

**BUCKEYE HILLS-HOCKING VALLEY
REGIONAL DEVELOPMENT DISTRICT**

MARIETTA, OHIO

AUDIT REPORT

JUNE 30, 1999

SNODGRASS

Certified Public Accountants and Consultants



**BUCKEYE HILLS-HOCKING VALLEY
REGIONAL DEVELOPMENT DISTRICT**

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JUNE 30, 1999**

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**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
JUNE 30, 1998**

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STATE OF OHIO
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Board of Directors
Buckeye Hills-Hocking Valley Regional Development District
Marietta, Ohio

We have reviewed the Independent Auditor's Report of the Buckeye Hills-Hocking Valley Regional Development District, Washington County, prepared by S. R. Snodgrass, A. C., for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Buckeye Hills-Hocking Valley Regional Development District is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

February 7, 2000

SNODGRASS

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Buckeye Hills-Hocking Valley Regional Development District
Marietta, Ohio

We have audited the accompanying general-purpose financial statements of Buckeye Hills-Hocking Valley Regional Development District, as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Agency'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 the Buckeye Hills-Hocking Valley Regional Development District, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 1999, on our consideration of Buckeye Hills-Hocking Valley Regional Development District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Buckeye Hills-Hocking Valley Regional Development District, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

S. R. Snodgrass, A.C.

Wheeling, West Virginia
December 10, 1999

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999**

| | GOVERNMENTAL FUND TYPES | | ACCOUNT GROUPS | | TOTAL |
|--------------------------------------------------------------|----------------------------|-----------------------------|----------------------------|-------------------------------------|----------------------|
| | General Fund | Special Revenue Funds | General Fixed Assets | General Long-Term Obligations | (Memorandum Only) |
| ASSETS | | | | | |
| Cash in Banks | \$ 530,217 | \$ 1,104,986 | \$ - | \$ - | \$ 1,635,203 |
| Petty Cash | 200 | - | - | - | 200 |
| Prepaid Items | - | 8,282 | - | - | 8,282 |
| Loans Receivable, Net | - | 1,392,935 | - | - | 1,392,935 |
| Grants Receivable | - | 994,247 | - | - | 994,247 |
| Other Recievable | - | 1,063 | - | - | 1,063 |
| Workers' Compensation Deposit | 985 | - | - | - | 985 |
| Other Deposits | - | 100 | - | - | 100 |
| Land | - | - | 8,000 | - | 8,000 |
| Office and Computer Equipment | - | - | 253,328 | - | 253,328 |
| Accumulated Depreciation | - | - | (167,021) | - | (167,021) |
| Amount to be provided for Long-Term Obligations | - | - | - | 98,920 | 98,920 |
| Total Assets | \$ 531,402 | \$ 3,501,613 | \$ 94,307 | \$ 98,920 | \$ 4,226,242 |
| LIABILITIES, FUND EQUITY, AND OTHER CREDITS | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ - | \$ 633,466 | \$ - | \$ - | \$ 633,466 |
| Accrued Payroll | - | 63,827 | - | - | 63,827 |
| Accrued Audit Costs | - | 28,500 | - | - | 28,500 |
| Deferred Revenue | 14,477 | 395,668 | - | - | 410,145 |
| Compensated Absences Payable | - | - | - | 98,920 | 98,920 |
| Total Liabilities | 14,477 | 1,121,461 | - | 98,920 | 1,234,858 |
| FUND EQUITY AND OTHER CREDITS | | | | | |
| Investment in General Fixed Assets | - | - | 94,307 | - | 94,307 |
| Fund Balances Designated for: Future Year's Operation | 516,925 | 2,380,152 | - | - | 2,897,077 |
| Total Fund Equity and Other Credits | 516,925 | 2,380,152 | 94,307 | - | 2,991,384 |
| Total Liabilities, Fund Equity, and Other Credits | \$ 531,402 | \$ 3,501,613 | \$ 94,307 | \$ 98,920 | \$ 4,226,242 |

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

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1999**

| | General Fund | Special Revenue Funds | Total (Memorandum Only) |
|-----------------------------------------------------------------------------|-------------------|-----------------------------|-------------------------------|
| REVENUES | | | |
| Federal Grants | \$ - | \$ 4,108,349 | \$ 4,108,349 |
| State Grants | 11,452 | 3,481,467 | 3,492,919 |
| In-Kind Revenue | - | 8,967 | 8,967 |
| CDBG Administration | 29,900 | - | 29,900 |
| Local Funds | 24,290 | 71 | 24,361 |
| Interest Income | 15,069 | 97,339 | 112,408 |
| Miscellaneous Income | 10,362 | 49,681 | 60,043 |
| Total Revenues | 91,073 | 7,745,874 | 7,836,947 |
| EXPENDITURES | | | |
| Area Agency Payments to Service Providers | - | 5,253,557 | 5,253,557 |
| Personnel | - | 1,148,238 | 1,148,238 |
| Employee Benefits | - | 397,579 | 397,579 |
| Travel | 1,005 | 107,797 | 108,802 |
| Contractual | - | 19,989 | 19,989 |
| In-Kind Expenses | - | 8,967 | 8,967 |
| Equipment Purchases | - | 89,558 | 89,558 |
| Equipment Lease | - | 1,748 | 1,748 |
| Space | 11,914 | 40,048 | 51,962 |
| Other Direct Costs | 18,033 | 151,021 | 169,054 |
| Indirect Costs | - | 317,073 | 317,073 |
| Local Cash Applied | 32,315 | - | 32,315 |
| Total Expenditures | 63,267 | 7,535,575 | 7,598,842 |
| Excess of Revenues Over Expenditures | 27,806 | 210,299 | 238,105 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 1,949 | 1,791,398 | 1,793,347 |
| Transfers Out | (15,248) | (1,778,099) | (1,793,347) |
| Total Other Financing Sources (Uses) | (13,299) | 13,299 | - |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | 14,507 | 223,598 | 238,105 |
| FUND BALANCES AT JULY 1, 1998 | 502,418 | 2,156,554 | 2,658,972 |
| FUND BALANCES AT JUNE 30, 1999 | \$ 516,925 | \$ 2,380,152 | \$ 2,897,077 |

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

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1999**

| | General Fund | | | Special Revenue Funds | | |
|--------------------------------------------------------------------------------------|--------------|-------------------|----------------------------------------|-----------------------|---------------------|----------------------------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Federal Grants | \$ - | \$ - | \$ - | \$ 3,871,540 | \$ 4,108,349 | \$ 236,809 |
| State Grants | - | 11,452 | 11,452 | 3,520,956 | 3,481,467 | (39,489) |
| In-Kind Revenue | - | - | - | 4,577 | 8,967 | 4,390 |
| CDBG Administration | - | 29,900 | 29,900 | - | - | - |
| Local Funds | - | 24,290 | 24,290 | 17,672 | 71 | (17,601) |
| Interest Income | - | 15,069 | 15,069 | - | 97,339 | 97,339 |
| Miscellaneous Income | - | 10,362 | 10,362 | - | 49,681 | 49,681 |
| Total Revenues | - | 91,073 | 91,073 | 7,414,745 | 7,745,874 | 331,129 |
| EXPENDITURES | | | | | | |
| Area Agency Payments to Service Providers | - | - | - | 4,928,758 | 5,253,557 | (324,799) |
| Personnel | - | - | - | 1,215,662 | 1,148,238 | 67,424 |
| Employee Benefits | - | - | - | 458,053 | 397,579 | 60,474 |
| Travel | - | 1,005 | (1,005) | 101,781 | 107,797 | (6,016) |
| Contractual | - | - | - | 101,923 | 19,989 | 81,934 |
| In-Kind Expenses | - | - | - | 48,661 | 8,967 | 39,694 |
| Equipment Purchases | - | - | - | 2,200 | 89,558 | (87,358) |
| Equipment Lease | - | - | - | 8,077 | 1,748 | 6,329 |
| Space | - | 11,914 | (11,914) | 39,600 | 40,048 | (448) |
| Other Direct Costs | - | 18,033 | (18,033) | 172,311 | 151,021 | 21,290 |
| Indirect Costs | - | - | - | 337,719 | 317,073 | 20,646 |
| Local Cash Applied | - | 32,315 | (32,315) | - | - | - |
| Total Expenditures | - | 63,267 | (63,267) | 7,414,745 | 7,535,575 | (120,830) |
| Excess of Revenues Over Expenditures | - | 27,806 | 27,806 | - | 210,299 | 210,299 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | - | 1,949 | 1,949 | 1,969,171 | 1,791,398 | (177,773) |
| Transfers Out | - | (15,248) | (15,248) | (1,969,171) | (1,778,099) | 191,072 |
| Total Other Financing Sources (Uses) | - | (13,299) | (13,299) | - | 13,299 | 13,299 |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | \$ - | 14,507 | \$ 14,507 | \$ - | 223,598 | \$ 223,598 |
| FUND BALANCES AT JULY 1, 1998 | | 502,418 | | | 2,156,554 | |
| FUND BALANCES AT JUNE 30, 1999 | | \$ 516,925 | | | \$ 2,380,152 | |

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

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. 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 prescribed in the statements issued by the Government Accounting Standards Board and other recognized authoritative sources.

