



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAYETTE COUNTY
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REPORT OF INDEPENDENT ACCOUNTANTS

Fayette County
110 East Court Street
Washington Court House, Ohio 43160

To the Board of County Commissioners:

We have audited the accompanying general-purpose financial statements of Fayette County, Ohio (the County) as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of Fayette County Memorial Hospital, which represent 85% percent and 94% percent, respectively, of the assets and revenues of the Enterprise Fund Type. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Fayette County Memorial Hospital, is based on the report of the other auditors.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2000 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the County, taken as a whole. The accompanying schedule of federal awards expenditures 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.

Jim Petro
Auditor of State

August 28, 2000

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Fayette County
 Combined Balance Sheet
 All Fund Types, Account Groups and Discretely Presented Component Unit
 As of December 31, 1999

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency
Assets and Other Debits:						
Assets:						
Equity in Pooled						
Cash and Cash Equivalents	\$2,252,646	\$4,106,408	\$258,668	\$199,610	\$1,268,401	\$1,427,706
Cash and Cash Equivalents in Segregated Accounts	197	1,630	0	0	1,388,690	701,213
Cash and Cash Equivalents with Fiscal and Escrow Agents	0	0	0	0	0	0
Investments in Segregated Accounts	0	0	0	0	48,571	0
Receivables:						
Taxes	0	0	0	0	0	2,602,600
Taxes Collected for other Governments	0	0	0	0	0	15,977,985
Permissive Sales Tax	353,843	14,722	0	0	0	0
Accounts	9,207	100,301	0	0	4,861,235	0
Special Assessments	0	0	0	0	0	369,371
Accrued Interest	12,064	0	0	0	0	0
Interfund	14,779	0	0	0	0	0
Patient Accounts	0	0	0	0	0	0
Due from Other Funds	1,093,297	1,612,561	186,009	0	43,910	72,146
Due from Other Governments	14,644	347,894	0	0	0	288,028
Materials and Supplies						
Inventory	24,830	192,136	0	0	202,292	0
Notes Receivable	0	0	0	0	256,089	0
Loans Receivable	0	373,803	181,400	0	0	0
Prepaid Items	26,420	22,009	0	0	63,305	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)						
Construction in Progress	0	0	0	0	9,676,524	0
Construction in Progress	0	0	0	0	1,674,475	0
Restricted Assets:						
Temporarily Restricted by Donor - for Specific Purpose	0	0	0	0	199,489	0
Other Debits:						
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds						
Amount Available in Debt Service Fund for Retirement of Special Assessment Bonds	0	0	0	0	0	0
Amount to be Provided from Special Assessments	0	0	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0	0	0
Total Assets and Other Debits	<u>\$3,801,927</u>	<u>\$6,771,464</u>	<u>\$626,077</u>	<u>\$199,610</u>	<u>\$19,682,981</u>	<u>\$21,439,049</u>

Account Groups		Totals Primary Government (Memorandum Only)	Component Unit	Totals Reporting Entity (Memorandum Only)
General Fixed Assets	General Long-term Obligations			
\$0	\$0	\$9,513,439	\$74,246	\$9,587,685
0	0	2,091,730	0	2,091,730
0	0	0	0	0
0	0	48,571	0	48,571
0	0	2,602,600	0	2,602,600
0	0	15,977,985	0	15,977,985
0	0	368,565	0	368,565
0	0	4,970,743	30,800	5,001,543
0	0	369,371	0	369,371
0	0	12,064	0	12,064
0	0	14,779	0	14,779
0	0	0	0	0
0	0	3,007,923	0	3,007,923
0	0	650,566	0	650,566
0	0	419,258	17,069	436,327
0	0	256,089	0	256,089
0	0	555,203	0	555,203
0	0	111,734	0	111,734
14,149,099	0	23,825,623	35,217	23,860,840
0	0	1,674,475	0	1,674,475
0	0	199,489	0	199,489
	253,894	253,894		253,894
0	4,775	4,775	0	4,775
0	413,225	413,225	0	413,225
0	2,063,261	2,063,261	0	2,063,261
<u>\$14,149,099</u>	<u>\$2,735,155</u>	<u>\$69,405,362</u>	<u>\$157,332</u>	<u>\$69,562,694</u>

