



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ASHLAND COUNTY
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	1
Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Unit	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	9
Combined Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types	10
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Propriety Fund Types and Discretely Presented Component Unit	13
Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Proprietary Fund Types	14
Combined Statement of Cash Flows - All Proprietary Fund Types and Discretely Presented Component Unit	16
Notes to the General Purpose Financial Statements	18
Schedule of Receipts and Expenditures of Federal Awards	55
Notes to the Schedule of Receipts and Expenditures of Federal Awards	57
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	59
Report of Independent Accountants on Compliance with Requirements Applicable to each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	61
Schedule of Findings	63
Schedule of Prior Audit Findings	66

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

County Commissioners
Ashland County
142 West 2nd Street
Ashland, Ohio 44805

To the County Commissioners:

We have audited the accompanying general purpose financial statements of Ashland County, Ohio, (the County) 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 provides a reasonable basis for our opinion.

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

The accompanying Schedule of Receipts and 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 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.

Jim Petro
Auditor of State

June 23, 2000

This page intentionally left blank.

Ashland County, Ohio
 Combined Balance Sheet
 All Fund Types, Account Groups,
 and Discretely Presented Component Unit
 December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,752,716	\$7,232,798	\$167,997	\$11,140,096
Cash and Cash Equivalents in Segregated Accounts	1,535	177,378	0	0
Cash and Cash Equivalents with Escrow Agents	0	0	0	400,511
Receivables:				
Taxes	1,624,268	1,836,492	0	0
Accounts (net, where applicable of allowance for uncollectibles)	14,030	5,609	0	0
Special Assessments	0	0	0	0
Interfund	178,280	0	0	0
Accrued Interest	343,004	8,251	0	0
Notes	0	5,739	0	0
Due from Other Funds	526	93,213	11,789	0
Due from Other Governments	456,020	517,831	0	332,397
Materials and Supplies Inventory	23,561	368,197	0	0
Inventory Held for Resale	0	0	0	0
Prepaid Items	54,286	14,475	0	0
Advances to Other Funds	53,992	0	0	0
Fixed Assets, (net, where applicable of accumulated depreciation)	0	0	0	0
<u>Other Debits</u>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Governmental Resources	0	0	0	0
Total Assets and Other Debits	<u>\$6,502,218</u>	<u>\$10,259,983</u>	<u>\$179,786</u>	<u>\$11,873,004</u>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	Primary Government		Reporting Entity
\$2,084,286	\$1,494,845	\$1,978,108	\$0	\$0	\$27,850,846	\$0	\$27,850,846
6,267	0	216,746	0	0	401,926	73,694	475,620
0	0	0	0	0	400,511	0	400,511
0	0	33,695,297	0	0	37,156,057	0	37,156,057
46,006	0	5,244,080	0	0	5,309,725	38,879	5,348,604
0	0	38,928	0	0	38,928	0	38,928
0	0	0	0	0	178,280	0	178,280
8,616	0	0	0	0	359,871	0	359,871
0	0	0	0	0	5,739	0	5,739
0	9,652	0	0	0	115,180	0	115,180
11,032	0	318,658	0	0	1,635,938	0	1,635,938
0	0	0	0	0	391,758	3,949	395,707
17,128	0	0	0	0	17,128	0	17,128
400	0	0	0	0	69,161	0	69,161
0	0	0	0	0	53,992	0	53,992
1,556,789	0	0	22,045,801	0	23,602,590	94,102	23,696,692
0	0	0	0	179,786	179,786	0	179,786
0	0	0	0	2,659,467	2,659,467	0	2,659,467
<u>\$3,730,524</u>	<u>\$1,504,497</u>	<u>\$41,491,817</u>	<u>\$22,045,801</u>	<u>\$2,839,253</u>	<u>\$100,426,883</u>	<u>\$210,624</u>	<u>\$100,637,507</u>

(continued)

Ashland County, Ohio
 Combined Balance Sheet
 All Fund Types, Account Groups,
 and Discretely Presented Component Unit
 December 31, 1999
 (continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity, and Other Credits</u>				
<u>Liabilities</u>				
Accounts Payable	\$85,502	\$219,462	\$0	\$0
Contracts Payable	0	13,742	0	1,148,337
Accrued Wages Payable	13,252	103,807	0	0
Compensated Absences Payable	15,532	11,536	0	0
Retainage Payable	0	0	0	449,933
Interfund Payable	0	0	0	0
Due to Other Funds	1,014	21,441	0	0
Due to Other Governments	51,860	134,400	0	0
Deferred Revenue	1,624,268	1,864,094	0	0
Undistributed Assets	0	0	0	0
Claims Payable	0	0	0	0
Accrued Interest Payable	0	0	0	27,941
Notes Payable	0	0	0	12,200,000
Advances from Other Funds	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Closure/Post Closure Liability	0	0	0	0
Total Liabilities	<u>1,791,428</u>	<u>2,368,482</u>	<u>0</u>	<u>13,826,211</u>
<u>Fund Equity and Other Credits</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings	0	0	0	0
Fund Balance:				
Reserved for Notes Receivable	0	5,739	0	0
Reserved for Inventory	23,561	368,197	0	0
Reserved for Advances	53,992	0	0	0
Reserved for Unclaimed Monies	34,901	0	0	0
Reserved for Encumbrances	35,582	32,542	0	4,483,583
Unreserved (Deficit)	<u>4,562,754</u>	<u>7,485,023</u>	<u>179,786</u>	<u>(6,436,790)</u>
Total Fund Equity (Deficit) and Other Credits	<u>4,710,790</u>	<u>7,891,501</u>	<u>179,786</u>	<u>(1,953,207)</u>
Total Liabilities, Fund Equity, and Other Credits	<u>\$6,502,218</u>	<u>\$10,259,983</u>	<u>\$179,786</u>	<u>\$11,873,004</u>

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

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	Primary Government		Reporting Entity
\$95,304	\$0	\$0	\$0	\$0	\$400,268	\$61,406	\$461,674
0	0	0	0	0	1,162,079	0	1,162,079
18,844	0	0	0	0	135,903	0	135,903
26,207	0	0	0	676,999	730,274	0	730,274
0	0	0	0	0	449,933	0	449,933
0	0	178,280	0	0	178,280	0	178,280
0	0	92,725	0	0	115,180	0	115,180
119,433	0	34,084,127	0	277,672	34,667,492	3,076	34,670,568
0	0	0	0	0	3,488,362	0	3,488,362
0	0	7,136,685	0	0	7,136,685	0	7,136,685
0	118,308	0	0	0	118,308	0	118,308
0	0	0	0	0	27,941	0	27,941
0	0	0	0	0	12,200,000	20,480	12,220,480
53,992	0	0	0	0	53,992	0	53,992
0	0	0	0	1,840,000	1,840,000	0	1,840,000
0	0	0	0	44,582	44,582	0	44,582
1,746,540	0	0	0	0	1,746,540	0	1,746,540
<u>2,060,320</u>	<u>118,308</u>	<u>41,491,817</u>	<u>0</u>	<u>2,839,253</u>	<u>64,495,819</u>	<u>84,962</u>	<u>64,580,781</u>
0	0	0	22,045,801	0	22,045,801	0	22,045,801
962,064	0	0	0	0	962,064	0	962,064
708,140	1,386,189	0	0	0	2,094,329	125,662	2,219,991
0	0	0	0	0	5,739	0	5,739
0	0	0	0	0	391,758	0	391,758
0	0	0	0	0	53,992	0	53,992
0	0	0	0	0	34,901	0	34,901
0	0	0	0	0	4,551,707	0	4,551,707
0	0	0	0	0	5,790,773	0	5,790,773
<u>1,670,204</u>	<u>1,386,189</u>	<u>0</u>	<u>22,045,801</u>	<u>0</u>	<u>35,931,064</u>	<u>125,662</u>	<u>36,056,726</u>
<u>\$3,730,524</u>	<u>\$1,504,497</u>	<u>\$41,491,817</u>	<u>\$22,045,801</u>	<u>\$2,839,253</u>	<u>\$100,426,883</u>	<u>\$210,624</u>	<u>\$100,637,507</u>

This page intentionally left blank.