Reporting Entity

The Buckeye Hills-Hocking Valley Regional Development District, hereinafter referred to as BH-HVRDD, was created as an agency established by agreement among its members pursuant to Section 167.01-08 of the Ohio Revised Code. BH-HVRDD is organized as a voluntary organization of local government political subdivisions in Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry and Washington Counties to foster a cooperative effort in regional planning, programming, and the implementing of regional plans and programs. BH-HVRDD is also organized as a forum for the discussion and study of common problems of a regional nature, and for the development of policy and action recommendations relating thereto.

The functions of BH-HVRDD are:

1. To foster, develop, and review plans for regional growth, development, and conservation; and to aid in coordinating plans among local governments.
2. To perform planning directly by personnel of BH-HVRDD, or under contracts between BH-HVRDD and other public and private planning agencies. To *undertake studies, collect data, develop regional plans and programs, and engage in such other activities as BH-HVRDD finds necessary or desirable for the solution of regional problems. Said planning and studies shall include, but will not be limited to, those relating to land use, transportation, housing, environmental controls, health, economic development, and community and public facilities.*
3. To serve, upon the request of the local government, as a representative of such government, in such matters as may affect the region as a whole.
4. To provide a continuing practical structural mechanism to promote communication and cooperation among area governmental units and agencies.
5. To review, evaluate, comment upon, and make recommendations relating to the planning and programming, and the location, financing, and scheduling of programs in the region through the A-95 program review process.

BH-HVRDD may perform common functions and services characteristic of its individual political subdivisions as described in ORC 167.03.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

BH-HVRDD may enter into special purpose contracts or agreements with one or more local government units or private non-profit organizations within the District to act on their behalf in applying for, administering, and coordinating grants and contracts available for programs authorized by State and Federal laws for physical, economic, and human resources planning and development.

The authority granted to BH-HVRDD shall not displace any existing municipal, county, or regional planning commission in the exercise of its statutory powers.

Eligibility

All cities, counties, and county seats within the counties of Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry and Washington are eligible for membership in BH-HVRDD. Membership may be extended to other local political subdivisions, government agencies, and quasi-governmental agencies located both within and outside the eight-county area if said membership is conducive to facilitating federal, state, or regional planning objectives. Also, temporary associate membership may be extended for a special project lying partially outside the boundaries of the eight-county area. The latter memberships authorization shall be made upon majority approval of the General Policy Council's total membership.

General Policy Council

The General Policy Council of BH-HVRDD is responsible for the following functions:

1. Representation

The General Policy Council (hereinafter referred to as the Council) shall be composed of 2/3 duly elected officials. Public officials shall be apportioned on the basis of 1 representative for each 10,000 population or fraction thereof. The remaining 1/3 of the Council shall be composed of private citizens who are neither elected public officials of, nor employees of, a general purpose unit of local government. These appointments may be composed of citizens who represent principal community or regional interests or groups, including, but not limited to, commerce, industry, labor, agriculture, education, health, senior citizens, and low-income and minority groups.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Representation (Continued)

Minority groups, such as the National Association for the Advancement of Colored People (NAACP) and other organized and recognized chapters of minorities within the boundaries of the eight-county area, shall collectively be afforded the opportunity to nominate one member to the General Policy Council. If nominees are chosen from community or regional interests or groups, they shall be members of their respective policy-making bodies and cannot be paid or volunteer staff.

Representation shall be apportioned to each member political subdivision based on the last official U.S. Census of Population. The county's representation shall be apportioned based on that portion of the county's total population residing outside cities and county seats. Representation shall include the mayor of each city and county seat and one County Commissioner from each county maintaining membership. Additional public official representatives shall be appointed by the County Commissioners in the case of county representatives, and by the City Council in the case of city representatives.

The County Commissioners of each county appoint, in addition to their allotted number of public official appointments, one citizen representative for every three public officials representing the county or any political subdivision within the county. Each group of County Commissioners makes at least one citizen appointment.

Additional at-large non-public official representatives may be appointed by a majority vote of the Council. Such representatives are persons who represent low-income and minority groups; or persons having special familiarity with community issues such as housing, education, economic development, transportation, health, recreation, and environmental problems. The total number of non-public officials, including those appointed by the County Commissioners, may not exceed 1/3 of the total Council representation.

2. Voting

Each representative from participating jurisdictions is entitled to one vote in the deliberations of the Council. Unless otherwise specified by agency By-laws, voting in the Council on any question for passage will require an affirmative simple majority of those present and voting.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Meetings

The Council holds two regular meetings each year. Such regular meetings are on the last Tuesday of the months of April and October and are held at a time and place designated by the President.

4. Duties

Major duties include:

- a. Approve the budget and annual work program.
- b. Approve the annual member assessment or fee schedule.
- c. Elect the officers of BH-HVRDD.
- d. Resolve any membership questions.
- e. Approve the applications for membership from political subdivisions and agencies outside the prescribed eight-county area.
- f. Recommend and approve amendments to BH-HVRDD By-laws.
- g. Recommend and approve plans, policy statements, and service programs for implementation by BH-HVRDD, member agencies, or contractors, so far as it does not restrict the statutory powers of the members.
- h. Elect non-elected representatives to the Executive Committee.
- i. Review any action of the Executive Committee.

Executive Committee

The Executive Committee acts on behalf of the Council between Council sessions. All such actions shall be subject to review by the Council and may be overruled by a 2/3 vote of voting members present at a duly called Council meeting.

1. Representation

The Executive Committee consists of 15 persons and is composed of 2/3 duly elected public officials and 1/3 private citizens who are neither elected public officials of, nor employees of, a general purpose unit of government. Each county appoints an elected public official and an alternate with the mayors or their designated alternates of the District's two largest cities serving as members of the Executive Committee. The General Policy Council elects from among its membership, four non-elected officials with the remaining seat allocated to the

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Executive Committee (Continued)

1. Representation (Continued)

nominee approved by the General Policy Council from the region's NAACP or other minority groups. Each county's representative and an alternate are chose from among the Council membership from the county by the County Commissioners in consultation with the full membership from the county. However, at no time can any county have more than two representatives on the Executive Committee.

2. Voting

Voting in the Executive Committee is conducted in the following manner:

- a. Each member of the Executive Committee has one vote.
- b. In order to recommend the annual budget and work program to the Council, the affirmative vote of not less than a majority of the entire Executive Committee membership is required.
- c. In order to appoint or remove the Executive Director of the Council, the affirmative vote of not less than a majority of the entire Executive Committee membership is required.

3. Meetings

The Executive Committee holds regular meetings on the last Tuesday of each month, with the exception of the months of April, October, and December, at a time and place specified by the President.

4. Duties

Duties include, but are not limited to, the following:

- a. Recommend to the Council the annual budget and work program.
- b. Approve the hiring of an Executive Director by majority vote of the entire Executive Committee membership.
- c. Recommend to the Council amendments to the By-laws.
- d. Recommend the plans, policy statements, and service programs for implementation by the Council.
- e. Adopt personnel rules and regulations.

**Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Duties (Continued)

- f. Select a Certified Public Accountant to conduct the annual audits of the District's Administrative and Programmatic grants. Review and approve the audits and authorize submission to appropriate state and federal agencies where required or requested.
- g. Nominate 4 non-elected officials from among the Council membership for election to the Executive Committee.
- h. Nominate a slate of officers from the Executive Committee to be voted on at the annual meeting.
- i. In the event a vacancy occurs on the Executive Committee in a seat held by a non-elected official, the Executive Committee shall appoint a non-elected member of the General Policy Council to fill this vacancy until the next meeting of the General Policy Council.

Officers, Election, Term of Office

1. Officers

Officers of BH-HVRDD consist of a President, Vice President, Treasurer, and Secretary. The President, Vice President, and Treasurer shall be elected annually from the members of the Executive Committee. The Director of BH-HVRDD shall be the non-voting Secretary of BH-HVRDD. All checks shall be signed by any two of the three elected officers.

2. Elections

Elections are being held during the annual meetings of the Council. Newly elected officers take office at the conclusion of this meeting.