Continued

Fayette County
 Combined Balance Sheet
 All Fund Types, Account Groups and Discretely Presented Component Unit
 As of December 31, 1999
 (Continued)

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency
Liabilities, Fund Equity and Other Credits:						
Accounts Payable	131,348	258,745	0	521	633,286	\$2,089
Contracts Payable	0	18,574	0	3,810	218,007	0
Accrued Wages and Benefits Payable	1,523	87,866	0	0	985,908	0
Accrued Payroll and Related Benefits	0	0	0	0	0	0
Compensated Absences Payable	20,033	26,827	0	0	15,908	0
Retainage Payable	0	14,422	0	0	54,946	0
Interfund Payable	0	14,779	0	0	0	0
Due to Other Funds	114	33,398	0	0	2,440	2,971,971
Due to Other Governments	44,594	55,186	0	0	14,845	16,050,131
Deferred Revenue	1,090,000	1,638,875	186,009	0	35,117	0
Notes Payable	0	0	0	0	0	0
Undistributed Monies	0	0	0	0	0	2,378,206
Accrued Interest Payable	0	1,048	0	0	49,552	0
Current Portion Long-Term Debt	0	0	0	0	0	0
Current Portion of Issue II Loans Payable	0	0	0	0	0	0
Current Portion of General Obligation Bonds Payable	0	0	0	0	0	0
Due to Other Governments	0	0	0	0	0	0
Special Assessment Debt	0	0	0	0	0	0
Deferred Compensation Payable	0	0	0	0	0	0
Loans Payable	0	72,315	0	0	0	0
Capital Leases Payable	0	0	0	0	306,827	0
OWDA Loan Payable	0	0	0	0	0	0
Long-Term Debt (Net of Current Portion)	0	0	0	0	0	0
General Obligation Bonds Payable	0	0	0	0	2,520,000	0
Landfill Closure and Postclosure Care Payable	0	0	0	0	1,239,525	0
Total Liabilities	1,287,612	2,222,035	186,009	4,331	6,076,361	21,402,397
Fund Equity and Other Credits:						
Investment in General Fixed Assets	0	0	0	0	0	0
Retained Earnings - Restricted	0	0	0	0	199,489	0
Retained Earnings - Unreserved (Deficit)	0	0	0	0	13,407,131	0
Fund Balance:						
Reserved for Encumbrances	43,426	262,435	0	5,409	0	0
Reserved for Inventory	24,830	192,136	0	0	0	0
Reserved for Loans	0	373,803	181,400	0	0	0
Unreserved (Deficit)	2,446,059	3,721,055	258,668	189,870	0	36,652
Total Fund Equity and Other Credits	2,514,315	4,549,429	440,068	195,279	13,606,620	36,652
Total Liabilities, Fund Equity and Other Credits	\$3,801,927	\$6,771,464	\$626,077	\$199,610	\$19,682,981	\$21,439,049

See Notes to the General Purpose Financial Statements

Account Groups		Totals Primary Government (Memorandum Only)	Component Unit	Totals Reporting Entity (Memorandum Only)
General Fixed Assets	General Long-term Obligations			
\$0	\$0	1,025,989	\$1,364	\$1,027,353
0	0	240,391	0	240,391
0	0	1,075,297	0	1,075,297
0	0	0	0	0
0	780,564	843,332	0	843,332
0	0	69,368	0	69,368
0	0	14,779	0	14,779
0	0	3,007,923	0	3,007,923
0	235,810	16,400,566	0	16,400,566
0	0	2,950,001	0	2,950,001
0	0	0	0	0
0	0	2,378,206	0	2,378,206
0	0	50,600	0	50,600
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	488,000	488,000	0	488,000
0	0	0	0	0
0	0	72,315	11,592	83,907
0	35,781	342,608	0	342,608
0	0	0	0	0
0	0	0	0	0
0	1,195,000	3,715,000	0	3,715,000
0	0	1,239,525	0	1,239,525
0	2,735,155	33,913,900	12,956	33,926,856
14,149,099	0	14,149,099	0	14,149,099
0	0	199,489	0	199,489
0	0	13,407,131	0	13,407,131
0	0	311,270	0	311,270
0	0	216,966	0	216,966
0	0	555,203	0	555,203
0	0	6,652,304	144,376	6,796,680
14,149,099	0	35,491,462	144,376	35,635,838
\$14,149,099	\$2,735,155	\$69,405,362	\$157,332	\$69,562,694

