula Allocation Program	14.228	B-F-98-077-1	166,811
Water and Sanitary Sewer Competitive Grant	14.228	B-W-98-077-1	253,900
Imminent Threat Program	14.228	B-I-98-077-1	<u>78,391</u>
Total #14.228			620,975
Community Housing Improvement (HOME)	14.239	B-C-98-077-2	<u>20,000</u>
Total Department of Housing and Urban Development			<u>640,975</u>
DEPARTMENT OF TRANSPORTATION			
Passed through Ohio Department of Transportation: Section 18 Operating Assistance Grant			
	20.509	RPT-4084-016-991	<u>144,428</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Retired and Senior Volunteer Program	94.002	440N002/18	<u>62,608</u>
DEPARTMENT OF EDUCATION			
Passed through Ohio Department of Education: Pre-school Disabilities Grant			
	84.173	066274-PG-S1-989D	<u>11,282</u>
DEPARTMENT OF JUSTICE			
Passed through the Office of Criminal Justice Services:			
Law Enforcement Block Grant	16.592	98-LE-LEB-3002	<u>10,235</u>
Public Safety Partnership and Community:			
Policing Grants (COPS Fast)	16.710	CMWX3027/CFWX2097	97,284
Policing Grants (COPS More)	16.710	97-CM-WX-0244	<u>17,094</u>
Subtotal			<u>114,378</u>
Passed through the Ohio Attorney General:			
Crime Victims Assistance	16.582	VAGENE253T	35,515
Juvenile Crime Victims Assistance	16.582	VAGENE253X	<u>26,526</u>
Subtotal			<u>62,041</u>
Total Department of Justice			<u>186,654</u>
DEPARTMENT OF AGRICULTURE			
Passed through the Ohio Department of Education: Child Nutrition Cluster:			
National School Lunch Program	10.555	IRN 066274	6,672
National School Breakfast Program	10.553	n/a	<u>4,434</u>
Total Department of Agriculture			<u>11,106</u>

WASHINGTON COUNTY, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 1999

FEDERAL GRANTOR/ GRANTOR/PASS-THROUGH AGENCY <u>Program Title</u>	FEDERAL CFDA <u>NUMBER</u>	PASS-THROUGH GRANTOR'S <u>NUMBER</u>	<u>EXPENDITURES</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through the Ohio Department of Mental Retardation and Developmental Disabilities:			
Title XX-Social Services Block Grant	93.667	210-02MR-84	67,847
Title XIX-Medical Assistance Program	93.778	8400019	616,448
Passed through the Ohio Department of Alcohol and Drug Addiction Services:			
Title XIX-Medical Assistance Program	93.778	n/a	43,373
Substance Abuse Prevention & Treatment Block Grant	93.959	n/a	219,194
Women's Setaside	93.959	n/a	39,871
Total #93.959			<u>259,065</u>
Passed through the Ohio Department of Mental Health:			
Title XX-Social Services Block Grant	93.667	n/a	26,605
Title XIX-Medical Assistance Program	93.778	n/a	195,200
Community Plan	93.958	n/a	27,542
Child and Adolescent Block Grant	93.958	n/a	50,655
Housing Assistance Program	93.958	n/a	5,592
Total #93.958			<u>83,789</u>
Passed through the Ohio Department of Human Services:			
Visitation/Access Pilot Project	93.597	n/a	50,421
Passed through the Ohio Department of Health:			
Tobacco Prevention Project	93.283	484-J	3,934
Family Stability Incentive Grant	93.556	71-CS-99-01	71,941
Maternal and Child Health Block Grant - Dental Sealant Grant	93.994	484-G	26,053
Total Department of Health and Human Services			<u>1,444,676</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Passed through the Ohio Department of Public Safety:			
Emergency Management Assistance Program	83.544	1227-DR-167-91003	160,030
Emergency Management Assistance Program	83.544	1227-DR-167-00000	163,611
Subtotal			<u>323,641</u>
State and Local Assistance Program	83.552	n/a	22,475
Total Federal Emergency Management Agency			<u>346,116</u>
TOTAL			<u>\$ 2,847,845</u>

The total amount expended under CFDA # 93.778 Title XIX - Medical Assistance Program was \$ 855,021.
 The total amount expended under CFDA # 93.667 - Title XX - Social Services Block Grant was \$ 94,452.