3. Term of Office

All elected public officials and non-elected public official appointments by the County Commissioners and by City Council are for a two (2) year term effective the first day of January.

Fund Accounting

The accounts of the District are organized on the basis of funds or groups of accounts, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into generic fund types under the following broad fund categories:

Governmental Funds

General Fund: The General Fund is the general operating fund of BH-HVRDD. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Account Groups

To make 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 established to account for all fixed assets of the District.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the District.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available". Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred. The available period for the District is sixty days.

Funding Sources

1. Appalachian Regional Commission under Section 302 of the Appalachian Regional Development Act of 1965, as amended, for administrative expenses.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funding Sources (Continued)

2. Ohio Department of Aging:
 - a. Under Title XIX of the Social Security Act, as amended, for operation of the Pre-Admission Screening System Providing Options and Resources Today (PASSPORT).
 - b. Under Title III of the Older Americans Act, for operation of the Area Agency on Aging.
 - c. Under Eldercare Options for the operation of a state funded rural demonstration program.
3. U.S. Department of Commerce, Economic Development Administration - Under Section 301(b) of the Public Works and Economic Development Act of 1965, for administrative expenses.
4. Ohio Department of Development, Governor's Office of Appalachia, Local Development District Grant Assistance Program for administrative expenses in connection with the work program.

Allowance for Loan Losses

The allowance for loan losses is based upon management's assessment of current and historical loss experience, loan portfolio trends, prevailing economic and business conditions, specific loan review and other relevant factors. Specific allowances are established for any impaired loan for which the recorded investment in the loan exceeds the measured value of the loan. In management's opinion, the provision is sufficient to maintain the allowance for loan losses at a level that adequately provides for potential losses.

Compensated Absences

The following policies of the District regarding leave accrual were followed:

1. Vacation

Full-time employees earn vacation annually, on their hire date, on the following basis: one through five years of employment, fifteen work days; six through ten years of employment, twenty working days; eleven through twenty years, twenty-five working days; twenty-one years and over, thirty working days.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

1. Vacation (Continued)

If an employee has a balance of vacation leave at the end of their annual period, they may carry over up to 35 hours with any hours above the 35 being lost.

After six months of employment, all employees may take an advance of up to 35 hours of vacation leave that is charged to their first year accrual of vacation leave.

2. Sick Leave

Full-time employees, from the date of employment, shall earn leave at the rate of one and one-fourth days for each month worked, to a maximum of 132 days.

3. Holidays

The District has ten official holidays per year. Full-time employees are paid for these holidays; part-time employees are not paid.

Payment of Compensated Absences

1. Vacation

All employees are entitled to full payment of any unused vacation pay upon separation from the District.

All employees who exercise the option of taking an advance of vacation against their first year accrual are liable for repayment to the District if they separate from service with the District prior to one full year of employment.

Employees with 21 years and over of service have the option of receiving five days of pay and a reduction of vacation leave available by five days.

2. Sick Leave

All employees who accumulate sick leave hours in excess of 132 days will receive pay for accumulated leave on a ratio of one-half of accumulated leave in excess of 132 days and will be calculated at the employee's current rate of pay at the end of each fiscal year.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payment of Compensated Absences (Continued)

2. Sick Leave (Continued)

Upon retirement within the PERS system and with at least ten years of service to the District, an employee may elect to be paid in cash for one-fourth of the value of their accrued sick leave credit to a maximum of 33 days. Such payment shall be based on the employee's rate of pay at the time of retirement. Payment of sick leave on this basis shall be considered to eliminate all sick leave credit accrued by the employee at that time and such payment may be made only once to any employee. The maximum payment which may be made under this shall be one-fourth of 132 days.

In the event of the death of an employee who has at least ten years of service, payment of unused sick leave will be made to the employee's spouse or estate in the same manner as a retiring individual.

General Long-Term Obligations

At June 30, 1999, management estimates that \$57,655 in vacation leave, \$37,008 in sick pay, and \$4,257 in personal leave have been accumulated by the employees of the District. All leave will either be absorbed by time off from work, or within certain limitations, be paid to employees. The full amount of this liability has been recorded in the General Long-Term Obligations Account Group.

Sick pay has been calculated according to the termination payment method established by GASB No. 16. Under the termination method, the District estimates its sick pay liability based on past history, adjusted for relevant factors.

The General Long-Term Obligations Account Group is not a "Fund". It is concerned only with the measurement of financial position, not with the measurement of results of operations.

General Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in their balance sheets. Their reported fund balance is considered a measure of "available spending resources". Governmental Fund operating statements present increases and decreases in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fixed Assets (Continued)

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Asset Account Group, rather than in Governmental Funds, and no depreciation expense has been provided on general fixed assets.

All fixed assets are valued at historical cost.

The General Fixed Asset Account Group is not a "fund". It is concerned only with the measurement of financial position, not with measurement of results of operations. Accumulated depreciation is reported on the General Fixed Asset Account Group and has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of all assets is 5 years.

Budgetary Process

The District's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ended June 30.

BH-HVRDD's primary funding source is federal and state grants which have grant periods that may or may not coincide with the District's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months.

Because of BH-HVRDD's dependency on federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. BH-HVRDD's annual budget differs from that of most local governments in two respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis.

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimated;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process (Continued)

The Board formally approves the annual budget but greater emphasis is placed on complying with the grant budget, terms and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

Although the annual budget for the Special Revenue Funds is reviewed and approved by the Board, it is not a legally adopted budget.

Total Columns on Combined Financial Statements

Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not indicate financial position and results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Risk Management

The District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the District.

NOTE 2. ALLOCATION OF COSTS

Office of Management and Budget Circular A-87 provides for the establishment of cost pools which are to be distributed over the benefitting activity in some rational and equitable manner. The concept of indirect costs is introduced and defined as follows in A-87: "Indirect costs are those (a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefitted without effort disproportionate to the results achieved."

OMB A-87 also provides the following basis options for the allocation of indirect costs accumulated in an indirect cost pool: (1) direct salary costs or (2) total direct costs, excluding items like large consulting contracts and capital expenditures.

The District chose the direct salary cost method because it felt that the more salary costs a grant has, the more of the kinds of costs that accumulate in an indirect cost pool that the grant would have under a totally direct costing system. Management and administrative salaries and indirect costs are allocated to the various programs using the actual rate as determined by the method shown in the District's cost allocation plan.

**Buckeye Hills-Hocking Valley Regional Development District
 NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 1999**

NOTE 3. DEPOSITS

At June 30, 1999, the carrying amount of BH-HVRDD's deposits was \$1,635,203, and the bank balance was \$1,912,967.

The District's deposits are categorized to give an indication of the level of risk assumed by the District at June 30, 1999. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the entity or by its agency in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name.

Category 3 - Uncollateralized.

| | |
|------------|---------------------|
| Category 1 | \$ 247,023 |
| Category 2 | 1,665,944 |
| Category 3 | <u> -</u> |
| Total | <u>\$ 1,912,967</u> |

NOTE 4. CONCENTRATIONS OF CREDIT

The District maintains significant cash balances on deposit with a federally insured financial institution. At June 30, 1999, the aggregate balance of cash on deposit, in excess of the amount covered by federal deposit insurance, was approximately \$1,665,944. The District has collateralized these deposits with separate pledges of bank securities.

The majority of the District's funding is through federal and state grants. Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursement to the grantor agency. Management of the District believes disallowances, if any, will be immaterial.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 5. OPERATING LEASES

BH-HVRDD leases buildings and office equipment under operating leases with terms ranging from 18 to 60 months. Lease payments during fiscal year 1999 were approximately \$83,136. The future minimum payments required under operating leases that have remaining non-cancelable terms in excess of one year are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|-------------------|
| 2000 | \$ 65,976 |
| 2001 | 35,976 |
| 2002 | <u>3,192</u> |
| Total | <u>\$ 105,144</u> |

NOTE 6. RELATED PARTY TRANSACTIONS

BH-HVRDD rents office space from the Appalachian Development Corporation. Most board members of Appalachian Development Corporation are also on the board of Buckeye Hills. These rent payments totaled approximately \$28,452 for the fiscal year. In addition to the rent, BH-HVRDD leases telephone equipment in the building from the Appalachian Development Corporation. These lease payments totaled approximately \$3,192 for the fiscal year.

NOTE 7. DEFINED BENEFIT PENSION PLANS - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

All Buckeye Hills-Hocking Valley Regional Development District (BH-HVRDD) employees participate in the Public Employees Retirement System ("PERS"), a cost-sharing multiple-employer public employee retirement system created by the State. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4562 or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The rate set for employee contributions for fiscal 1999 was 8.50 percent for employees. The 1998-99 employer contribution rate for local government employers was 13.55 percent of covered payroll. 69 percent of the employer contribution (9.35 percent of covered payroll) was used to fund pension obligations. BH-HVRDD's contribution for pension obligations to PERS for the year ended June 30, 1999, 1998, and 1997 were \$120,140, \$112,168, and \$104,574 respectively. The full amount has been contributed for 1998 and 1997. 91.3 percent has been contributed for 1999 with the remainder being reported as fund liabilities.