Ashland County, Ohio
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 All Governmental Fund Types
 For the Year Ended December 31, 1999

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<u>Revenues</u>					
Taxes	\$5,417,824	\$1,935,959	\$0	\$952,398	\$8,306,181
Charges for Services	1,293,541	526,618	0	0	1,820,159
Licenses and Permits	5,864	118,646	0	0	124,510
Fines and Forfeitures	98,265	61,752	0	0	160,017
Intergovernmental	1,634,623	9,804,991	0	1,257,520	12,697,134
Special Assessments	0	88,407	0	0	88,407
Interest	877,942	115,912	0	491,916	1,485,770
Rent	0	0	140,209	0	140,209
Other	309,069	300,760	0	0	609,829
Total Revenues	9,637,128	12,953,045	140,209	2,701,834	25,432,216
<u>Expenditures</u>					
Current:					
General Government:					
Legislative and Executive	3,000,531	267,896	0	0	3,268,427
Judicial	1,390,097	154,655	0	0	1,544,752
Public Safety	2,488,962	270,682	0	0	2,759,644
Public Works	130,240	3,541,930	0	0	3,672,170
Health	67,970	5,615,510	0	0	5,683,480
Human Services	281,311	3,123,105	0	0	3,404,416
Conservation and Recreation	25,000	0	0	0	25,000
Other	241,714	0	0	0	241,714
Capital Outlay	0	0	0	5,306,315	5,306,315
Intergovernmental	404,345	94,061	0	0	498,406
Debt Service:					
Principal Retirement	12,250	2,845	125,000	0	140,095
Interest and Fiscal Charges	3,553	494	116,797	347,030	467,874
Total Expenditures	8,045,973	13,071,178	241,797	5,653,345	27,012,293
Excess of Revenues Over (Under) Expenditures	1,591,155	(118,133)	(101,588)	(2,951,511)	(1,580,077)
<u>Other Financing Sources (Uses)</u>					
Inception of Capital Lease	36,967	0	0	0	36,967
Sale of Fixed Assets	6,574	16,418	0	0	22,992
Operating Transfers - In	180,225	624,752	102,402	0	907,379
Operating Transfers - Out	(1,009,066)	(335,838)	0	0	(1,344,904)
Total Other Financing Sources (Uses)	(785,300)	305,332	102,402	0	(377,566)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	805,855	187,199	814	(2,951,511)	(1,957,643)
Fund Balances at Beginning of Year	3,910,613	7,743,552	178,972	998,304	12,831,441
Decrease in Reserve for Inventory	(5,678)	(39,250)	0	0	(44,928)
Fund Balances (Deficit) at End of Year	\$4,710,790	\$7,891,501	\$179,786	(\$1,953,207)	\$10,828,870

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

Ashland County, Ohio
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Budget (Non-GAAP Budgetary Basis) and Actual
 All Governmental Fund Types
 For the Year Ended December 31, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Taxes	\$5,415,156	\$5,398,203	(\$16,953)	\$1,874,443	\$1,932,700	\$58,257
Charges for Services	1,308,416	1,293,545	(14,871)	416,785	473,490	56,705
Licenses and Permits	5,800	5,939	139	124,100	121,719	(2,381)
Fines and Forfeitures	96,562	97,698	1,136	60,000	62,767	2,767
Intergovernmental	1,589,769	1,630,129	40,360	9,841,144	10,086,697	245,553
Special Assessments	0	0	0	95,000	88,407	(6,593)
Interest	997,000	793,876	(203,124)	4,000	113,186	109,186
Other	130,407	175,039	44,632	874,215	299,953	(574,262)
Total Revenues	9,543,110	9,394,429	(148,681)	13,289,687	13,178,919	(110,768)
<u>Expenditures</u>						
Current:						
General Government:						
Legislative and Executive	3,309,852	2,980,954	328,898	671,010	305,088	365,922
Judicial	1,592,081	1,426,484	165,597	461,398	155,820	305,578
Public Safety	2,800,270	2,509,924	290,346	990,012	251,615	738,397
Public Works	145,006	131,950	13,056	3,986,247	3,540,831	445,416
Health	72,026	68,040	3,986	6,389,408	5,691,478	697,930
Human Services	324,653	312,996	11,657	5,097,552	3,044,022	2,053,530
Conservation and Recreation	25,000	25,000	0	0	0	0
Other	758,232	417,582	340,650	0	0	0
Capital Outlay	0	0	0	0	0	0
Intergovernmental	416,100	404,372	11,728	94,744	93,311	1,433
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	9,443,220	8,277,302	1,165,918	17,690,371	13,082,165	4,608,206
Excess of Revenues Over (Under) Expenditures	99,890	1,117,127	1,017,237	(4,400,684)	96,754	4,497,438
<u>Other Financing Sources (Uses)</u>						
Other Financing Sources	162,761	130,778	(31,983)	0	0	0
Sale of Fixed Assets	6,574	6,574	0	0	16,418	16,418
Proceeds of Notes	0	0	0	0	0	0
Advances - Out	(7,406)	(7,406)	0	0	0	0
Operating Transfers - In	53	180,225	180,172	571,870	624,752	52,882
Operating Transfers - Out	(1,846,529)	(1,009,066)	837,463	(335,913)	(335,838)	75
Total Other Financing Sources (Uses)	(1,684,547)	(698,895)	985,652	235,957	305,332	69,375
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,584,657)	418,232	2,002,889	(4,164,727)	402,086	4,566,813
Fund Balances at Beginning of Year	3,113,672	3,113,672	0	6,653,043	6,653,043	0
Prior Year Encumbrances Appropriated	227,595	227,595	0	97,698	97,698	0
Fund Balances at End of Year	\$1,756,610	\$3,759,499	\$2,002,889	\$2,586,014	\$7,152,827	\$4,566,813

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

Debt Service Funds			Capital Projects Fund			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$900,000	\$946,300	\$46,300	\$8,189,599	\$8,277,203	\$87,604
0	0	0	0	0	0	1,725,201	1,767,035	41,834
0	0	0	0	0	0	129,900	127,658	(2,242)
0	0	0	0	0	0	156,562	160,465	3,903
0	0	0	1,050,000	1,003,977	(46,023)	12,480,913	12,720,803	239,890
0	0	0	0	0	0	95,000	88,407	(6,593)
0	0	0	450,000	466,375	16,375	1,451,000	1,373,437	(77,563)
140,000	141,474	1,474	0	0	0	1,144,622	616,466	(528,156)
140,000	141,474	1,474	2,400,000	2,416,652	16,652	25,372,797	25,131,474	(241,323)
0	0	0	0	0	0	3,980,862	3,286,042	694,820
0	0	0	0	0	0	2,053,479	1,582,304	471,175
0	0	0	0	0	0	3,790,282	2,761,539	1,028,743
0	0	0	0	0	0	4,131,253	3,672,781	458,472
0	0	0	0	0	0	6,461,434	5,759,518	701,916
0	0	0	0	0	0	5,422,205	3,357,018	2,065,187
0	0	0	0	0	0	25,000	25,000	0
0	0	0	0	0	0	758,232	417,582	340,650
0	0	0	9,800,000	9,755,274	44,726	9,800,000	9,755,274	44,726
0	0	0	0	0	0	510,844	497,683	13,161
125,000	125,000	0	10,000,000	10,000,000	0	10,125,000	10,125,000	0
122,603	116,797	5,806	332,000	332,000	0	454,603	448,797	5,806
247,603	241,797	5,806	20,132,000	20,087,274	44,726	47,513,194	41,688,538	5,824,656
(107,603)	(100,323)	7,280	(17,732,000)	(17,670,622)	61,378	(22,140,397)	(16,557,064)	5,583,333
0	0	0	0	0	0	162,761	130,778	(31,983)
0	0	0	0	0	0	6,574	22,992	16,418
0	0	0	12,200,000	12,200,000	0	12,200,000	12,200,000	0
0	0	0	0	0	0	(7,406)	(7,406)	0
102,402	102,402	0	0	0	0	674,325	907,379	233,054
0	0	0	0	0	0	(2,182,442)	(1,344,904)	837,538
102,402	102,402	0	12,200,000	12,200,000	0	10,853,812	11,908,839	1,055,027
(5,201)	2,079	7,280	(5,532,000)	(5,470,622)	61,378	(11,286,585)	(4,648,225)	6,638,360
165,918	165,918	0	10,953,257	10,953,257	0	20,885,890	20,885,890	0
0	0	0	0	0	0	325,293	325,293	0
\$160,717	\$167,997	\$7,280	\$5,421,257	\$5,482,635	\$61,378	\$9,924,598	\$16,562,958	\$6,638,360

This page intentionally left blank.

Ashland County, Ohio
 Combined Statement of Revenues, Expenses,
 and Changes in Fund Equity
 All Proprietary Fund Types
 and Discretely Presented Component Unit
 For the Year Ended December 31, 1999

	Proprietary Fund Types		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government		Reporting Entity
<u>Operating Revenues</u>					
Charges for Services	\$996,295	\$1,181,505	\$2,177,800	\$360,333	\$2,538,133
Sale of Recyclables	161,072	0	161,072	0	161,072
Other Operating Revenues	5,506	0	5,506	3,863	9,369
Total Operating Revenues	1,162,873	1,181,505	2,344,378	364,196	2,708,574
<u>Operating Expenses</u>					
Personal Services	921,332	0	921,332	251,412	1,172,744
Contractual Services	477,166	195,332	672,498	51,051	723,549
Materials and Supplies	133,037	0	133,037	40,999	174,036
Purchase of Recyclables	44,024	0	44,024	0	44,024
Claims	0	1,139,965	1,139,965	0	1,139,965
Depreciation	113,150	0	113,150	18,431	131,581
Other Operating Expenses	184,621	0	184,621	24,583	209,204
Total Operating Expenses	1,873,330	1,335,297	3,208,627	386,476	3,595,103
Operating Loss	(710,457)	(153,792)	(864,249)	(22,280)	(886,529)
<u>Non-Operating Revenues (Expenses)</u>					
Interest Income	96,600	0	96,600	2,016	98,616
Gain on Disposal of Fixed Assets	476	0	476	0	476
Loss on Disposal of Fixed Assets	(1,669)	0	(1,669)	0	(1,669)
Grants	116,307	0	116,307	0	116,307
Total Non-Operating Revenues (Expenses)	211,714	0	211,714	2,016	213,730
Income (Loss) Before Operating Transfers	(498,743)	(153,792)	(652,535)	(20,264)	(672,799)
Operating Transfers - In	565,896	0	565,896	0	565,896
Operating Transfers - Out	(128,371)	0	(128,371)	0	(128,371)
Net Income (Loss)	(61,218)	(153,792)	(215,010)	(20,264)	(235,274)
Retained Earnings at Beginning of Year	769,358	1,539,981	2,309,339	145,926	2,455,265
Retained Earnings at End of Year	708,140	1,386,189	2,094,329	125,662	2,219,991
Contributed Capital at Beginning and End of Year	962,064	0	962,064	0	962,064
Total Fund Equity at End of Year	\$1,670,204	\$1,386,189	\$3,056,393	\$125,662	\$3,182,055