Fayette County
 Combined Statement of Revenues, Expenditures and Changes
 In Fund Balances - All Governmental Fund Types and Expendable Trust Funds
 For the Year Ended December 31, 1999

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Taxes	\$1,121,836	\$1,381,278	\$271,008	\$0	\$0	\$2,774,122
Permissive Sales Tax	3,789,090	287,239	0	0	0	4,076,329
Intergovernmental	671,298	8,406,277	27,298	0	0	9,104,873
Charges for Services	1,582,348	1,213,649	0	0	0	2,795,997
Licenses and Permits	3,954	45,298	0	0	0	49,252
Fees, Fines and Forfeitures	117,159	104,869	0	0	0	222,028
Special Assessments	0	89,818	8,354	0	0	98,172
Interest	491,783	37,884	540	0	64	530,271
Other	242,948	89,118	0	0	20,209	352,275
Total Revenues	8,020,416	11,655,430	307,200	0	20,273	20,003,319
Expenditures:						
Current:						
General Government:						
Legislative and Executive	2,157,613	294,892	0	0	0	2,452,505
Judicial	1,084,551	162,681	0	0	0	1,247,232
Public Safety	2,041,990	365,386	0	0	0	2,407,376
Public Works	446,612	2,823,688	0	0	0	3,270,300
Health	64,934	2,371,812	0	0	0	2,436,746
Human Services	178,248	3,917,965	0	0	13,830	4,110,043
Conservation and Recreation	442,945	138,981	0	0	0	581,926
Economic Development & Assistance	0	404,004	0	0	0	404,004
Urban Redevelopment and Housing	368,671	30,888	0	0	0	399,559
Capital Outlay	160,840	3,140	0	302,115	0	466,095
Debt Service:						
Principal Retirement	21,608		194,000	0	0	215,608
Interest and Fiscal Charges	3,897	899	97,473	1,897	0	104,166
Total Expenditures	6,971,909	10,514,336	291,473	304,012	13,830	18,095,560
Excess of Revenues Over (Under) Expenditures	1,048,507	1,141,094	15,727	(304,012)	6,443	1,907,759
Other Financing Sources (Uses):						
Proceeds from Sale of Bonds	0	0	7,500	362,500	0	370,000
Inception of Capital Lease	8,450	0	0	0	0	8,450
Operating Transfers - In	92,174	272,498	21,102	177,687	0	563,461
Operating Transfers - Out	(613,572)	(105,387)	(2,854)	(2,173)	0	(723,986)
Total Other Financing Sources (Uses)	(512,948)	167,111	25,748	538,014	0	217,925
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	535,559	1,308,205	41,475	234,002	6,443	2,125,684
Fund Balances (Deficit) at Beginning of Year						
Restated - (Note 31)	1,976,430	3,246,974	398,593	(38,723)	30,209	5,613,483
Increase (Decrease) in Reserve for Inventory	2,326	(5,750)	0	0	0	(3,424)
Fund Balances (Deficit) at End of Year	\$2,514,315	\$4,549,429	\$440,068	\$195,279	\$36,652	\$7,735,743