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 8. POST-EMPLOYMENT BENEFITS - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

The Public Employees Retirement System of Ohio provides post retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB No. 12, Disclosure of Information on Post-employment Benefits Other Than Pension Benefits by State and Local Government Employers. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care based on authority granted by State Statute. The fiscal 1998-99 employer contribution rate was 13.55 percent of covered payroll with 31 percent of the employer contribution (4.20 percent of covered payroll) used to fund health care.

Benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1998, OPEB expenditures made by PERS were \$440,596,663. As of December 31, 1998, the unaudited net assets available for future OPEB payments were \$9,447,325,318. At December 31, 1998, the total number of benefit recipients eligible for OPEB through PERS was 115,597. BH-HVRDD's actual contributions for FY 1999 which were used to fund OPEB were \$53,966.

During 1998, PERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equaling 4.20 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health coverage.

NOTE 9. ECONOMIC DEVELOPMENT ADMINISTRATION - REVOLVING LOAN FUND

Fund balance is unobligated and consists of the following as of June 30, 1999::

| | <u>Federal</u> | <u>Grantee</u> | <u>Total</u> |
|---------------------------|-------------------|-------------------|-------------------|
| Outstanding Loan Balances | \$ 304,321 | \$ 116,421 | \$ 420,742 |
| Allowance for Loan Losses | (43,408) | (19,790) | (63,198) |
| Cash in Bank | <u>105,807</u> | <u>67,412</u> | <u>173,219</u> |
| Total Fund Balances | <u>\$ 366,720</u> | <u>\$ 164,043</u> | <u>\$ 530,763</u> |

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 10. APPALACHIAN REGIONAL COMMISSION - REVOLVING LOAN FUND

Fund balance as of June 30, 1999, consists of the following:

| | <u>Federal</u> | <u>Grantee</u> | <u>Total</u> |
|---------------------------|---------------------|----------------|--------------------|
| Outstanding Loan Balances | \$ 840,428 | \$ - | \$ 840,428 |
| Allowance for Loan Losses | (5,578) | - | (5,578) |
| Cash in Bank | <u>231,040</u> | <u>-</u> | <u>231,040</u> |
| Total Fund Balance | <u>\$ 1,065,890</u> | <u>\$ -</u> | <u>\$1,065,890</u> |

NOTE 11. UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT - REVOLVING LOAN FUND

Fund balance as of June 30, 1999, consists of the following:

| | <u>Federal</u> | <u>Grantee</u> | <u>Total</u> |
|---------------------------|-------------------|----------------|-------------------|
| Outstanding Loan Balances | \$ 144,820 | \$ - | \$ 144,820 |
| Cash in Bank | <u>56,709</u> | <u>-</u> | <u>56,709</u> |
| Total Fund Balance | <u>\$ 201,529</u> | <u>\$ -</u> | <u>\$ 201,529</u> |

NOTE 12. GENERAL FIXED ASSETS

The General Fixed Asset Account Group was established at June 30, 1994, and included all general fixed assets in service at that time with an historical cost over \$500. Historical records were used to determine cost and funding sources for all general fixed assets.

Assets were recorded and accumulated depreciation provided as follows:

| | <u>Computer Equipment</u> | <u>Furniture</u> | <u>Land</u> | <u>Total</u> |
|-----------------------------|-------------------------------|------------------|-----------------|------------------|
| Cost | \$ 160,165 | \$ 93,163 | \$ 8,000 | \$ 261,328 |
| Accumulated Depreciation | <u>97,583</u> | <u>69,438</u> | <u>-</u> | <u>167,021</u> |
| Net Book Value | <u>\$ 62,582</u> | <u>\$ 23,725</u> | <u>\$ 8,000</u> | <u>\$ 94,307</u> |

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1999

NOTE 13. CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 1999.

B. Subcontractors

For a majority of the expenditures in the Aging programs, the District contracts with local non-profit agencies and for profit companies to perform the specific services set forth in the grant agreements. The District disburses grant funds to the entities based on monthly performance reports received from each entity. Some of the non-profit Aging subcontractors are required to have an annual independent audit. Under OMB Circular A-133, the District requires each agency to submit a copy of the audit reports. If such audits disclose expenditures not in accordance with the terms of the grants, the grantor agency could disallow the costs and require reimbursement of the disallowed costs either from the District or the delegate agency. The District generally has the right of recovery from the subcontractors.

For the year ended June 30, 1999, agency costs of various amounts were disbursed for which the audits have not been received. Based upon prior experience, management believes that the District will not incur significant losses from possible grant disallowances.

C. Other

In a prior year the District was the recipient of a state grant for the purpose of making loans to industrial companies. At June 30, 1999 there is approximately \$493,550 in cash maintained in an escrow account for this purpose. The District has been notified that unless qualifying loans are made in the near term, that the District will be required to return this money to the grantor.

**Buckeye Hills-Hocking Valley Regional Development District
 NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 1999**

NOTE 14. FUND EQUITY AND OTHER CREDITS

Fund equity and other credits consist of the following:

| | | |
|---------------------------------------------------------------------------------------|----------------|---------------------|
| General Fund: | | |
| Local Cash Fund | \$ 340,004 | |
| Buckeye Hills-Hocking Valley Regional Development District Area Agency on Aging | <u>176,921</u> | \$ 516,925 |
| Special Revenue Funds: | | |
| Revolving Loan Funds: | | |
| Economic Development Administration | 530,763 | |
| Appalachian Regional Commission | 1,065,890 | |
| USDA-Rural Development | 201,529 | |
| 166 Loan Program | 554,852 | |
| RLF Administration | <u>27,118</u> | 2,380,152 |
| General Fixed Assets: | | |
| Investment in General Fixed Assets | | <u>94,307</u> |
| Total Fund Equity and Other Costs | | <u>\$ 2,991,384</u> |

NOTE 15. YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations.

The management of Buckeye Hills-Hocking Valley Regional Development District has completed an inventory of computer systems and other equipment necessary to conducting operations and has identified such systems as being financial reporting, payroll, and grant reporting. All testing and validation of these systems have been completed.

Because of the unprecedented nature of the Year 2000 issue, its effects and success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that Buckeye Hills-Hocking Valley Regional Development District is or will be Year 2000 ready, that Buckeye Hills-Hocking Valley Regional Development District's remediation efforts will be successful in whole or in part or that parties with whom Buckeye Hills-Hocking Valley Regional Development District does business will be Year 2000 ready.

Buckeye Hills-Hocking Valley Regional Development District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999

| <u>FEDERAL GRANTOR/GRANTOR/PASS THROUGH AGENCY</u> Program Title | <u>FEDERAL CFDA NUMBER</u> | <u>PASS-THROUGH GRANTOR'S NUMBER</u> | <u>EXPENDI- TURES</u> |
|---------------------------------------------------------------------|------------------------------------|----------------------------------------------|---------------------------|
| DEPARTMENT OF AGRICULTURE | | | |
| Passed through the Ohio Department of Aging: | | | |
| Food Distribution Program: USDA Reimbursements | 10.570 | n/a | <u>\$ 119,318</u> |
| DEPARTMENT OF COMMERCE | | | |
| Direct from Economic Development Administration | | | |
| Support for Planning Organization | 11.302 | 06-05-11006-98 | 53,577 |
| Revolving Loan Program | 11.302 | n/a | <u>96,290</u> |
| Total Department of Commerce | | | <u>149,867</u> |
| APPALACHIAN REGIONAL COMMISSION | | | |
| Direct from Appalachian Regional Commission | | | |
| Technical Assistance 302 (A) | 23.011 | OH-0707B-98-C27-302 | 103,077 |
| Technical Assistance 302 (A) | 23.011 | OH-0707B-99-C27-302 | 76,476 |
| Revolving Loan Program | 23.011 | 89-82/OH-10296-97 | <u>199,908</u> |
| Total Appalachian Regional Commission | | | <u>379,461</u> |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Passed through the Ohio Department of Aging: | | | |
| Special Programs for the Aging - Title III A | 93.045 | n/a | 191,574 |
| Special Programs for the Aging - Title III C | 93.045 | n/a | <u>412,586</u> |
| Program Total | | | 604,160 |
| Special Programs for the Aging - Title III B | 93.044 | n/a | 384,921 |
| Special Programs for the Aging - Title III D | 93.046 | n/a | 11,011 |
| Special Programs for the Aging - Title IV | 93.048 | n/a | 1,243 |
| Special Programs for the Aging - Title VII | 93.041 | n/a | 30,404 |
| Special Programs for the Aging - Home Energy Assistance Program | 93.568 | n/a | 15,111 |
| PASSPORT Program | 93.778 | n/a | <u>2,576,530</u> |
| Total Department of Health and Human Services | | | <u>3,623,380</u> |
| TOTAL FEDERAL ASSISTANCE | | | <u>\$ 4,272,026</u> |

Buckeye Hills-Hocking Valley Regional Development District
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 1999

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of BH-HVRDD's federal award programs. The schedule has been prepared on the modified accrual basis of accounting.