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

Ashland County, Ohio
 Combined Statement of Revenues, Expenses,
 and Changes in Fund Balances
 Budget (Non-GAAP Budgetary Basis) and Actual
 All Proprietary Fund Types
 For the Year Ended December 31, 1999

	Enterprise Funds		Variance Favorable (Unfavorable)
	Budget	Actual	
<u>Revenues</u>			
Charges for Services	\$985,508	\$980,987	(\$4,521)
Sale of Recyclables	150,000	156,175	6,175
Interest Income	1,294	96,341	95,047
Grants	140,000	139,235	(765)
Other Revenues	2,992	5,506	2,514
Total Revenues	1,279,794	1,378,244	98,450
<u>Expenses</u>			
Personal Services	952,098	935,223	16,875
Contractual Services	2,152,674	391,545	1,761,129
Materials and Supplies	133,286	128,926	4,360
Purchase of Recyclables	58,060	58,060	0
Claims	0	0	0
Capital Outlay	223,475	215,413	8,062
Other Expenses	227,592	185,276	42,316
Total Expenses	3,747,185	1,914,443	1,832,742
Excess of Revenues Under Expenses	(2,467,391)	(536,199)	1,931,192
Advances - In	7,406	7,406	0
Operating Transfers - In	599,862	565,896	(33,966)
Operating Transfers - Out	(141,871)	(128,371)	13,500
Excess of Revenues Under Expenses, Advances, and Operating Transfers	(2,001,994)	(91,268)	1,910,726
Fund Balances at Beginning of Year	2,058,608	2,058,608	0
Fund Balances at End of Year	<u>\$56,614</u>	<u>\$1,967,340</u>	<u>\$1,910,726</u>

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

Internal Service Fund			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$1,118,000	\$1,171,853	\$53,853	\$2,103,508	\$2,152,840	\$49,332
0	0	0	150,000	156,175	6,175
0	0	0	1,294	96,341	95,047
0	0	0	140,000	139,235	(765)
0	0	0	2,992	5,506	2,514
<u>1,118,000</u>	<u>1,171,853</u>	<u>53,853</u>	<u>2,397,794</u>	<u>2,550,097</u>	<u>152,303</u>
0	0	0	952,098	935,223	16,875
199,888	195,332	4,556	2,352,562	586,877	1,765,685
0	0	0	133,286	128,926	4,360
0	0	0	58,060	58,060	0
1,125,112	1,125,066	46	1,125,112	1,125,066	46
0	0	0	223,475	215,413	8,062
0	0	0	227,592	185,276	42,316
<u>1,325,000</u>	<u>1,320,398</u>	<u>4,602</u>	<u>5,072,185</u>	<u>3,234,841</u>	<u>1,837,344</u>
(207,000)	(148,545)	58,455	(2,674,391)	(684,744)	1,989,647
0	0	0	7,406	7,406	0
0	0	0	599,862	565,896	(33,966)
0	0	0	(141,871)	(128,371)	13,500
(207,000)	(148,545)	58,455	(2,208,994)	(239,813)	1,969,181
<u>1,643,390</u>	<u>1,643,390</u>	<u>0</u>	<u>3,701,998</u>	<u>3,701,998</u>	<u>0</u>
<u>\$1,436,390</u>	<u>\$1,494,845</u>	<u>\$58,455</u>	<u>\$1,493,004</u>	<u>\$3,462,185</u>	<u>\$1,969,181</u>

Ashland County, Ohio
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 and Discretely Presented Component Unit
 For the Year Ended December 31, 1999

	Proprietary Fund Types		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government		Reporting Entity
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
<u>Cash Flows from Operating Activities</u>					
Cash Received from Customers	\$1,138,433	\$0	\$1,138,433	\$265,391	\$1,403,824
Cash Received from Quasi-External Operating Transactions with Other Funds	0	1,171,853	1,171,853	0	1,171,853
Cash Paid for Personal Services	(798,529)	0	(798,529)	(173,431)	(971,960)
Cash Paid to Suppliers	(578,282)	(195,332)	(773,614)	(106,726)	(880,340)
Cash Paid for Claims	0	(1,125,066)	(1,125,066)	0	(1,125,066)
Cash Paid for Quasi-External Operating Transactions with Other Funds	(136,694)	0	(136,694)	0	(136,694)
Cash Received from Other Revenues	5,506	0	5,506	5,594	11,100
Cash Paid for Other Expenses	(185,276)	0	(185,276)	0	(185,276)
Net Cash Used for Operating Activities	(554,842)	(148,545)	(703,387)	(9,172)	(712,559)
<u>Cash Flows from Noncapital Financing Activities</u>					
Grants	139,235	0	139,235	0	139,235
Advances-In	7,406	0	7,406	0	7,406
Operating Transfers - In	565,896	0	565,896	0	565,896
Operating Transfers - Out	(128,371)	0	(128,371)	0	(128,371)
Net Cash Provided by Noncapital Financing Activities	584,166	0	584,166	0	584,166
<u>Cash Flows from Capital and Related Financing Activities</u>					
Proceeds of Notes	0	0	0	16,531	16,531
Acquisition of Fixed Assets	(123,038)	0	(123,038)	(26,059)	(149,097)
Sale of Fixed Assets	23,300	0	23,300	0	23,300
Principal Paid on Notes	0	0	0	(2,281)	(2,281)
Net Cash Used for Capital and Related Financing Activities	(99,738)	0	(99,738)	(11,809)	(111,547)
<u>Cash Flows from Investing Activities</u>					
Interest	96,341	0	96,341	2,016	98,357
Net Increase (Decrease) in Cash and Cash Equivalents	25,927	(148,545)	(122,618)	(18,965)	(141,583)
Cash and Cash Equivalents at Beginning of Year	2,064,626	1,643,390	3,708,016	92,659	3,800,675
Cash and Cash Equivalents at End of Year	\$2,090,553	\$1,494,845	\$3,585,398	\$73,694	\$3,659,092

(continued)

Ashland County, Ohio
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 and Discretely Presented Component Unit
 For the Year Ended December 31, 1999
 (continued)

	Proprietary Fund Types		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government		Reporting Entity
<u>Reconciliation of Operating Loss to</u>					
<u>Net Cash Used for Operating Activities</u>					
Operating Loss	(\$710,457)	(\$153,792)	(\$864,249)	(\$22,280)	(\$886,529)
<u>Adjustments to Reconcile Operating Loss to</u>					
<u>Net Cash Used for Operating Activities</u>					
Depreciation	113,150	0	113,150	18,431	131,581
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(37,868)	0	(37,868)	(15,230)	(53,098)
Increase in Due from Other Funds	0	(9,652)	(9,652)	0	(9,652)
Decrease in Due from Other Governments	18,934	0	18,934	0	18,934
Decrease in Materials and Supplies Inventory	801	0	801	3,899	4,700
Increase in Inventory Held for Resale	(13,787)	0	(13,787)	0	(13,787)
Increase (Decrease) in Accounts Payable	(2,114)	0	(2,114)	6,406	4,292
Decrease in Contracts Payable	(19,359)	0	(19,359)	0	(19,359)
Decrease in Accrued Wages Payable	(346)	0	(346)	0	(346)
Increase in Compensated Absences Payable	2,028	0	2,028	0	2,028
Decrease in Due to Other Funds	(2,538)	0	(2,538)	0	(2,538)
Increase (Decrease) in Due to Other Governments	72,324	0	72,324	(398)	71,926
Increase in Claims Payable	0	14,899	14,899	0	14,899
Increase in Closure/Post Closure Liability	24,390	0	24,390	0	24,390
Total Adjustments	155,615	5,247	160,862	13,108	173,970
Net Cash Used for Operating Activities	(\$554,842)	(\$148,545)	(\$703,387)	(\$9,172)	(\$712,559)

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

NOTE 1 - REPORTING ENTITY

Ashland County, Ohio, (the County) was created in 1846. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures and serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

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

A. Primary Government:

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Ashland County, this includes the Ashland County Board of Mental Retardation and Developmental Disabilities (MRDD); Mental Health and Recovery Board of Ashland County; Heartland Home; Children Services Board; and departments and activities that are directly operated by the elected County officials.

B. Component Units:

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 organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt, or the levying of taxes.

Discretely Presented Component Unit

The component unit column on the combined financial statements identifies the financial data of the County's component unit, Dale Roy Training Center. It is reported separately to emphasize that it is legally separate from the County.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 1 - REPORTING ENTITY (continued)

Dale Roy Training Center. Dale Roy Training Center (the Center) is a legally separate, not-for-profit corporation, served by a self-appointing Board of Trustees. The Center, under a contractual agreement with the Ashland County Board of Mental Retardation and Developmental Disabilities (MRDD), provides sheltered employment for mentally retarded or handicapped adults in Ashland County. The Ashland County Board of MRDD provides the Center with all expenses and personnel for operation of the Center including 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 Center. Based on the significant services and resources provided by the County to the Center and the Center's sole purpose of providing assistance to the retarded and handicapped adults of Ashland County, the Center is presented as a component unit of Ashland County. The Dale Roy Training Center operates on a fiscal year ending December 31. Dale Roy Training Center does not issue separate financial statements.