See Accompanying Notes to the General Purpose Financial Statements

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

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$1,013,000	\$1,120,715	\$107,715	\$1,520,359	\$1,381,278	(\$139,081)
Permissive Sales Tax	2,900,000	3,721,299	821,299	278,085	287,350	9,265
Intergovernmental	707,823	668,838	(38,985)	8,249,534	8,351,957	102,423
Charges for Services	1,241,937	1,576,719	334,782	1,128,284	1,227,225	98,941
Licenses and Permits	4,375	3,954	(421)	45,000	45,298	298
Fees, Fines and Forfeitures	134,000	128,401	(5,599)	113,697	106,125	(7,572)
Special Assessments	0	0	0	72,542	65,434	(7,108)
Interest	300,000	502,910	202,910	26,677	34,359	7,682
Other	71,300	249,830	178,530	41,969	87,571	45,602
Total Revenues	6,372,435	7,972,666	1,600,231	11,476,147	11,586,597	110,450
Expenditures:						
Current:						
General Government:						
Legislative and Executive	2,335,364	2,223,014	112,350	340,861	321,007	19,854
Judicial	1,154,293	1,090,393	63,900	327,271	163,779	163,492
Public Safety	2,189,057	2,131,019	58,038	524,967	344,882	180,085
Public Works	482,993	480,986	2,007	3,200,598	3,110,735	89,863
Health	76,107	75,007	1,100	2,829,567	2,437,945	391,622
Human Services	208,183	194,458	13,725	4,028,526	3,936,738	91,788
Conservation and Recreation	446,405	445,166	1,239	179,500	146,207	33,293
Economic Development and Assistance	0	0	0	516,699	446,681	70,018
Urban Redevelopment and Housing	385,453	374,760	10,693	0	0	0
Capital Outlay	156,095	157,290	(1,195)	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	54,900	(54,900)
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	7,433,950	7,172,093	261,857	11,947,989	10,962,874	985,115
Excess of Revenues Over (Under) Expenditures	(1,061,515)	800,573	1,862,088	(471,842)	623,723	1,095,565
Other Financing Sources (Uses):						
Proceeds from Sale of Notes	0	0	0	0	0	0
Proceeds from Sale of Bonds	0	0	0	0	0	0
Proceeds of Loans	0	0	0	0	104,665	104,665
Advances - In	0	24,490	24,490	0	162,063	162,063
Advances - Out	0	(25,779)	(25,779)	0	(160,774)	(160,774)
Operating Transfers - In	92,174	92,174	0	255,032	272,498	17,466
Operating Transfers - Out	(641,579)	(613,572)	28,007	(127,627)	(105,387)	22,240
Total Other Financing Sources (Uses)	(549,405)	(522,687)	26,718	127,405	273,065	145,660
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,610,920)	277,886	1,888,806	(344,437)	896,788	1,241,225
Fund Balances at Beginning of Year						
	1,747,389	1,747,389	0	2,755,246	2,755,246	0
Prior Year Encumbrances Appropriated						
	108,446	108,446	0	65,046	65,046	0
Fund Balances at End of Year	\$244,915	\$2,133,721	\$1,888,806	\$2,475,855	\$3,717,080	\$1,241,225

See Accompanying Notes to the General Purpose Financial Statements

Debt Service Funds			Capital Projects Funds			Expendable Trust Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$301,589	\$271,008	(\$30,581)	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0	0
0	27,298	27,298	246,854	0	(246,854)	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
6,466	8,354	1,888	0	0	0	0	0	0
0	540	540	0	0	0	0	0	0
41,470	36,778	(4,692)	0	0	0	16,000	20,209	4,209
349,525	343,978	(5,547)	246,854	0	(246,854)	16,000	20,209	4,209
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	25,400	20,507	4,893
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	489,086	298,090	190,996	0	0	0
274,000	264,000	10,000	0	0	0	0	0	0
98,568	100,327	(1,759)	0	0	0	0	0	0
372,568	364,327	8,241	489,086	298,090	190,996	25,400	20,507	4,893
(23,043)	(20,349)	2,694	(242,232)	(298,090)	(55,858)	(9,400)	(298)	9,102
70,000	0	(70,000)	0	0	0	0	0	0
0	77,500	77,500	292,500	292,500	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
17,880	21,102	3,222	8,194	174,833	166,639	0	0	0
(19,880)	0	19,880	(2,173)	(2,173)	0	0	0	0
68,000	98,602	30,602	298,521	465,160	166,639	0	0	0
44,957	78,253	33,296	56,289	167,070	110,781	(9,400)	(298)	9,102
180,416	180,416	0	29,040	29,040	0	38,975	38,975	0
0	0	0	3,500	3,500	0	0	0	0
\$225,373	\$258,669	\$33,296	\$88,829	\$199,610	\$110,781	\$29,575	\$38,677	\$9,102