NOTE B - SUBRECIPIENTS

BH-HVRDD passes-through certain Federal assistance received from the Ohio Department of Aging to other governments or not-for-profit agencies (subrecipients). BH-HVRDD records expenditures of Federal awards to subrecipients when services are provided by the subrecipients.

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

NOTE C - REVOLVING LOAN FUND

BH-HVRDD has established a revolving loan program to provide low-interest loans to businesses to create jobs in the region. The Appalachian Regional Commission (ARC), Economic Development Administration (EDA), and the United States Department of Agriculture (USDA) have granted money for these loans to BH-HVRDD. The initial loan of this money is recorded as a disbursement on the Schedule. Loans repaid, including interest, are used to made additional loans. Such subsequent loans made with EDA and ARC funds are subject to certain compliance requirements imposed by the grantors and are included as disbursements on the Schedule. Subsequent loans made with USDA funds are not subject to further compliance requirements and, accordingly, are not included as disbursements on the Schedule.

Collateral for these loans is determined on a case by case basis, but includes mortgages on real estate and liens on business equipment and inventory. The gross amount of loans outstanding under these programs at June 30, 1999, is listed in Notes 9, 10, and 11 to the combined financial statements.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require that BH-HVRDD contribute non-Federal funds (matching funds) to support the Federally funded programs. BH-HVRDD has compiled with the matching requirements.

NOTE E - PASS THROUGH IDENTIFICATION NUMBERS

The Ohio Department of Aging does not issue grant identification numbers to funds passed through its agency. Therefore, there are no identification numbers to list on the Schedule of Expenditures of Federal Awards.

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

Board of Directors
Buckeye Hills-Hocking Valley Regional Development District
Marietta, Ohio

We have audited the general-purpose financial statements of Buckeye Hills-Hocking Valley Regional Development District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 10, 1999. 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 Buckeye Hills-Hocking Valley Regional Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

However, we noted certain matters involving the internal control over financial reporting that we have reported to management of Buckeye Hills-Hocking Valley Regional Development District in a separate letter dated December 10, 1999.

This report is intended solely for the information of the Board of Directors, management, others within the organization, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

S. N. Sweeney, A. C.

Wheeling, West Virginia
December 10, 1999

SNODGRASS

Certified Public Accountants and Consultants

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

Board of Directors
Buckeye Hills-Hocking Valley Regional Development District
Marietta, Ohio

Compliance

We have audited the compliance of Buckeye Hills-Hocking Valley Regional Development District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Buckeye Hills-Hocking Valley Regional Development District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Buckeye Hills-Hocking Valley Regional Development Districts management. Our responsibility is to express an opinion on Buckeye Hills-Hocking Valley Regional Development Districts compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Buckeye Hills-Hocking Valley Regional Development District'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 Buckeye Hills-Hocking Valley Regional Development District's compliance with those requirements.

In our opinion, Buckeye Hills-Hocking Valley Regional Development District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

We noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of Buckeye Hills-Hocking Valley Regional Development District in a separate letter dated December 10, 1999.

Internal Control Over Compliance

The management of Buckeye Hills-Hocking Valley Regional Development District 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 Buckeye Hills-Hocking Valley Regional Development District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended solely for the information of the Board of Directors, management, others within the organization, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

S. N. Swartzman, A. C.

Wheeling, West Virginia
December 10, 1999

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 1999**

SUMMARY OF AUDITOR'S RESULTS

An unqualified opinion has been issued on the general purpose financial statements of Buckeye Hills-Hocking Valley Regional Development District as of and for the fiscal year ended June 30, 1999, dated December 10, 1999.

An unqualified opinion has been issued on the compliance for major programs of Buckeye Hills-Hocking Valley Regional Development District as of and for the fiscal year ended June 30, 1999, dated December 10, 1999.

The audit did not disclose any material noncompliance required to be reported under OMB Circular A-133 with regard to major programs.

The audit did not disclose any matters involving the internal control over the financial statements or major programs that would be considered to be reportable conditions or material weaknesses.

The audit disclosed no questioned costs or likely questioned costs exceeding \$10,000 for type of compliance requirement for a major program.

The following is a list of major programs for the fiscal year ended June 30, 1999:

CFDA # 93.778 U.S. Department of Health and Human Services - Medicaid

The dollar threshold used to distinguish between Type A and B programs is \$300,000.

Buckeye Hills-Hocking Valley Regional Development District qualified as a low-risk auditee for the year ended June 30, 1999.

FINDINGS AND QUESTIONED COSTS

Financial Statement Findings in Accordance with GAGAS

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

Findings and Questioned Costs for Federal Awards

We noted no findings or questioned costs or likely questioned costs for federal awards for the fiscal year ended June 30, 1999.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999**

FINDINGS AND QUESTIONED COSTS

All issues noted in the prior year management letter (at June 30, 1998) were resolved to the auditors' satisfaction.

No corrective action plan is required with regard to those comments.

SNODGRASS

Certified Public Accountants and Consultants

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT

ADDITIONAL FINANCIAL INFORMATION

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Statements of Indirect Costs and Revenue, Expenditures and Changes in Fund Balance for the various funds contained on pages 36 through 56 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of the agency's management. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

S. R. Snodgrass, A.C.

Wheeling, West Virginia
December 10, 1999

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 1999**

| | Actual |
|------------------------------------|------------|
| Salaries | \$ 140,463 |
| Fringe Benefits | 56,547 |
| Total Salaries and Fringe Benefits | 197,010 |
| Equipment Purchase | 18,949 |
| Travel | 17,469 |
| Space | 16,538 |
| Telephone | 10,444 |
| Supplies | 9,221 |
| Equipment Maintenance | 8,433 |
| Audit | 7,000 |
| Postage | 6,738 |
| Equipment Lease | 3,671 |
| Insurance and Bonding | 3,298 |
| Legal | 2,754 |
| Contractual Services | 2,710 |
| Governing Board Expense | 2,672 |
| Printing and Duplication | 2,637 |
| Data Processing | 2,538 |
| Organizational Dues | 2,510 |
| Advertising | 639 |
| Subscriptions | 124 |
| Publications | 26 |
| Other Costs | 1,692 |
| Total Other Indirect Costs | 120,063 |
| Total Indirect Costs | \$ 317,073 |

| | Pool Cost | Adjust- ment | Base | Rate |
|------------------------------|----------------------|-------------------------|-------------|-------------|
| Salaries and Fringe Benefits | \$197,010 | \$28,928 | \$1,151,510 | 19.6210% |
| Other Indirect Costs | \$120,063 | (\$28,928) | \$442,525 | 20.5943% |
| | | | | 40.2153% |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 1999**

AGING ADMINISTRATION GRANT - 207A - CY 1999

| | Budget | Actual |
|--------------------------------------------------------------------------|-----------|-----------|
| REVENUES | \$ - | \$ - |
| EXPENDITURES | | |
| Personnel | 104,200 | 98,981 |
| Employee Benefits | 33,203 | 33,199 |
| Travel | 10,450 | 10,261 |
| Contractual Services | 13,837 | - |
| Other Direct Costs | 19,788 | 22,356 |
| Indirect Costs | 36,322 | 41,234 |
| Total Expenditures | 217,800 | 206,031 |
| Deficiency of Revenues Over Expenditures | (217,800) | (206,031) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | 217,800 | 206,031 |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | \$ - | \$ - |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 1998**

AGING ADMINISTRATION GRANT - 207A - CY 1998

| | <u>Budget</u> | <u>Actual</u> |
|--------------------------------------------------------------------------|----------------|----------------|
| REVENUES | \$ - | \$ - |
| EXPENDITURES | | |
| Personnel | 96,738 | 89,902 |
| Employee Benefits | 35,883 | 26,657 |
| Travel | 12,650 | 8,023 |
| Equipment Purchase | 2,026 | 2,715 |
| Contractual Services | 3,324 | 2,360 |
| Other Direct Costs | 20,600 | 11,304 |
| Indirect Costs | <u>33,589</u> | <u>34,727</u> |
| Total Expenditures | <u>204,810</u> | <u>175,688</u> |
| Deficiency of Revenues Over Expenditures | (204,810) | (175,688) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | <u>204,810</u> | <u>175,688</u> |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | <u>\$ -</u> | <u>\$ -</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 1999**