As 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 listed below, the County serves as the fiscal agent, but the organizations are not considered part of Ashland County. Accordingly, the activity of the following organizations is presented as agency funds within the combined financial statements:

Ashland County Soil and Water Conservation District
Ashland City-County Health Department
Local Emergency Planning Commission

The County is associated with certain organizations which are defined as jointly governed organizations, a related organization, and an insurance pool. These organizations are presented in Notes 23, 24, and 25 to the combined financial statements. These organizations are:

Ashland County Regional Planning Commission
Morrow-Ashland-Richland-Knox Consortium (MARK)
Northern Ohio Juvenile Community Corrections Facility
Ashland County Airport Authority
County Risk Sharing Authority, Inc. (CORSA)
County Commissioners Association of Ohio Service Corporation (CCAOSC)

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 (GASB) and other recognized authoritative sources. The County also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dale Roy Training Center applies the provisions of GASB Statement No. 29, “The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities”. Accordingly, the Center utilizes the governmental model for accounting and financial reporting as established by National Council on Governmental Accounting (NCGA) Statement 1, “Governmental Accounting and Financial Reporting Principles”, as modified by subsequent NCGA and GASB pronouncements.

A. Fund Accounting:

The County and Dale Roy Training Center use funds and account groups to report on their financial position and the results of their 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 available expendable 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 of 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 proprietary fund types) are accounted for through governmental funds. The following are the County’s governmental fund types:

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

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

Debt Service Funds. These funds are used to account for the accumulation of financial resources for, and the payment of, general long-term obligation principal, interest, and related costs.

Capital Projects Fund. This fund is used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Fund Types

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

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

Internal Service Fund. This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The County's fiduciary funds are agency funds, which are custodial in nature (assets equal liabilities) and 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 Assets Account Group. This account group is used to account for all fixed assets of the County, except those accounted for in the proprietary funds.

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

B. 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 are generally 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All proprietary fund types are accounted for using 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. Operating statements of these funds 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 fund types and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The available period for the County is thirty-one days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: permissive sales and use tax (Note 7), charges for current services, fines and forfeitures, federal and state grants and entitlements, and earnings on investments. Major revenue sources not susceptible to accrual include licenses and permits which are not considered measurable until received.

The County reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of December 31, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2000 operations, are recorded as deferred revenue. Special assessments are also recorded as deferred revenue because they do not meet the availability criteria.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Principal and interest on general long-term obligations are recorded as fund liabilities when due, 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 current available expendable resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The proprietary fund types and Dale Roy Training Center are reported using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. Unbilled service charges receivable are recognized as revenue at year end.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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.

Budgetary information for the Commissary special revenue fund and Dale Roy Training Center are not reported because they are not included in the entity for which the “appropriated budget” is adopted.

Tax Budget

A budget of estimated revenues and expenditures is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The budget includes proposed expenditures and the means of financing for all funds. The express purpose of this budget document is to reflect the need for existing or increased tax rates.

Estimated Resources

The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the Official Certificate of Estimated Resources, which states the estimated beginning of year fund balance and projected revenue of each fund. Prior to December 31, the County must revise its budget so that total contemplated expenditures from any fund during the ensuing 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 appropriations measure. On or about January 1, the Certificate of Estimated Resources is amended to include the actual unencumbered fund balances from the preceding year. The Certificate of Estimated Resources may be further amended during the year if the County Auditor determines, and the County Budget Commission agrees, that an estimate needs to be increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final Amended Official Certificate of Estimated Resources issued during 1999.

Appropriations

A temporary Appropriations Resolution to control expenditures may be passed on or about January 1 of each year, for the period January 1 to March 31. An annual Appropriations Resolution must be passed by April 1 of each year, for the period January 1 to December 31. The Appropriations 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Budgeted Level of Expenditures

Administrative control is maintained through the establishment of detailed line-item budgets. The legal level of budgetary control is at the object level within each department. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation. Commissioners' appropriations are made to the fund, department, and object level (e.g., General Fund - Commissioners - salaries, supplies, equipment, contract repairs, travel expenses, maintenance, and other expenses). Advances-in and advances-out are not required to be budgeted since they represent a short-term cash flow resource and are intended to be repaid.

Encumbrances

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

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 appropriation. Encumbered appropriations are carried forward to the succeeding year and are not reappropriated.

D. Cash and Investments:

To improve cash management, cash received by the County, except cash in segregated accounts or with escrow agents, is pooled and invested. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

Cash and cash equivalents that are held separately within departments of the County or with escrow agents, and not held with the County Treasurer, are recorded on the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts" and "Cash and Cash Equivalents with Escrow Agents", respectively.

The Child Support Enforcement Agency SETS bank account was not included as part of "Cash and Cash Equivalents in Segregated Accounts" at December 31, 1999. The account is considered immaterial to the financial statements.

Cash and cash equivalents of Dale Roy Training Center are held by the component unit and are recorded on the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts".

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments are reported at fair value, except for repurchase agreements and non-negotiable certificates of deposit which are reported at cost. Fair value is based on quoted market prices. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 1999.

Interest earnings are allocated to County funds according to state statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General fund during 1999 was \$877,942, which includes \$660,059 assigned from other County funds. Dale Roy Training Center received its own interest, in the amount of \$2,016.

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 a maturity of three months or less at the time they are purchased by the County are considered to be cash and cash equivalents.

E. Notes Receivable:

Notes receivable represent the right to receive repayment for certain loans made by the County. These loans are based upon written agreements between the County and the various loan recipients.

F. Materials and Supplies Inventory:

Inventory in the governmental funds is stated at cost while inventory in the proprietary funds is stated at the lower of cost or market. For all funds, except the Motor Vehicle and Gasoline Tax special revenue fund, cost is determined on a first-in, first-out basis. Inventory in the Motor Vehicle and Gasoline Tax special revenue fund is based on average cost. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

Inventory for Dale Roy Training Center is recorded as stated above for proprietary funds.

G. 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 by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Fixed Assets:

The fixed asset values were initially determined at December 31, 1991, by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were used. Donated fixed assets are capitalized at fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

General Fixed Assets

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

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

Enterprise Fund Fixed Assets

Fixed assets reflected in the enterprise funds are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and reductions during the year. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

<u>Asset Category</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings	40 years
Building Improvements	20 years
Equipment (other than data processing)	10 years
Data Processing Equipment	5 years
Vehicles	5 years

Capitalization of Interest

Interest is capitalized on enterprise fund assets acquired with tax-exempt debt. The County's policy is to capitalize net interest on 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 from the date of borrowing until completion of the project and the interest earned from the temporary investment of the debt proceeds over the same period. Capitalized interest is amortized on a straight-line basis over the estimated useful life of the asset. For 1999, there was no capitalized interest costs incurred on enterprise fund construction projects.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dale Roy Training Center Fixed Assets

Equipment and vehicles are recorded at cost. Donated equipment is recorded at fair market value on the date donated. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

<u>Asset Category</u>	<u>Estimated Lives</u>
Equipment (other than data processing)	5-12 years
Vehicles	5-10 years

I. Interfund Assets and Liabilities:

Short-term interfund loans are classified as “Interfund receivables/payables”. Transactions between individual funds for goods provided or services rendered are classified as “Due from/to Other Funds”.

Long-term interfund loans are reported as “Advances to/from Other Funds” and are equally offset by a fund balance reserve account in the governmental funds which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

J. Compensated Absences:

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means. All accumulated unused vacation time is paid upon separation if the employee has at least one year of service.

Sick leave benefits, for all County departments, are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the County’s past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on length of service and department policy.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable 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 proprietary funds, the entire amount of compensated absences is reported as a fund liability.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Accrued Liabilities and Long-Term Obligations:

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as liabilities in the general long-term obligations account group to the extent that they will not be paid with current available expendable resources. Payments made more than thirty-one days after year end are generally considered not to have been paid with current available financial resources. Bonds and capital leases are reported as liabilities in the general long-term obligations account group until due. Long-term debt and other obligations financed by the proprietary funds are reported as liabilities in the appropriate proprietary fund.

L. Contributed Capital:

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Because the County did not prepare financial statements in accordance with generally accepted accounting principles prior to 1992, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

M. Reserves of Fund Equity:

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

N. Intergovernmental Revenues:

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, entitlements, and shared revenues are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants, entitlements, and 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.

O. Interfund Transactions:

Quasi-external transactions are accounted for as revenues and expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Estimates:

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

Q. Total Columns on General Purpose Financial Statements:

Total columns on the general purpose financial statements are captioned "Totals (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 (Note 1). Total columns on statements which do not include a component unit have no additional caption.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability:

At December 31, 1999, the County Jail capital projects fund had a deficit fund balance of \$1,953,207, which was created by the application of generally accepted accounting principles. The County receives reimbursement from the State for the jail construction expenditures as various segments of the construction are completed.