Fayette County
 Combined Statement of Revenues,
 Expenses and Changes in Retained Earnings
 Proprietary Fund Type
 For the Year Ended December 31, 1999

	Enterprise Funds
Operating Revenues:	
Charges for Services	\$21,043,395
Tap-in Fees	32,983
Other Operating Revenues	78,249
Total Operating Revenues	21,154,627
Operating Expenses:	
Personal Services	8,943,507
Fringe Benefits	5,549
Contractual Services	4,766,174
Materials and Supplies	3,221,429
Provision for Bad Debts	1,860,597
Depreciation	1,072,569
Interest Paid	19,054
Other	566,587
Total Operating Expenses	20,455,466
Operating Gain	699,161
Non-Operating Revenues (Expenses):	
Non-Operating Gains	138,220
Income from Investments	3,207
Interest and Fiscal Charges	(139,690)
Total Non-Operating Revenues (Expenses)	1,737
Gain Before Operating Transfers	700,898
Operating Transfers - In	181,627
Operating Transfers - Out	21,102
Net Gain	861,423
Retained Earnings (Deficit) at Beginning of Year	12,545,708
Retained Earnings (Deficit) at End of Year	\$13,407,131

See Notes to the General Purpose Financial Statements

Fayette County
 Combined Statement of Revenues, Expenses and Changes in Retained Earnings
 Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type
 For the Year Ended December 31, 1999

	Enterprise Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$828,969	\$1,078,178	\$249,209
Tap-in fees	0	32,983	32,983
Intergovernmental	121,500	4,798	(116,702)
Other Operating Revenues	0	3,207	3,207
Proceeds of Bonds	491,755	2,130,000	1,638,245
Proceeds of Notes	1,800,000	0	(1,800,000)
Total Revenues	<u>3,242,224</u>	<u>3,249,166</u>	<u>6,942</u>
Expenses:			
Personal Services	152,016	143,286	8,730
Contractual Services	2,473,154	2,456,895	16,259
Materials and Supplies	87,614	73,587	14,027
Other	54,690	47,510	7,180
Capital Outlay	0	0	0
Debt Retirement:			
Principal Retirement	1,850,000	1,850,000	0
Interest and Fiscal Charges	99,178	126,442	(27,264)
Total Expenses	<u>4,716,652</u>	<u>4,697,720</u>	<u>18,932</u>
Excess of Revenues Over Expenses	(1,474,428)	(1,448,554)	25,874
Advances - In	0	0	0
Advances - Out	0	0	0
Operating Transfers - In	123,800	181,627	57,827
Operating Transfers - Out	(82,313)	(21,102)	61,211
Excess of Revenues Over Expenses, Advances and Operating Transfers	(1,432,941)	(1,288,029)	144,912
Fund Balances at Beginning of Year	1,837,564	1,837,564	0
Prior Year Encumbrances Appropriated	130,392	130,392	0
Fund Balances at End of Year	<u>\$535,015</u>	<u>\$679,927</u>	<u>\$144,912</u>

See Notes to the General Purpose Financial Statements

Fayette County
 Combined Statement of Cash Flows
 Proprietary Fund Type
 For the Year Ended December 31, 1999