**ARC 302 (A) FY 1999
GRANT NO. OH-0707B-99-C27-302**

| | <u>Budget</u> | <u>Actual</u> |
|------------------------------------------|----------------|----------------|
| REVENUES | | |
| Federal Grants | \$ 89,000 | \$ 76,476 |
| State Grants | 85,500 | 101,059 |
| In-Kind Revenue | 3,500 | 4,548 |
| Local Funds | <u>-</u> | <u>71</u> |
| Total Revenues | <u>178,000</u> | <u>182,154</u> |
| EXPENDITURES | | |
| Personnel | 97,420 | 90,897 |
| Employee Benefits | 30,797 | 33,791 |
| Contractual Services | 1,000 | - |
| Travel | 10,000 | 14,610 |
| In-Kind Expenses | 3,500 | 4,548 |
| Other Direct Costs | 1,286 | 578 |
| Indirect Costs | <u>33,997</u> | <u>37,730</u> |
| Total Expenditures | <u>178,000</u> | <u>182,154</u> |
| Excess of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 1998**

**ARC 302 (A) FY 1998
GRANT NO. OH-0707B-98-C27-302**

| | <u>Budget</u> | <u>Actual</u> |
|--------------------------------------|----------------|----------------|
| REVENUES | | |
| Federal Grants | \$ 94,242 | \$ 103,077 |
| State Grants | 20,000 | 34,772 |
| In-Kind Revenue | 4,500 | 3,269 |
| Local Funds | 6,914 | - |
| | <u>125,656</u> | <u>141,118</u> |
| Total Revenues | | |
| EXPENDITURES | | |
| Personnel | 56,449 | 63,884 |
| Employee Benefits | 17,776 | 24,196 |
| Equipment Purchase | 12,900 | 11,785 |
| Contractual Services | 1,750 | 6,253 |
| Travel | 11,000 | 6,362 |
| In-Kind Expenses | 4,500 | 3,269 |
| Other Direct Costs | (86) | 692 |
| Indirect Costs | 21,367 | 24,877 |
| | <u>125,656</u> | <u>141,118</u> |
| Total Expenditures | | |
| Excess of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
CUMULATIVE PROJECT TOTAL AT JUNE 30, 1999**

RUTLAND FLOOD MITIGATION

| | <u>Budget</u> | <u>Actual</u> |
|--------------------------------------|---------------|---------------|
| REVENUES | | |
| State Grants | \$ 70,000 | \$ 64,700 |
| Total Revenues | <u>70,000</u> | <u>64,700</u> |
| EXPENDITURES | | |
| Personnel | 35,051 | 34,351 |
| Employee Benefits | 14,440 | 13,703 |
| Travel | 5,800 | 3,164 |
| Other Direct Costs | - | 213 |
| Indirect Costs | <u>14,709</u> | <u>13,269</u> |
| Total Expenditures | <u>70,000</u> | <u>64,700</u> |
| Excess of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 1998**

COMMUNITY DEVELOPMENT ACTIVITY

| | Budget | Actual |
|--------------------------------------|-----------|-----------|
| REVENUES | | |
| State Grants | \$ 73,472 | \$ 53,740 |
| Local Funds | 344 | - |
| | 73,816 | 53,740 |
| Total Revenues | | |
| EXPENDITURES | | |
| Personnel | 40,602 | 29,814 |
| Employee Benefits | 12,634 | 7,638 |
| Travel | 3,000 | 2,923 |
| Other Direct Costs | 2,600 | 1,536 |
| Indirect Costs | 14,980 | 11,829 |
| | 73,816 | 53,740 |
| Total Expenditures | | |
| Excess of Revenues Over Expenditures | \$ - | \$ - |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 1998**

ECONOMIC DEVELOPMENT ACTIVITY

| | <u>Budget</u> | <u>Actual</u> |
|--------------------------------------|---------------|---------------|
| REVENUES | | |
| Federal Grants | \$ 55,000 | \$ 53,577 |
| State Grants | 17,333 | 16,709 |
| Local Funds | <u>1,000</u> | <u>1,150</u> |
| Total Revenues | <u>73,333</u> | <u>71,436</u> |
| EXPENDITURES | | |
| Personnel | 39,099 | 39,413 |
| Employee Benefits | 16,059 | 12,175 |
| Travel | 2,000 | 1,398 |
| In-Kind Expenses | 1,000 | 1,150 |
| Other Direct Costs | 749 | 1,450 |
| Indirect Costs | <u>14,426</u> | <u>15,850</u> |
| Total Expenditures | <u>73,333</u> | <u>71,436</u> |
| Excess of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 1999**

ODA HOUSING GRANT - CY 1999

| | <u>Budget</u> | <u>Actual</u> |
|--------------------------------------------------------------------------|---------------|---------------|
| REVENUES | \$ - | \$ - |
| EXPENDITURES | | |
| Personnel | 15,282 | 15,500 |
| Employee Benefits | 7,044 | 6,393 |
| Travel | 2,000 | 3,975 |
| Other Direct Costs | 250 | 100 |
| Indirect Costs | <u>3,424</u> | <u>3,091</u> |
| Total Expenditures | <u>28,000</u> | <u>29,059</u> |
| Deficiency of Revenues Over Expenditures | (28,000) | (29,059) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | <u>28,000</u> | <u>29,059</u> |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | <u>\$ -</u> | <u>\$ -</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 1998**

ODA HOUSING GRANT - CY 1998

| | <u>Budget</u> | <u>Actual</u> |
|--------------------------------------------------------------------------|---------------|---------------|
| REVENUES | \$ - | \$ - |
| EXPENDITURES | | |
| Personnel | 14,453 | 6,213 |
| Employee Benefits | 4,163 | 2,170 |
| Travel | 2,209 | 643 |
| Other Direct Costs | 53 | 1,325 |
| Indirect Costs | <u>2,174</u> | <u>1,169</u> |
| Total Expenditures | <u>23,052</u> | <u>11,520</u> |
| Deficiency of Revenues Over Expenditures | (23,052) | (11,520) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | <u>23,052</u> | <u>11,520</u> |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | <u>\$ -</u> | <u>\$ -</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1999**

LOCAL CASH FUND

| | <u>Actual</u> |
|-----------------------------------------|-------------------|
| REVENUES | |
| State Grants | \$ 11,452 |
| CDBG Administration | 29,900 |
| Local Funds | 24,290 |
| Interest Income | 5,798 |
| Miscellaneous Income | 10,362 |
| Total Revenues | 81,802 |
| EXPENDITURES | |
| Travel | 1,005 |
| Space | 11,914 |
| Other Direct Costs | 18,033 |
| Indirect Costs | 32,315 |
| Total Expenditures | 63,267 |
| Excess of Revenues Over Expenditures | 18,535 |
| FUND BALANCE AT JULY 1, 1998 | <u>321,469</u> |
| FUND BALANCE AT JUNE 30, 1999 | <u>\$ 340,004</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999**

PASSPORT PROGRAM

| | <u>Budget</u> | <u>Actual</u> |
|--------------------------------------------------------------------------|------------------|------------------|
| REVENUES | <u>\$ -</u> | <u>\$ -</u> |
| EXPENDITURES | | |
| Personnel | 617,682 | 635,648 |
| Employee Benefits | 250,816 | 228,572 |
| Travel | 40,020 | 45,318 |
| Equipment Purchases | 85,025 | 70,660 |
| Contractual Services | 8,700 | 10,115 |
| Equipment Lease | 1,914 | 1,626 |
| Space | 31,680 | 37,245 |
| Other Direct Costs | 92,803 | 93,034 |
| Indirect Costs | <u>138,408</u> | <u>124,720</u> |
| Total Expenditures | <u>1,267,048</u> | <u>1,246,938</u> |
| Deficiency of Revenues Over Expenditures | (1,267,048) | (1,246,938) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | <u>1,267,048</u> | <u>1,246,938</u> |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | <u>\$ -</u> | <u>\$ -</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999**