B. Compliance:

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

Fund Type/Fund	Estimated Resources Plus Available Balances	Appropriations	Excess
Special Revenue Funds:			
CDBG	\$81,994	\$94,744	\$12,750
CHIP	184,133	770,383	586,250
Clerk of Courts Title Fees	175,000	180,300	5,300
Law Enforcement Block Grant	16,591	16,760	169

(continued)

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (continued)

Fund Type/Fund	Estimated Resources Plus Available Balances	Appropriations	Excess
Enterprise Fund:			
Recycling	\$641,955	\$651,951	\$9,996
Landfill Operations	137,622	150,650	13,028

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis). Material encumbrances are disclosed in the notes for proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Although not part of the appropriated budget, the Commissary special revenue fund and Dale Roy Training Center are included as part of the reporting entity when preparing financial statements that conform with GAAP.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

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

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types				
	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$805,855	\$187,199	\$814	(\$2,951,511)
<u>Increase (Decrease) Due To:</u>				
Revenue Accruals:				
Accrued 1998, Received in Cash 1999	590,915	885,498	13,054	72,756
Accrued 1999, Not Yet Received in Cash	(811,218)	(597,302)	(11,789)	(332,397)
Expenditure Accruals:				
Accrued 1998, Paid in Cash 1999	(205,995)	(497,564)	0	(27,709)
Accrued 1999, Not Yet Paid in Cash	(13,482)	493,962	0	1,225,700
Cash Adjustments:				
Unrecorded Activity 1998	61,065	26,621	0	0
Unrecorded Activity 1999	47,317	(47,429)	0	(25,541)
Prepaid Items	(7,836)	3,387	0	0
Proceeds of Notes	0	0	0	12,200,000
Note Principal Retirement	0	0	0	(10,000,000)
Advances-Out	(7,406)	0	0	0
Excess of Revenues Under Expenditures for Nonbudgeted Funds	(449)	(19,744)	0	0
Encumbrances Outstanding at Year End (Budget Basis)	(40,534)	(32,542)	0	(5,631,920)
Budget Basis	\$418,232	\$402,086	\$2,079	(\$5,470,622)

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

Net Loss/Excess of Revenues Under
Expenses, Advances, and Operating Transfers
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	(\$61,218)	(\$153,792)
<u>Increase (Decrease) Due To:</u>		
Revenue Accruals:		
Accrued 1998, Received in Cash 1999	69,389	0
Accrued 1999, Not Yet Received in Cash	(65,654)	(9,652)
Expense Accruals:		
Accrued 1998, Paid in Cash 1999	(112,884)	0
Accrued 1999, Not Yet Paid in Cash	189,604	14,899
Cash Adjustments:		
Unrecorded Activity 1999	(24,571)	0
Materials and Supplies Inventory	801	0
Inventory Held for Resale	(13,787)	0
Acquisition of Fixed Assets	(125,373)	0
Depreciation Expense	113,150	0
Gain on Disposal of Fixed Assets	(476)	0
Loss on Disposal of Fixed Assets	1,669	0
Sale of Fixed Assets	23,300	0
Advances In	7,406	0
Encumbrances Outstanding at Year End (Budget Basis)	(92,375)	0
<u>Other Adjustments</u>		
Excess of Revenues Over Expenditures for Nonbudgeted Funds	(249)	0
Budget Basis	(\$91,268)	(\$148,545)

NOTE 5 - DEPOSITS AND INVESTMENTS

A. Primary Government:

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

Monies held by the County which are not considered active are classified as inactive. Inactive monies can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or 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 obligation or security 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 Association, 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and 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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed 5 percent of the County's total average portfolio; and
10. Bankers acceptances for a period not to exceed two hundred seventy days and in an amount not to exceed 10 percent of the County's total average portfolio.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), 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.

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

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

At year end, the County had \$229,631 in cash on hand which is included on the combined balance sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents".

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

At year end, the carrying amount of the County's deposits was \$7,370,796 and the bank balance was \$8,448,009. Of the bank balance, \$1,223,968 was covered by federal depository insurance and \$7,224,041 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

The County's investments are categorized below to give an indication of the level of custodial credit risk assumed by the County at year end. Category 1 includes investments that are insured or registered for which the securities are held by the County or by the County's 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. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

	Category 3	Carrying Value	Fair Value
Federal Home Loan Bank Notes	\$5,878,506	\$5,878,506	\$5,878,506
Federal Home Loan Bank Bonds	1,891,850	1,891,850	1,891,850
Federal National Mortgage Association Notes	2,728,750	2,728,750	2,728,750
Student Loan Marketing Association Notes	505,614	505,614	505,614
Federal Farm Credit Notes	420,000	420,000	420,000
Commercial Paper	775,000	775,000	775,000
Repurchase Agreements	615,704	615,704	615,777
	<u>\$12,815,424</u>	12,815,424	12,815,497
STAR Ohio		8,237,432	8,237,432
		<u>\$21,052,856</u>	<u>\$21,052,929</u>

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 Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classification of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$28,653,283	\$0
Cash on Hand	(229,631)	0
Investments:		
Federal Home Loan Bank Notes	(5,878,506)	5,878,506
Federal Home Loan Bank Bonds	(1,891,850)	1,891,850
Federal National Mortgage Association Notes	(2,728,750)	2,728,750
Student Loan Marketing Association Notes	(505,614)	505,614
Federal Farm Credit Notes	(420,000)	420,000
Commercial Paper	(775,000)	775,000
Repurchase Agreements	(615,704)	615,704
STAR Ohio	(8,237,432)	8,237,432
GASB Statement No. 3	<u>\$7,370,796</u>	<u>\$21,052,856</u>

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

B. Component Unit:

At year end, Dale Roy Training Center had \$145 in cash on hand which is included on the balance sheet of the County as part of "Cash and Cash Equivalents in Segregated Accounts". The carrying amount of Dale Roy Training Center's deposits at year end was \$73,549 and the bank balance was \$80,316. The entire bank balance was covered by federal depository insurance. Dale Roy Training Center did not have any investments at year end. There are no significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Real property tax revenues received in 1999 represent the collection of 1998 taxes. For 1999, real property taxes were levied after October 1, 1999, on the assessed values as of January 1, 1999, the lien date. These taxes will be collected in and are intended to finance 2000 operations. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 1996. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes were levied after October 1, 1999, on the assessed values as of December 31, 1998, the lien date. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 1999 (other than public utility property) represent the collection of 1999 taxes. For 1999, tangible personal property taxes were levied after October 1, 1998, on the true value as of December 31, 1998, the lien date. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. The first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for the County and for all subdivisions within the County is accounted for through agency funds. The amount of the County's tax collections which will flow through an agency fund is reported as "Taxes Receivable" on the combined balance sheet in both the agency fund and the governmental fund which will receive the tax distribution.

Accrued property taxes receivable represents delinquent taxes outstanding and real, public utility, and tangible personal property taxes which were 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 and are not intended to finance 1999 operations.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 6 - PROPERTY TAXES (continued)

The full tax rate for all County operations the year ended December 31, 1999, was \$6.00 per \$1,000 of assessed value. The assessed values of real, public utility, and tangible personal property upon which 1999 property tax receipts were based are as follows:

Real Property	
Residential	\$354,703,450
Agricultural	61,574,900
Commercial/Industrial/Mineral	79,562,580
Public Utility	
Real	355,380
Personal	75,396,930
Tangible Personal Property	99,012,847
Total Assessed Value	<u><u>\$670,606,087</u></u>

NOTE 7 - PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolution, imposed a 1 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies, to the State Auditor, the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Amounts that are measurable and available at year end are accrued as revenue. Permissive sales and use tax revenue for 1999 amounted to \$3,831,120 in the General fund and \$952,398 in the County Jail capital projects fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 1999, consisted of taxes; accounts (e.g., billings for user charged services); special assessments; interfund; interest; notes; services charged to other funds; and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are considered fully collectible, except for the receivables related to child support as reflected in the Alimony and Child Support agency fund. These receivables are presented net of an allowance for uncollectible accounts.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 8 - RECEIVABLES (continued)

	Agency
Gross Accounts Receivable	\$9,907,108
Less Allowance for:	
Uncollectible Accounts	(4,663,028)
Net Accounts Receivable	\$5,244,080

A summary of the principal items of intergovernmental receivables follows:

	Amount
General Fund	
Local Government	\$71,438
Local Government Revenue Assistance	14,033
Permissive Sales and Use Tax	315,639
Public Defender Grant	6,592
Estate Tax	1,250
Juvenile Detention Grant	44,068
Other	3,000
Total General Fund	456,020
Special Revenue Funds:	
MVGT	
Gasoline Tax	75,986
Motor Vehicle License Tax	75,070
Human Services	
ODHS Public Assistance	49,405
ADAMHS	
A/D Sub Pay	29,921
Medicaid	642
MRDD	
Unit Funding	95,629
TCM	1,286
POS	8,188
Title XX	16,905
Program Subsidy Grant	8,170
Charges for Services	302

(continued)

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 8 - RECEIVABLES (continued)

	Amount
Special Revenue Funds (continued):	
Children Services	
Children Services Grant	\$5,304
PASSS	880
CDBG	
CDBG	46,128
CHIP	
Chip Grant	16,500
COPS	
Cops Grant	7,336
Felony Delinquent Care	
Felony Delinquent Care Grant	68,149
Court Security	
Court Security Grant	12,030
Total Special Revenue Funds	517,831
Capital Projects Fund:	
County Jail	
Permissive Sales and Use Tax	78,854
County Jail Reimbursement	253,543
Total Capital Projects Fund	332,397
Enterprise Funds:	
Recycling	
Recycling Grant	11,032
Agency Funds:	
Library Local Government	148,974
Local Government	71,791
Local Government Revenue Assistance	17,151
Gasoline Tax	40,699
Motor Vehicle License Tax	21,276
Permissive Motor Vehicle License Tax	18,767
Total Agency Funds	318,658
Total All Funds	\$1,635,938

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 9 - NOTES RECEIVABLE

A summary of the changes in notes receivable during 1999 follows:

		Balance 12/31/98	New Loans	Repayments	Balance 12/31/99
Special Revenue Fund:					
CDBG					
Revolving Loan	5-7.25%	\$7,421	\$0	\$1,682	\$5,739

NOTE 10 - FIXED ASSETS

A summary of the enterprise funds' and Dale Roy Training Center's fixed assets at December 31, 1999, follows:

	Landfill	County Home	Recycling	Total Primary Government	Component Unit
Land	\$75,025	\$0	\$75,600	\$150,625	\$0
Land Improvements	1,543	7,000	67,135	75,678	0
Buildings	8,606	1,266,104	256,000	1,530,710	0
Building Improvements	11,360	214,849	6,437	232,646	0
Equipment	11,316	148,251	255,110	414,677	195,062
Vehicles	45,292	43,842	95,999	185,133	66,920
Construction in Progress	0	0	181,328	181,328	0
	153,142	1,680,046	937,609	2,770,797	261,982
Less: Accumulated Depreciation	(39,430)	(899,389)	(275,189)	(1,214,008)	(167,880)
Net Fixed Assets	\$113,712	\$780,657	\$662,420	\$1,556,789	\$94,102

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 10 - FIXED ASSETS (continued)

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

	Balance 12/31/98	Additions	Reductions	Balance 12/31/99
Land	\$797,296	\$13,300	\$0	\$810,596
Land Improvements	50,670	0	0	50,670
Buildings	7,648,996	231,700	0	7,880,696
Building Improvements	1,497,935	0	439	1,497,496
Equipment	3,575,128	252,041	163,109	3,664,060
Vehicles	1,804,016	192,424	126,091	1,870,349
Construction in Progress	565,108	5,706,826	0	6,271,934
Total	\$15,939,149	\$6,396,291	\$289,639	\$22,045,801

NOTE 11 - INTERFUND ASSETS AND LIABILITIES

Interfund balances at December 31, 1999, consisted of the following individual fund receivables and payables:

Fund Type/Fund	Receivable			Payable		
	Interfund	Due from	Advances to	Interfund	Due to	Advances from
General Fund	\$178,280	\$526	\$53,992	\$0	\$1,014	\$0
Special Revenue Funds:						
MVGT	0	93,213	0	0	9,652	0
Human Services	0	0	0	0	11,789	0
Total Special Revenue Funds	0	93,213	0	0	21,441	0
Debt Service Fund:						
Bond Retirement	0	11,789	0	0	0	0
Enterprise Fund:						
County Home	0	0	0	0	0	53,992
Internal Service Fund:						
Self-Insurance	0	9,652	0	0	0	0
Agency Fund:						
County Court	0	0	0	178,280	0	0
Undivided Tax	0	0	0	0	92,725	0
Total Agency Funds	0	0	0	178,280	92,725	0
Total All Funds	\$178,280	\$115,180	\$53,992	\$178,280	\$115,180	\$53,992

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 12 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The County has the following contractual commitments as of December 31, 1999:

Vendor	Contract Amount	Amount Paid as of 12/31/99	Outstanding Balance
Stanley Miller Construction	\$5,918,186	\$2,637,939	\$3,280,247
Universal Refrigeration	1,306,100	200,898	1,105,202
B.C.U. Electric	1,120,357	374,553	745,804
Guenther Mechanical, Inc.	600,075	221,574	378,501
Innovative Controls, Inc.	654,300	129,127	525,173
American Automatic Sprinklers, Inc.	147,600	0	147,600

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System:

All County employees, other than teachers, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report 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 13.55 percent; 9.35 percent of the County's contribution was used to fund pension obligations. For law enforcement employees, the employee contribution is 9 percent and the employer contribution is 16.7 percent; 12.5 percent was the portion used to fund pension obligations. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's contributions to PERS for the years ended December 31, 1999, 1998, and 1997, were \$880,781, \$857,860, and \$712,762, respectively; 76 percent has been contributed for 1999 and 100 percent has been contributed for 1998 and 1997. The unpaid contribution for 1999 is recorded as a liability in the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System:

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

Plan members are required to contribute 9.3 percent of their annual covered salary to fund pension obligations and the County is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions to STRS for the years ended December 31, 1999, 1998, and 1997, were \$39,114, \$64,087, and \$58,994, respectively; 89 percent has been contributed for 1999 and 100 percent has been contributed for 1998 and 1997. The unpaid contribution for 1999 is recorded as a liability in the respective fund.

NOTE 14 - 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 primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate for 1999 was 13.55 percent of covered payroll for employees not engaged in law enforcement; 4.2 percent was the portion that was used to fund health care. The employer contribution rate for law enforcement employees for 1999 was 16.7 percent; 4.2 percent 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, 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 \$382,106.

B. State Teachers Retirement System:

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

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$52,152 for 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund at June 30, 1999, was \$2,783 million. For the year ended June 30, 1999, net health care costs paid statewide by STRS were \$249,929,000 and there were 95,796 eligible benefit recipients.

NOTE 15 - OTHER EMPLOYER BENEFITS

A. Compensated Absences:

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated unused vacation time is paid upon separation from the County. Any County employee who has ten or more years of service is paid upon retirement for one-fourth of the value of their accumulated unused sick leave up to a maximum of thirty days.

Currently, employees are not permitted to accrue or carry over, beyond an anniversary date, more than the equivalent of one year's vacation leave, except as otherwise defined in union agreements. Sick leave is earned at a rate of four and six-tenths hours for every eighty hours worked. Sick leave is pro-rated for those employees working less than a standard eighty hour work week.

B. Employee Health Insurance:

Ashland County provides employee medical benefits through a self insured program. The County pays the full cost of premiums for employees under the program. Coverage is provided up to a maximum of \$60,000 per individual. The County purchases commercial insurance for claims in excess of this coverage. All claims under the plan are administered by the County's third-party administrator.

NOTE 16 - SHORT-TERM OBLIGATIONS

The changes in the County's short-term obligations during 1999 were as follows:

	<u>Interest Rate</u>	<u>Balance 12/31/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/99</u>
Capital Projects Fund:					
County Jail					
1998 Series	3.32 %	\$10,000,000	\$0	\$10,000,000	\$0
1999 Series A	4.28	0	2,200,000	0	2,200,000
1999 Series B	4.20	0	10,000,000	0	10,000,000
Total Notes Payable		<u>\$10,000,000</u>	<u>\$12,200,000</u>	<u>\$10,000,000</u>	<u>\$12,200,000</u>

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 16 - SHORT-TERM OBLIGATIONS (continued)

According to Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. The liability for short-term notes is presented in the fund receiving the proceeds. Bond anticipation notes issued in 1999 have a maturity of one year.

NOTE 17 - LONG-TERM OBLIGATIONS

The changes in the County's long-term obligations during 1999 were as follows:

	Balance 12/31/98	Additions	Reductions	Balance 12/31/99
<u>General Long-Term Obligations:</u>				
<u>General Obligation Bonds:</u>				
1991 Human Services - 5.00%	\$1,160,000	\$0	\$60,000	\$1,100,000
1994 County Garage - 5.00%	805,000	0	65,000	740,000
Total General Obligation Bonds	<u>1,965,000</u>	<u>0</u>	<u>125,000</u>	<u>1,840,000</u>
<u>Other Long-Term Obligations:</u>				
Compensated Absences Payable	633,962	43,037	0	676,999
Due to Other Governments	245,967	277,672	245,967	277,672
Capital Leases Payable	23,853	36,967	16,238	44,582
Total Other Long-Term Obligations	<u>903,782</u>	<u>357,676</u>	<u>262,205</u>	<u>999,253</u>
Total General Long-Term Obligations	<u>2,868,782</u>	<u>357,676</u>	<u>387,205</u>	<u>2,839,253</u>
<u>Enterprise Fund Obligations:</u>				
Compensated Absences Payable	24,179	816	0	24,995
Closure/Post Closure Liability	1,722,150	24,390	0	1,746,540
Total Enterprise Fund Obligations	<u>1,746,329</u>	<u>25,206</u>	<u>0</u>	<u>1,771,535</u>
Total Long-Term Obligations	<u><u>\$4,615,111</u></u>	<u><u>\$382,882</u></u>	<u><u>\$387,205</u></u>	<u><u>\$4,610,788</u></u>

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

All general obligation bonds are supported by the full faith and credit of Ashland County. The Human Services and County Garage general obligation bonds are presented as a liability in the general long-term obligations account group and are payable from unvoted property tax revenues to the extent that other resources are not available to meet annual principal and interest payments.

1991 Human Services Bonds. The Human Services general obligation bonds include serial and term bonds. The term bonds have annual mandatory sinking fund redemption requirements and there are optional redemption provisions for the serial bonds. The term bonds mature on December 1, 2011, in the amount of \$900,000, at a redemption price equal to 100 percent of the principal plus accrued interest to the redemption date. The serial bonds maturing on or after December 1, 2002, are subject to early redemption, at the sole option of the County, either in whole or in part on any date on or after December 1, 2001, in multiples of \$5,000, at the following redemption prices plus accrued interest:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2001 through November 30, 2002	102 percent
December 1, 2002 through November 30, 2003	101 percent
December 1, 2003 and thereafter	100 percent

1994 County Garage Bonds. The County Garage general obligation bonds are serial bonds. The bonds maturing on or after November 15, 2003, are subject to early redemption, at the sole option of the County, either in whole or in part on any date on or after November 15, 2002, in multiples of \$5,000, at the following redemption prices plus accrued interest:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
November 15, 2002 through November 14, 2003	101 percent
November 15, 2003 through November 14, 2004	101.5 percent
November 15, 2004 and thereafter	100 percent

Compensated absences payable is presented at net because it is not practical to determine actual increases and decreases. Compensated absences and due to other governments, representing the County's contractually required pension contribution, will be paid from the fund from which the employees' salaries are paid. Capital lease obligations will be paid from the fund that maintains custody of the related asset.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed 1 percent of the total assessed valuation of the County. The Revised Code further provides that the total voted and unvoted net debt of the County less the same exempt debt should not exceed a sum equal to 3 percent of the first \$100,000,000 of assessed valuation, plus 1.5 percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus 2.5 percent of such valuation in excess of \$300,000,000.