	Enterprise Funds
Increases (Decreases) in Cash and Cash Equivalents:	
Cash Flows from Operating Revenues:	
Cash Received From Customers	\$18,614,207
Cash Received from Taxes	0
Cash Received from Other Governments	0
Cash Paid for Personal Services	(8,969,837)
Cash Paid to Suppliers	(8,258,981)
Cash Paid for Landfill Closure and Postclosure	(71,871)
Other Operating Revenues	79,169
Other Operating Expenses	(46,310)
Interest Paid	(19,054)
Net Cash Used For Operating Activities	1,327,323
Cash Flows from Noncapital Financing Activities:	
Donations and Other	36,953
Advances - In	0
Advances - Out	0
Operating Transfers - In	181,627
Operating Transfers - Out	(21,102)
Net Cash Used For Noncapital Financing Activities	197,478
Cash Flows from Capital and Related Financing Activities:	
Proceeds of Bonds	2,331,320
Acquisition and Construction of Capital Assets	(2,355,073)
Interest Paid on General Obligation Bonds	(112,642)
Interest Paid on General Obligation Notes	(13,800)
Principal Paid on General Obligation Bonds	(40,000)
Principal Paid on General Obligation Notes	(1,810,000)
Principal Paid on Long-Term Debt	(308,678)
Proceeds from sale of Equipment	0
Net Cash Used for Capital and Related Financing Activities	(2,308,873)
Cash Flows from Investing Activities:	
Proceeds from Physician Loan Repayments	28,011
Proceeds from Sale of Investments	65,755
Interest Received on Investments	114,974
Disbursements - Restricted Funds	(10,500)
Net Cash Provided by Investing Activities	198,240
Net Increase in Cash and Cash Equivalents	(585,832)
Cash and Cash Equivalents at Beginning of Year	3,442,412
Cash and Cash Equivalents at End of Year	\$2,856,580

(Continued)

Fayette County
 Combined Statement of Cash Flows
 Proprietary Fund Type
 For the Year Ended December 31, 1999
 (Continued)

	Enterprise Funds
Reconciliation of Operating Loss to Net Cash Used For Operating Activities:	
Operating Gain (Loss)	\$699,161
Adjustments to Reconcile Operating Loss to Net Cash Used For Operating Activities:	
Depreciation	1,072,569
Bad Debt Expense	1,860,597
Forgiveness of Physician Loans	14,332
Loss of disposal of equipment	1,820
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(2,666,668)
Increase in Inventories	(5,587)
Increase in Due From Other Funds	(8,273)
Increase in Retainage Payable	54,946
Decrease in Prepaid Items	20,054
Decrease in Third-Party Settlements	225,000
Decrease in Accounts Payable	(49,458)
Decrease in Accrued Wages Payable	(39,471)
Increase in Compensated Absences Payable	335
Increase in Contracts Payable	210,433
Decrease in Deferred Revenue	(16,502)
Decrease in Landfill Postclosure Liability	(55,362)
Increase in Due To Other Funds	2,378
Increase in Due To Other Governments	7,019
Decrease in Other Liabilities	0
Net Cash Used For Operating Activities	\$1,327,323

See Notes to the General Purpose Financial Statements

Fayette County
Statement of Support and Revenues
Expenses, and Changes in Fund Balance
Discretely Presented Component Unit
For the Year Ended December 31, 1999

Fayette
Progressive
Industries, Inc.

Support and Revenues:

Canteen Sales	\$9,142
Contractual Services	284,612
Assembly Production	<u>63,756</u>
Total Support and Revenues	<u>357,510</u>

Expenses:

Personal Services	312,395
Contractual Services	9,113
Material and Supplies	5,148
Depreciation	7,279
Repairs and Maintenance	4,459
Other	<u>13,864</u>

Total Operating Expenses 352,258

Operating Income 5,252

Nonoperating Revenues:

Investment Income	1,645
Other	<u>4,500</u>

Total Nonoperating Revenues 6,145

Net Income 11,397

Equity Fund Balance, January 1, 1999 132,979

Equity Fund Balance, December 31, 1999 \$144,376

See Notes to the General Purpose Financial Statements

Fayette County
Statement of Cash Flows
Discretely Presented Component Unit
For the Year Ended December 31, 1999