RESIDENTIAL STATE SUBSIDY GRANT

| | Budget | Actual |
|--------------------------------------------------------------------------|----------|----------|
| REVENUES | \$ - | \$ - |
| EXPENDITURES | | |
| Personnel | 7,221 | 3,904 |
| Employee Benefits | 1,839 | 996 |
| Travel | 1,250 | 486 |
| Contractual Services | 13,000 | 210 |
| Other Direct Costs | 15,562 | 3,270 |
| Indirect Costs | 2,664 | 1,570 |
| Total Expenditures | 41,536 | 10,436 |
| <i>Deficiency of Revenues Over Expenditures</i> | (41,536) | (10,436) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | 41,536 | 10,436 |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | \$ - | \$ - |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999**

ELDERCARE OPTIONS

| | <u>Budget</u> | <u>Actual</u> |
|--------------------------------------------------------------------------|---------------|---------------|
| REVENUES | | |
| Miscellaneous | \$ - | \$ 4,110 |
| EXPENDITURES | | |
| Personnel | 93,298 | 51,624 |
| Employee Benefits | 36,543 | 18,522 |
| Travel | 5,980 | 3,396 |
| Equipment Purchase | 2,600 | 4,398 |
| Contractual Services | 1,300 | 761 |
| Equipment Lease | 286 | 122 |
| Space | 7,920 | 2,803 |
| Other Direct Costs | 18,092 | 8,050 |
| Indirect Costs | 20,906 | 10,129 |
| Total Expenditures | 186,925 | 99,805 |
| Deficiency of Revenues Over Expenditures | (186,925) | (95,695) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | 186,925 | 95,695 |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | \$ - | \$ - |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999**

ARC REVOLVING LOAN FUND

| | Actual |
|--------------------------------------|---------------------|
| REVENUES | |
| Federal Grants | \$ 125,000 |
| Loan Interest | 36,922 |
| Bank Interest | 2,405 |
| Late Fees | 542 |
| Loan Closing Fees | 4,227 |
| Total Revenues | 169,096 |
| EXPENDITURES | |
| Legal | 1,494 |
| Data Processing | 153 |
| Other Direct Costs | 307 |
| Total Expenditures | 1,954 |
| Excess of Revenues Over Expenditures | 167,142 |
| FUND BALANCE AT JULY 1, 1998 | 898,748 |
| FUND BALANCE AT JUNE 30, 1999 | \$ 1,065,890 |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999**

EDA REVOLVING LOAN FUND

| | Actual |
|--------------------------------------|-------------------|
| REVENUES | |
| Loan Interest | \$ 14,627 |
| Bank Interest | 4,648 |
| Late Fees | 529 |
| Loan Closing Fees | 2,884 |
| Total Revenues | 22,688 |
| EXPENDITURES | |
| Legal | 1,245 |
| Data Processing | 231 |
| Other Direct Costs | 123 |
| Total Expenditures | 1,599 |
| Excess of Revenues Over Expenditures | 21,089 |
| FUND BALANCE AT JULY 1, 1998 | 509,674 |
| FUND BALANCE AT JUNE 30, 1999 | \$ 530,763 |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999**

166 LOAN PROGRAM

| | <u>Actual</u> |
|--------------------------------------------------------------------------|-------------------|
| REVENUES | |
| Loan Interest | \$ 3,375 |
| Bank Interest | 22,215 |
| Total Revenues | 25,590 |
| EXPENDITURES | |
| Bank Fees | 600 |
| Excess of Revenues Over Expenditures | 24,990 |
| OTHER FINANCING SOURCES (USES) | |
| Operating Transfers Out | (2,418) |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | 22,572 |
| FUND BALANCE AT JULY 1, 1998 | <u>532,280</u> |
| FUND BALANCE AT JUNE 30, 1999 | <u>\$ 554,852</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999**

REVOLVING LOAN FUND - ADMINISTRATION

| | <u>Actual</u> |
|--------------------------------------------------------------------------|------------------|
| REVENUES | |
| Bank Interest | \$ 1,046 |
| EXPENDITURES | |
| Data Processing | 225 |
| Other Direct Costs | 10 |
| Total Expenditures | 235 |
| Excess of Revenues Over Expenditures | 811 |
| OTHER FINANCING SOURCES (USES) | |
| Operating Transfers In | 2,418 |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | 3,229 |
| FUND BALANCE AT JULY 1, 1998 | 23,889 |
| FUND BALANCE AT JUNE 30, 1999 | \$ 27,118 |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999**

RURAL DEVELOPMENT REVOLVING LOAN FUND

| | Actual |
|--------------------------------------|-------------------|
| REVENUES | |
| Loan Interest | \$ 7,544 |
| Bank Interest | 976 |
| Late Fees | 310 |
| Closing Fees | 1,220 |
| Total Revenues | 10,050 |
| EXPENDITURES | |
| Legal | 90 |
| Data Processing | 231 |
| Other Direct Costs | 164 |
| Total Expenditures | 485 |
| Excess of Revenues Over Expenditures | 9,565 |
| FUND BALANCE AT JULY 1, 1998 | 191,964 |
| FUND BALANCE AT JUNE 30, 1999 | \$ 201,529 |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999**

AREA AGENCY ON AGING

| | Budget | Actual |
|--------------------------------------------------------------------------|--------------|--------------|
| REVENUES | | |
| Federal Grants | \$ 3,624,463 | \$ 3,715,447 |
| State Grants | 3,273,466 | 3,261,028 |
| Interest Income | - | 3,581 |
| Miscellaneous Income | - | 35,859 |
| | 6,897,929 | 7,015,915 |
| EXPENDITURES | | |
| Area Agency Payments to Service Providers | 4,928,758 | 5,253,557 |
| | 1,969,171 | 1,762,358 |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | - | 13,323 |
| Transfers Out | (1,969,171) | (1,775,681) |
| | (1,969,171) | (1,762,358) |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | \$ - | \$ - |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 1999**

AREA AGENCY ON AGING INTEREST AND TRAINING FUND

| | <u>Actual</u> |
|------------------------------------------------------------------------------|---------------|
| REVENUES | |
| Interest Income | \$ 9,271 |
| OTHER FINANCING SOURCES (USES) | |
| Operating Transfers In | 1,949 |
| Operating Transfers Out | (15,248) |
| Net Transfers | (13,299) |
| Deficiency of Revenues and Other Sources Over Expenditures and Other Uses | (4,028) |
| FUND BALANCE AT JULY 1, 1998 | 180,949 |
| FUND BALANCE AT JUNE 30, 1999 | \$ 176,921 |

SNODGRASS

Certified Public Accountants and Consultants

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT

GRANT YEAR INFORMATION

JUNE 30, 1999

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 58 through 64 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This information is presented on the grant year applicable to each specific grant and not on the agency's fiscal year. This information is the responsibility of the agency's management. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

S. R. Snodgrass, A.C.

Wheeling, West Virginia
December 10, 1999

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

AGING ADMINISTRATION GRANT - 207A - CY 1998

| | <u>Budget</u> | <u>Actual</u> |
|--------------------------------------------------------------------------|----------------|----------------|
| REVENUES | | |
| State Grants | \$ - | \$ 22,876 |
| EXPENDITURES | | |
| Personnel | 193,477 | 190,644 |
| Employee Benefits | 71,766 | 61,673 |
| Travel | 25,301 | 16,799 |
| Equipment Purchase | 2,026 | 2,715 |
| Contractual Services | 3,324 | 2,650 |
| Other Direct Costs | 46,825 | 24,560 |
| Indirect Costs | <u>67,178</u> | <u>67,612</u> |
| Total Expenditures | <u>409,897</u> | <u>366,653</u> |
| Deficiency of Revenues Over Expenditures | (409,897) | (343,777) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | <u>409,897</u> | <u>343,777</u> |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | <u>\$ -</u> | <u>\$ -</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

**ARC 302 (A)
GRANT NO. OH-0707B-98-C27-302**

| | Budget | Actual |
|--------------------------------------|------------|------------|
| REVENUES | | |
| Federal Grants | \$ 188,484 | \$ 188,484 |
| State Grants | 40,000 | 57,818 |
| In-Kind Revenue | 9,000 | 8,692 |
| Local Funds | 13,828 | - |
| Total Revenues | 251,312 | 254,994 |
| EXPENDITURES | | |
| Personnel | 117,899 | 118,544 |
| Employee Benefits | 40,551 | 46,816 |
| Equipment Purchase | 17,600 | 17,113 |
| Contractual Services | 8,500 | 7,253 |
| Travel | 14,500 | 13,515 |
| In-Kind Expenses | 9,000 | 8,692 |
| Other Direct Costs | 528 | 692 |
| Indirect Costs | 42,734 | 42,369 |
| Total Expenditures | 251,312 | 254,994 |
| Excess of Revenues Over Expenditures | \$ - | \$ - |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