At December 31, 1999, the County's overall debt margin was \$16,054,676 with an unvoted debt margin of \$6,025,742.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

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

Year	General Obligation Bonds
2000	\$245,507
2001	238,540
2002	241,403
2003	233,550
2004	240,200
2005-2009	1,114,950
2010-2011	276,600
Total	\$2,590,750

The County has issued industrial revenue bonds for the following organizations:

	Amount of Issue	Amount Outstanding at 12/31/99
Lanecor Associates	\$540,000	\$65,000
Landver Properties, LTD.	2,270,000	1,170,000
Good Shephard Home for the Aged Project	3,960,000	3,915,000
Good Shephard Home-Assisted Living Facilities	4,750,000	4,750,000
Bretheran Care, Inc.	14,685,000	14,685,000
Bretheran Care, Inc. - Brookwood Place	2,825,000	2,765,000

The County is not obligated in any way to pay debt and related charges on industrial revenue bonds from any of its funds, and therefore, they have been excluded entirely from the County's debt presentation. There has not been and there is not currently any condition of default under the bonds or the related financing documents.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 18 - CAPITAL LEASES - LESSEE DISCLOSURE

The County has entered into capitalized leases for equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the accounts "Capital Outlay" and "Inception of Capital Lease" in the funds which will be making the lease payments. Capital lease payments are reflected as debt service expenditures in the combined financial statements for the governmental funds. Currently, there are not any capital leases in the enterprise funds. Equipment acquired by lease has been capitalized in the general fixed assets account group, in the amount of \$69,774. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in 1999 totaled \$15,095. During 1999, a capital lease was terminated which resulted in a reduction in the capital lease liability of \$1,143.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 1999.

<u>Year</u>	<u>GLTOAG</u>
2000	\$17,616
2001	15,727
2002	11,411
2003	3,601
2004	1,979
Total	<u>50,334</u>
Less: Amount Representing Interest	<u>(5,752)</u>
Present Value of Minimum Lease Payments	<u><u>\$44,582</u></u>

NOTE 19 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The County's landfill was closed in 1997. The \$1,746,540 accrued liability for landfill postclosure costs at December 31, 1999, represents the estimated costs of maintenance and monitoring through 2027. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The December 31, 1999, liability was increased by \$24,390.

The County is required by state and federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. The County has passed the financial accountability test in which the County has proven to be able to self-fund these future costs.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 20 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1999, the County contracted with the County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. The CORSA program has a \$2,500 deductible. Coverages provided by CORSA are as follows:

General Liability	\$4,000,000
Employee Benefit Liability	4,000,000
Law Enforcement Professional Liability	4,000,000
Public Officials Errors and Omissions Liability	4,000,000
Automobile Liability	4,000,000
Uninsured Motorists Liability	250,000
Medical Professional Liability	1,000,000
Ohio Stop Gap (Additional Workers' Compensation Coverage)	1,000,000
Building and Contents	29,406,577
Other Property Insurance:	
Extra Expense	1,000,000
Voting Machines	84,000
Contractors Equipment	771,575
Valuable Papers and Records	1,000,000
Automobile Physical Damage	Actual Cash Value
Flood and Earthquake	100,000,000
Comprehensive Boiler and Machinery	100,000,000
Crime Insurance:	
Faithful Performance	1,000,000
Money and Securities	1,000,000
Depositor's Forgery	1,000,000
Money Order and Counterfeit Paper	1,000,000
Food Stamp Coverage	1,000,000

With the exceptions of health coverage, dental coverage for MRDD employees, and workers' compensation, all insurance is held with CORSA. There has been no significant reduction in insurance coverage from 1998, and settled claims have not exceeded this coverage in the past three years. The County pays all elected officials' bonds by statute.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 20 - RISK MANAGEMENT (continued)

For 1999, the County participated in the County Commissioners Association of Ohio Service Corporation, a worker's compensation group rating plan (the Plan). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each county pays its workers' compensation premium to the State based on the rate for the Plan rather than the county's individual rate.

In order to allocate the savings derived by the 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 Comp Management, 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.

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 County is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any county leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

The County provides employee medical coverage through a self insured program. The County established a Medical Insurance fund (an internal service fund) to account for and finance employee health benefits. Under this program, the Medical Insurance fund provides coverage up to a maximum of \$60,000 for each individual. The County purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in the past three years.

All funds of the County, except the Board of Mental Retardation and Developmental Disabilities (MRDD), participate in the program and make payments to the Medical Insurance fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Claims payable is based on the requirements of Governmental Accounting Standards Board Statement No. 30, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Claims payable at December 31, 1999, are estimated by the third party administrator at \$118,308. The changes in the claims liability for 1999 and 1998 were:

Year	Beginning Balance	Current-Year Claims and Changes in Estimates	Claims Payments	Ending Balance
1999	\$103,409	\$1,139,965	\$1,125,066	\$118,308
1998	65,189	897,144	858,924	103,409

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 20 - RISK MANAGEMENT (continued)

Employees of the Board of Mental Retardation and Developmental Disabilities (MRDD) receive medical and dental insurance coverage provided by commercial insurance providers. Employees participate in the payment of premiums for this coverage.

NOTE 21 - FEDERAL FOOD STAMP PROGRAM

The County's Department of Human Services distributes federal food stamps to entitled recipients within Ashland County. The receipt and issuance of these stamps have the characteristics of federal "grants"; however, the Department of Human Services merely acts in an intermediary capacity.

The inventory value of these stamps is not reflected in the accompanying general purpose financial statements as the only economic interest related to these stamps rests with the ultimate recipient. Federal food stamp activity for the year was as follows:

Balance at beginning of year	\$569,124
Amount received for distribution	195,000
Amount distributed to entitled recipients	(391,724)
Balance at end of year	\$372,400

NOTE 22 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains three enterprise funds which are intended to be self-supporting through user fees charged for services provided to consumers for refuse disposal, care of the elderly, and recycling services. Financial segment information for the year ended December 31, 1999, was as follows:

	Landfill	County Home	Recycling	Total
Operating Revenues	\$262,980	\$717,531	\$182,362	\$1,162,873
Depreciation	11,247	60,502	41,401	113,150
Operating Loss	(106,375)	(239,996)	(364,086)	(710,457)

(continued)

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 22 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (continued)

	Landfill	County Home	Recycling	Total
Operating Transfers - In	\$0	\$221,000	\$344,896	\$565,896
Operating Transfers - Out	(128,371)	0	0	(128,371)
Net Income (Loss)	(139,815)	(18,996)	97,593	(61,218)
Fixed Asset Additions	2,013	2,335	193,253	197,601
Fixed Asset Reductions	2,618	3,300	55,105	61,023
Net Working Capital	1,943,984	(14,339)	9,297	1,938,942
Long-Term Obligations				
Compensated Absences Payable	752	17,513	6,730	24,995
Advances from Other Funds	0	53,992	0	53,992
Closure/Post Closure Liability	1,746,540	0	0	1,746,540
Total Assets	2,060,433	820,223	849,868	3,730,524
Total Equity	310,404	694,813	664,987	1,670,204
Encumbrances Outstanding at Year End (Budget Basis)	0	0	92,375	92,375

NOTE 23 - JOINTLY GOVERNED ORGANIZATIONS

A. Ashland County Regional Planning Commission:

The County participates in the Ashland County Regional Planning Commission, which is a statutorily created political subdivision of the State. The Commission is jointly governed among Ashland County, the City of Ashland, eight villages, and thirteen townships within the County. Each member's control over the operation of the Commission is limited to its representation on the Board of Trustees. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. In 1999, the County contributed \$45,790 to the Regional Planning Commission, which represents 55.15 percent of its total contributions.

B. Morrow-Ashland-Richland-Knox Consortium:

Ashland County is a participant in the Morrow-Ashland-Richland-Knox Consortium (MARK), a regional council of governments established to conduct an employment and training administration program under the provisions of the Job Training Reform Amendment of 1992. The Consortium Board of MARK consists of the three county commissioners from each of the four participating counties. The Consortium Board is responsible for the administration, operation, and success of the job training program. Financial information can be obtained from MARK, 1495 West Longview Avenue, Suite 101, Mansfield, Ohio, 44906.

NOTE 23 - JOINTLY GOVERNED ORGANIZATIONS (continued)

C. Northern Ohio Juvenile Community Corrections Facility:

The Northern Ohio Juvenile Community Corrections Facility (the Corrections Facility) is a jointly governed organization among Ashland, Erie, Huron, Richland, Sandusky, and Seneca Counties. The Corrections Facility provides for juvenile rehabilitation and correction for juvenile offenders who would otherwise be eligible for commitment to the Ohio Department of Youth Services. The Corrections Facility is controlled by a governing board consisting of the juvenile court judge from each of the participating counties. Each County's ability to influence the operations of the Corrections Facility is limited to their representation on the governing board. Erie County serves as the fiscal agent.

NOTE 24 - RELATED ORGANIZATION

The Ashland County Airport Authority was created by resolution of the County Commissioners under the authority of Chapter 308 of the Ohio Revised Code. The Airport Authority is governed by a five member board of trustees appointed by the County Commissioners. The Board of Trustees has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Airport Authority serves as custodian of its own funds and maintains all records and accounts independent of Ashland County.