	<u>Fayette Progressive Industries, Inc.</u>
<u>Cash Flows From Operating Activities:</u>	
Cash Received from Customers	\$369,115
Cash Received from Reimbursements and Other	2,439
Cash Payments for Services	0
Cash Payments for Insurance	(896)
Cash Payments for Salaries	(313,084)
Cash Payments for Supplies	(19,495)
Cash Payments for Equipment Inventory	0
Cash Payments for Repair and Maintenance	(5,266)
Cash Payments for Administration	(1,396)
Cash Payments for Transportation	(6,561)
Cash Payments for Reimbursements and Other	<u>(9,530)</u>
Net Cash Used For Operations	15,326
<u>Cash Flows From Investing Activities:</u>	
Interest	<u>1,645</u>
Net Increase in Cash and Cash Equivalents	16,971
Cash and Cash Equivalents at Beginning of Year	<u>76,132</u>
Cash and Cash Equivalents at End of Year	<u><u>\$93,103</u></u>
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided by Operating Activities:</u>	
Operating Income	\$5,252
<u>Adjustments to Reconcile Operating Income to</u>	
<u>Changes in Assets and Liabilities:</u>	
Depreciation	7,279
Bad Debt Expense	529
<u>Changes in Assets and Liabilities:</u>	
Decrease in Accounts Receivable	2,624
Decrease in Supplies Inventories	527
Decrease in Accounts Payable	(433)
Increase in Accrued Payroll Taxes Payable	77
	<u><u>\$15,855</u></u>

See Notes to the General Purpose Financial Statements

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FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 1 - REPORTING ENTITY

Fayette County, Ohio (the County), was created in 1810. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, Juvenile/Probate Judge and a Common Pleas Court Judge. Although these elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the entire County.

Reporting Entity:

The County adopted the provisions of *Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity,"* under which the financial statements include all the organizations, activities, functions and component units for which the County (Primary Government) is financially accountable.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Fayette County, this includes the Fayette County Board of Mental Retardation and Developmental Disabilities, Fayette County Department of Human Services, Fayette County Children Services Board, Fayette County Veterans' Services, Fayette County Memorial Hospital and all departments and activities that are directly operated by the elected County officials.

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

Discretely Presented Component Unit

Fayette Progressive Industries, Inc. is a legally separate, not-for-profit corporation, served by a self-appointed board of trustees. The workshop, under contractual agreement with the Fayette County Board of Mental Retardation and Developmental Disabilities (MR/DD), provides sheltered employment for mentally and/or physically handicapped adults in Fayette County.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 1 - REPORTING ENTITY (Continued)

The Fayette County Board of MR/DD provides the workshop with staff salaries, transportation, equipment, staff to administer and supervise training programs and other funds necessary for the operation of the workshop. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the mentally and/or physically handicapped adults of Fayette County, the workshop is presented as a component unit of Fayette County. Fayette Progressive Industries, Inc. operates on a fiscal year ending December 31.

Blended Component Unit

Fayette County Memorial Hospital is organized as a County hospital under the provision of the general statutes of the State of Ohio. Members of the Board of Trustees are appointed by the County Commissioners, the Probate Court Judge and the Common Pleas Judge.

The County is associated with certain organizations which are defined as Jointly Governed Organizations or Risk Sharing Pools. These organizations are presented in Notes 25 and 26 to the General Purpose Financial Statements. These organizations are:

- Paint Valley Board of Alcohol, Drug Addiction and Mental Health Services (ADAMHS)
- South Central Regional Juvenile Detention Center
- Fayette County Emergency Management Agency
- Joint Solid Waste District
- Fayette-Clinton-Fairfield-Ross-Pickaway Job Training Partnership Act (JTPA)
- Travel and Tourism Bureau
- West Central Ohio Port Authority
- County Risk Sharing Authority, Inc.

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

- Fayette Soil and Water Conservation District
- Fayette County Health District

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its enterprise activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the County's accounting policies are described below.