The accompanying notes are an integral part of this schedule.

**WASHINGTON COUNTY, OHIO
YEAR ENDED DECEMBER 31, 1999**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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 to other governments or not-for-profit agencies (subrecipients). As described in Note A, the Government 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 — 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. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on real estate and liens on business equipment. At December 31, 1999, the gross amount of loans outstanding under this program were \$31,613.

NOTE D — 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.

SNODGRASS

Certified Public Accountants and Consultants



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Washington County
Marietta, Ohio

We have audited the general purpose financial statements of Washington County, Ohio as of and for the year ended December 31, 1999, and have issued our report thereon dated June 2, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 Washington County, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Washington County, Ohio in a separate letter date June 2, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Washington County, Ohio'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, which we have reported to management of Washington County, Ohio in a separate letter dated June 2, 2000.

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

S. N. Goodman, A.C.

Wheeling, West Virginia
June 2, 2000

SNODGRASS

Certified Public Accountants and Consultants



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

Board of Commissioners
Washington County
Marietta, Ohio

Compliance

We have audited the compliance of Washington County, Ohio 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, 1999. 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 each of its major federal programs is the responsibility of the management of the County. Our responsibility is to express an opinion on Washington County, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Washington County, Ohio'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 Washington County, Ohio's compliance with those requirements.

In our opinion, Washington County, Ohio 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, 1999.

Internal Control Over Compliance

The management of Washington County, Ohio 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 Washington County, Ohio'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.

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

S. N. Snodgrass, A.C.

Wheeling, West Virginia
June 2, 2000

**WASHINGTON COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 1999**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

A unqualified opinion has been issued on the financial statements of Washington County, Ohio as of and for the year ended December 31, 1999, dated June 2, 2000.

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Reportable condition(s) identified not considered to be material weaknesses? Yes No
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Reportable condition(s) identified not considered to be material weaknesses? Yes No

An unqualified opinion has been issued on the compliance for major programs of Washington County, Ohio as of and for the year ended December 31, 1999, dated June 2, 2000.

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.228	U.S Department of Housing and Urban Development Community Development Block Grants
83.544	Federal Emergency Management Agency Emergency Management Assistance Program
93.778	U.S. Department of Health & Human Services - Title XIX - Medical Assistance Program

The dollar threshold used to determine major programs was \$300,000.

Washington County, Ohio did not qualify as a low-risk auditee for the year ended December 31, 1999.

Washington County, Ohio
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 1999

SECTION II - FINANCIAL STATEMENT FINDINGS

Financial Statement Findings in Accordance with Generally Accepted Government Auditing Standards (GAGAS)

We noted no findings related to the financial statements which are required to be reported in accordance with GAGAS.

Findings and Questioned Costs for Federal Awards

We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended December 31, 1999.

**WASHINGTON COUNTY, OHIO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 1999**

Finding Number 98-01:

Finding Summary: One of the bank accounts for the Child Support Enforcement Agency had not been reconciled for several months.

Corrective action was taken during 1999.

Finding Number 98-02:

Finding Summary: The County did not maintain an accurate listing of amounts due for child support payments.

Corrective action was taken during 1999 with the situation completely corrected in February 2000.

**WASHINGTON COUNTY, OHIO
CONCLUSION STATEMENT
DECEMBER 31, 1999**

This audit report, including comments and recommendations contained in the management letter, was reviewed with and acknowledged by the following officials on June 22, 2000.

Sandra I. Matthews	-	Commissioner
Larry Steinel	-	Commissioner
Samuel Cook	-	Commissioner
Janet A. Seaman	-	Auditor
Dorothy Peppel	-	Treasurer

Representing the independent audit firm of S. R. Snodgrass, A.C., was:

Michael A. Zeno	-	Senior Vice-President
Franklin D. Holley, Jr.	-	In-charge Auditor

County officials were informed that the County had five working days from the date of the post audit conference to respond to, or contest in writing, the report contents.

County officials stated that none of the citations or items of noncompliance would be contested.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

WASHINGTON COUNTY FINANCIAL CONDITION
WASHINGTON 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.

By: *Susan Babbitt*

Date: JULY 25, 2000