ODA HOUSING GRANT - CY 1998

| | Budget | Actual |
|--------------------------------------------------------------------------|----------|----------|
| REVENUES | \$ - | \$ - |
| EXPENDITURES | | |
| Personnel | 28,907 | 10,564 |
| Employee Benefits | 8,326 | 3,220 |
| Travel | 4,418 | 733 |
| Other Direct Costs | 106 | 1,325 |
| Indirect Costs | 4,348 | 1,863 |
| Total Expenditures | 46,105 | 17,705 |
| Deficiency of Revenues Over Expenditures | (46,105) | (17,705) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | 46,105 | 17,705 |
| Excess of Revenues and Other Sources Over Expenditures and Other Uses | \$ - | \$ - |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND
FOR THE GRANT YEAR ENDED DECEMBER 31, 1998**

OHIO PUBLIC WORKS COMMISSION GRANT

| | Budget | Actual |
|--------------------------------------|-----------|-----------|
| REVENUES | | |
| State Grants | \$ 40,000 | \$ 40,000 |
| Local Funds | 6,823 | 1,230 |
| Total Revenues | 46,823 | 41,230 |
| EXPENDITURES | | |
| Personnel | 25,119 | 22,277 |
| Employee Benefits | 8,670 | 7,512 |
| Travel | 1,800 | 2,200 |
| Other Direct Costs | 2,500 | 1,419 |
| Indirect Costs | 8,734 | 7,822 |
| Total Expenditures | 46,823 | 41,230 |
| Excess of Revenues Over Expenditures | \$ - | \$ - |

**BUCKEYE HILLS - HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
TITLE III AND SENIOR COMMUNITY SERVICES BLOCK GRANT
SUMMARY OF GRANT CARRYOVER
FOR GRANTS ENDED DECEMBER 31, 1998
FOR THE YEAR ENDED DECEMBER 31, 1998**

| Program | CFDA Number | Beginning Carry- over | New Grant Award | Grant Expendi- tures | Other Revenue (Expendi- tures) | Ending Carry- over |
|-----------------------|----------------|-----------------------------|-----------------------|----------------------------|-----------------------------------------|--------------------------|
| Title III A | 93.045 | \$ - | \$ 204,230 | \$ 204,230 | \$ - | \$ - |
| Title III B | 93.044 | 34,006 | 345,407 | 379,413 | - | - |
| Title III C-1 | 93.045 | 10,180 | 230,551 | 207,888 | 238 | 33,081 |
| Title III C-2 | 93.045 | 49,388 | 217,410 | 213,329 | - | 53,469 |
| USDA C-1 | 10.570 | 475 | 49,789 | 50,004 | 2 | 262 |
| USDA C-2 | 10.570 | 748 | 80,547 | 82,269 | - | (974) |
| Block Grant | | | | | | |
| Administration | - | 4,140 | 82,000 | 72,021 | - | 14,119 |
| Block Grant Services | - | 122,431 | 463,735 | 392,852 | 2,104 | 195,418 |
| Title III D | 93.046 | - | 11,007 | 11,007 | - | - |
| Title III F | 93.043 | - | 24,653 | 24,653 | - | - |
| Bed Fees | - | - | 8,232 | 8,232 | - | - |
| Home Care | - | 21,468 | 49,051 | 33,667 | - | 36,852 |
| Title VII Elder Abuse | 93.041 | - | 6,042 | 6,042 | - | - |
| III B Training | 93.044 | 6,693 | 7,000 | 5,287 | (10) | 8,396 |
| Title VII Ombudsman | 93.041 | - | 4,451 | - | - | 4,451 |
| Title III Bess | 93.044 | - | 4,230 | - | - | 4,230 |
| Housing Training | - | 220 | - | - | - | 220 |
| Elderly Housing | - | 1,705 | - | - | - | 1,705 |
| Totals | | <u>\$ 251,454</u> | <u>\$ 1,788,335</u> | <u>\$ 1,690,894</u> | <u>\$ 2,334</u> | <u>\$ 351,229</u> |

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
AREA AGENCY ON AGING
FOR THE YEAR ENDED JUNE 30, 1999**

| Program | CFDA Number | Net (Receivable) Deferred Revenue July 1, 1998 | Federal Revenue | State Revenue |
|---------------------------|----------------|---------------------------------------------------------------|---------------------|---------------------|
| Title III A | 93.045 | \$ (28,189) | \$ 164,726 | \$ - |
| Title III B | 93.044 | (41,369) | 303,654 | - |
| Title III C-1 | 93.045 | (1,204) | 216,291 | - |
| Title III C-2 | 93.045 | 50,089 | 143,935 | - |
| USDA C-1 | 10.570 | (11,538) | 45,597 | - |
| USDA C-2 | 10.570 | (18,607) | 82,738 | - |
| Block Grant | | | | |
| Administration | - | 12,830 | - | 64,742 |
| Block Grant Services | - | 65,784 | - | 453,104 |
| Title III D | 93.046 | (2,416) | 13,731 | - |
| Bed Fees | - | (7,478) | - | 8,232 |
| Home Care | - | 17,586 | - | - |
| Title VII Elder Abuse | 93.041 | - | 1,500 | - |
| Title VII Ombudsman | - | 6,477 | - | - |
| Title III Bess | - | 4,230 | - | - |
| III B Training | 93.044 | 9,986 | 7,000 | - |
| Passport | 93.778 | (250,359) | 2,510,868 | 2,134,631 |
| Options | - | 1,704 | - | 228,772 |
| HEAP | 93.568 | 280 | 14,831 | - |
| RSVP | - | - | - | 75,034 |
| Alzheimers | - | 763 | - | 34,092 |
| RSS | - | 11,428 | - | 30,108 |
| ODD | - | - | - | 25,000 |
| Title III-B Med. + Choice | 93.044 | - | 3,324 | - |
| Housing Training | - | 220 | - | - |
| Elderly Housing | - | 1,705 | - | - |
| Title IV Disaster Relief | 93.048 | - | 1,243 | - |
| H.B. 1084 | - | - | - | 8,895 |
| Operating Interest | - | - | - | - |
| Totals | | \$ (178,078) | \$ 3,509,438 | \$ 3,062,610 |

| Other Revenue | Total Revenue | Expendi- tures | Trans- fers In/(Out) | Net (Receivable) Deferred Revenue June 30, 1999 |
|------------------|---------------------|---------------------|----------------------------|----------------------------------------------------------------|
| \$ - | \$ 164,726 | \$ 191,574 | \$ - | \$ (55,037) |
| 74 | 303,728 | 376,616 | - | (114,257) |
| 227 | 216,518 | 195,865 | - | 19,449 |
| - | 143,935 | 216,935 | - | (22,911) |
| 2 | 45,599 | 40,577 | - | (6,516) |
| - | 82,738 | 78,741 | - | (14,610) |
| - | 64,742 | 107,470 | - | (29,898) |
| - | 453,104 | 464,643 | (75,000) | (20,755) |
| - | 13,731 | 11,011 | - | 304 |
| - | 8,232 | 9,007 | - | (8,253) |
| - | - | 44,574 | - | (26,988) |
| - | 1,500 | - | - | 1,500 |
| - | - | 2,936 | - | 3,541 |
| - | - | - | - | 4,230 |
| 40 | 7,040 | 5,655 | - | 11,371 |
| 37,515 | 4,683,014 | 4,885,301 | - | (452,646) |
| 3,781 | 232,553 | 237,503 | - | (3,246) |
| - | 14,831 | 15,111 | - | - |
| - | 75,034 | 75,034 | - | - |
| - | 34,092 | 29,328 | - | 5,527 |
| - | 30,108 | 10,436 | - | 31,100 |
| - | 25,000 | 2,885 | 75,000 | 97,115 |
| - | 3,324 | 2,650 | - | 674 |
| - | - | - | (220) | - |
| - | - | - | (1,705) | - |
| - | 1,243 | 1,243 | - | - |
| - | 8,895 | 8,895 | - | - |
| - | - | 15,248 | 15,248 | - |
| <u>\$ 41,639</u> | <u>\$ 6,613,687</u> | <u>\$ 7,029,238</u> | <u>\$ 13,323</u> | <u>\$ (580,306)</u> |

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT

**CONCLUSION STATEMENT
JUNE 30, 1999**

The audit was reviewed with and acknowledged by the following officials on January 7, 2000:

| | | |
|-----------------|---|----------------------------|
| C. Boyer Simcox | - | Executive Director |
| Jean Eshelman | - | Director of Fiscal Affairs |

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

| | | |
|-----------------|---|-----------------------|
| Michael A. Zeno | - | Senior Vice-President |
|-----------------|---|-----------------------|

These officials were informed of their privilege to respond to, or contest, in writing, the contents of this report.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
WASHINGTON COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: FEBRUARY 22, 2000