Although the County has no obligation to provide financial resources to the airport, the County Commissioners have in prior years allocated certain funds to the Airport Authority. In 1999, this allocation was \$25,000.

NOTE 25 - INSURANCE POOLS

A. County Risk Sharing Authority, Inc.:

The County Risk Sharing Authority, Inc. (CORSA), is a jointly governed organization among thirty-nine counties in Ohio. CORSA was formed as an Ohio not-for-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board of Trustees. No county may have more than one representative on the Board of Trustees at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

Ashland County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 25 - INSURANCE POOLS (continued)

B. County Commissioners Association of Ohio Service Corporation:

The County participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as an insurance purchasing pool.

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

NOTE 26 - RELATED PARTY TRANSACTIONS

During 1999, Ashland County provided facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of its programs to Dale Roy Training Center. Dale Roy Training Center, a discretely presented component unit of Ashland County, reported \$77,981 for such contributions. Dale Roy Training Center recorded operating revenues and expenses at cost or fair market value as applicable, to the extent the contribution was related to the vocational purpose of the Center. Additional habilitative services provided directly to Center clients by the County was \$1,586,282.

NOTE 27 - 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 the terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

During 1999, the General Fund loaned the County Court agency fund \$178,280 to replace funds embezzled from the Clerk of Court's Office. The County received the reimbursement from CORSA, the County's insurance provider, on May 26, 2000.

Several other claims and lawsuits are pending against the County. In the opinion of the County Prosecuting Attorney, any potential liability would not have a material adverse effect on the financial statements.

ASHLAND COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1999

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Health and Human Services Passed through the Ohio Department of Alcohol and Drug Addiction:						
Block Grants for Prevention and Treatment of Substance Abuse	93.959	FY99	\$96,479	\$0	\$96,479	\$0
	93.959	FY00	58,947		58,947	
			<u>155,426</u>	<u>0</u>	<u>155,426</u>	<u>0</u>
Block Grants for Community Mental Health Services	93.958	FY99	13,239		13,239	
	93.958	FY00	13,239		13,239	
	93.958	FY99	1,399		1,399	
	93.958	FY00	1,401		1,401	
			<u>29,278</u>	<u>0</u>	<u>29,278</u>	<u>0</u>
Medical Assistance Program	93.778	FY99	176,945		177,890	
		FY00	42,733		74,714	
			<u>219,678</u>	<u>0</u>	<u>252,604</u>	<u>0</u>
Passed through Ohio Department of Mental Retardation and Developmental Disabilities						
Medical Assistance Program	93.778	FY99	134,319		134,319	
	93.778	FY00	109,997		109,997	
			<u>244,316</u>	<u>0</u>	<u>244,316</u>	<u>0</u>
Social Services Block Grant	93.667	FY99	93,197		93,197	
Total U.S. Department of Health and Human Services			741,895	0	774,821	0
U.S. Department of Housing and Urban Development Passed Through Ohio Department of Development:						
Community Development Block Grants/ State's Program	14.228	BF-96-003-1	17,750		18,744	
	14.228	BF-97-003-1	75,851		74,567	
	14.228	BC-97-003-1	141,250		170,383	
	14.228	BC-99-003-1	10,000		10,000	
	14.228	BC-99-003-2	4,300		4,092	
	14.228	BC-97-003-1	10,000		2,553	
			<u>259,151</u>	<u>0</u>	<u>280,339</u>	<u>0</u>
Total U.S. Department of Housing and Urban Development			259,151	0	280,339	0

ASHLAND COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Education Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education Pre-School Grants	84.173	069225-PG-S1-99P			7,321	
	84.173	069225-PG-S1-00P	13,710		5,285	
			<u>13,710</u>	0	<u>12,606</u>	0
Special Education Grants to States	84.027	069625-6B-SF-99P	28,308		29,422	
Total Special Education Cluster			<u>42,018</u>	0	<u>42,028</u>	0
Innovative Education Program Strategies						
	84.298	069625-C2-S198			75	
	84.298	069625-C2-S199			1,405	
			<u>0</u>	<u>0</u>	<u>1,480</u>	<u>0</u>
Total U.S. Department of Education			<u>42,018</u>	<u>0</u>	<u>43,508</u>	<u>0</u>
U.S. Department of Agriculture Passed Through Ohio Department of Education:						
Nutrition Cluster:						
National School Lunch Program	10.555	N/A	21,348		21,348	
Food Distribution	10.550	N/A		4,995		4,650
Total U.S. Department of Agriculture - Nutrition Cluster			<u>21,348</u>	<u>4,995</u>	<u>21,348</u>	<u>4,650</u>
U.S. Department of Justice Direct Program:						
Public Safety Partnership and Community Policing Grants	16.710	95 CFWX 0789	21,451		30,492	
Passed Through the State Office of Criminal Justice Services						
Victims of Crime Assistance	16.558	98-VAGENE-306T	18,238		27,773	
	16.558	99-VAGENE-306T	9,894		9,405	
	16.558	96-WFVA-78109	2,500		1,527	
			<u>30,632</u>	<u>0</u>	<u>38,705</u>	<u>0</u>
Local Law Enforcement Block Grants Program	16.592	97-LE-LEB-3008	9,000		9,000	
Total U.S. Department of Justice			<u>61,083</u>	<u>0</u>	<u>78,197</u>	<u>0</u>
Total			<u>\$1,125,495</u>	<u>\$4,995</u>	<u>\$1,198,213</u>	<u>\$4,650</u>

The accompanying notes to this federal schedule are an integral part of this schedule.

ASHLAND COUNTY

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 1999

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FIFO METHOD

Federal funds were commingled with other revenues for the Title XIX Medical Assistance Grant. A first-in first-out (FIFO) method was used to arrive at grant expenditures for that federal program.

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. Monies are commingled with state grants. It is assumed federal monies are expended first. At December 31, 1999, the County had no significant food commodities in inventory.

NOTE D - REVOLVING LOAN

As of December 31, 1999, there was one outstanding loan totaling \$5,739. During 1999, payments totaling \$1,682 were received, plus \$425 in interest.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

County Commissioners
Ashland County
142 West 2nd Street
Ashland, Ohio 44805

To the County Commissioners:

We have audited the general purpose financial statements of Ashland County, Ohio, (the County) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 23, 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 the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 1999-60503-001 through 1999-60503-003.

We also noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated June 23, 2000.

Internal Control Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated June 23, 2000.

Ashland County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

June 23, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

County Commissioners
Ashland County
142 West 2nd Street
Ashland, Ohio 44805

To the County Commissioners:

Compliance

We have audited the compliance of Ashland County, Ohio, (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1999. The County's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1999.

Internal Control Over Compliance

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

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

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

Jim Petro
Auditor of State

June 23, 2000

**ASHLAND COUNTY
DECEMBER 31, 1999**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

1. SUMMARY OF AUDITOR'S RESULTS
--

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

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

Finding For Recovery

Finding Number	1999-60503-001
-----------------------	----------------

Janet Lou Schlingman, a former employee of the Ashland County Board of Elections, retired effective December 31, 1999. Upon separation of employment, she received compensation for her accrued and unused vacation balance. This balance included fourteen hours of vacation leave used during the pay period ended October 22, 1999. As a result, Janet Lou Schlingman was overcompensated a total of \$166.32 (14 hours at \$11.88 per hour).

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Janet Lou Schlingman and the Ohio County Risk Sharing Authority (C.O.R.S.A.), her bonding company, jointly and severally, in the amount of one hundred sixty six dollars and thirty two cents (\$166.32), and in favor of Ashland County's General Fund.

This finding was repaid during the audit.

Noncompliance

Finding Number	1999-60503-002
-----------------------	----------------

Ohio Rev. Code Section 5705.39 states that the total appropriations from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total estimated or amended official estimate.

At September 30, 1999, the Enterprise Recycling Program Fund had appropriations that exceeded total estimated revenue by \$5,161. At December 31, 1999, the Enterprise Recycling Program Fund, the Enterprise Landfill Operations Fund, and the Special Revenue CHIP Fund had appropriations that exceeded estimated revenue by (\$9,996, \$13,028 and \$586,250, respectively). This resulted because amendments were made to the appropriations without making amendments to the estimated resources.

Appropriating more than what is estimated to be received could result in overspending of funds. The County Auditor should review the estimated revenue and compare it to appropriations. If more revenue is received than expected, then an amended certificate should be issued.

Finding Number	1999-60503-003
-----------------------	----------------

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and other orders for expenditure lacking prior certification should be null and void and no warrant shall be issued in payment of any amount due thereon. This section also provides two "exceptions" to the above requirements:

- A) Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was both at the time of the contract or order and at the time the certificate was appropriated, free of any previous encumbrances, the Commissioners may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B) If the amount involved is less than \$100, the fiscal officer may authorize it to be paid without the affirmation of the Commissioners, if such expenditure is otherwise valid.

13 of the 60 expenditures, contracts, and/or open purchase commitments tested were not properly certified by the Auditor. These commitments were not subsequently approved by the Commissioners within the aforementioned 30 day time period.

3. FINDINGS FOR FEDERAL AWARDS

None.

**ASHLAND COUNTY
DECEMBER 31, 1999**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b) and GAGAS**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-60503-001	Year 2000 Issue	Yes	Finding No Longer Valid
1998-60503-002	Year 2000 Issue, as it relates to federal programs	Yes	Finding No Longer Valid



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

ASHLAND COUNTY FINANCIAL CONDITION

ASHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 18, 2000