A. Basis of Presentation - Fund Accounting: The County uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate fund types. The following categories and fund types are used by the County:

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

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

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

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Proprietary Fund Type: Proprietary funds are used to account for the County's ongoing activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position. The following is the County's proprietary fund type:

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private sector business enterprises where the intent is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

Expendable Trust Funds - These funds account for resources, including both principal and interest earnings, which must be expended according to the provisions of a trust agreement. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

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

Account Groups: To make a clear distinction between fixed assets related to a specific fund 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 accounts for all fixed assets of the County, other than those accounted for in the proprietary or trust funds. These assets do not represent financial resources available for expenditure.

General Long-Term Obligations Account Group - This accounts for all unmatured long-term obligations of the County, except those accounted for in the enterprise funds.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The modified accrual basis of accounting is used for reporting purposes by the governmental fund types, expendable trust funds and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the period. The available period for the County is thirty-one days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: earnings on investments, permissive sales tax (see Note 9), federal and state grants, entitlements, charges for services and fines and forfeitures. Major revenue sources not susceptible to accrual include licenses and permits which are not considered measurable until received.

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

will be liquidated with available financial resources rather than in the period employees earn them. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The proprietary funds are reported using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized at the time they are incurred. Unbilled service charges receivable are recognized as revenue at year end.

C. Budgetary Process: The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolutions are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

Tax Budget: A budget of estimated revenues and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. All funds, other than agency funds and the County Hospital, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners. Budgetary information for the Crawford, Eyman and Vesey Expendable Trust Funds are not reported because they are not included in the entity for which the "appropriated budget" is adopted and they do not maintain separate budgetary records.

Estimated Resources: The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the estimated fund balance and projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include actual unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Appropriations: By January 1, the annual appropriation resolution must be legally enacted by the Commissioners at the object level within departments for expenditures. Prior to the passage of the annual appropriation measure, the County may pass a temporary appropriation measure to meet the ordinary expenditures of the County. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total appropriations within a fund, must be approved by the Commissioners. The Commissioners may pass supplemental appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Amended Certificate of Estimated Resources.

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

Lapsing of Appropriations: Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding year. Some of these encumbered appropriations will carry forward on the report, but they will not be used. The previous year's appropriations can only be used within 90 days of the next fiscal year, and the amounts show that they were for previous year obligations. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the object level within each department.

D. Cash and Cash Equivalents: Cash balances of the County's funds, except cash held by a trustee or fiscal agent and cash in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Each fund's share of the pool is presented on the balance sheet in the account "Equity in Pooled Cash and Cash Equivalents."

Various departments and officials of the County have monies held separate from the County treasury. These depository monies are presented in the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts."

During fiscal year 1999, investments of the County Treasurer were limited to certificates of deposit. Nonparticipating investment contracts such as certificates of deposit are reported at cost. Investments of the hospital included municipal bonds and bank cash management funds which are reported at fair value.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest is distributed to the General Fund, Special Revenue Funds, and the Fayette County Memorial Hospital Enterprise Fund. Interest earned in the general fund during 1999 amounted to \$491,783, which includes \$427,126 assigned from other County funds. The MVGT special revenue fund, the debt service fund, and Vesey and Eyman expendable trust funds, also received interest in the amounts of \$37,884, \$540, and \$64, respectively. The Hospital also recognized \$10,500 in investment income.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, funds included within the Treasurer's cash management pool are considered to be cash and cash equivalents. In addition, individual fund investments with original maturities of three months or less are considered to be cash and cash equivalents.

E. Charity Care: The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

F. Net Patient Service Revenue: The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others. Retroactive adjustments to these estimated amounts are recorded in future periods as final settlements are determined.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

G. Inventory of Supplies: Inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. The Hospital's inventories consist of medical supplies.

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

I. Assets Limited as to Use: Assets limited as to use include assets whose use is temporarily restricted by donor.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Interfund Assets and Liabilities: Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet. Short-term interfund loans or the short-term portion of advances are classified as "Interfund Receivables" or "Interfund Payables".

K. Accrued Liabilities and Long-Term Obligations: In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than thirty-one days after fiscal year-end are considered not to have used current available financial resources. Bonds and capital leases are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

L. Fixed Assets and Depreciation: The fixed asset values initially were determined at December 31, 1996 assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated. The County has established \$500 as the threshold for which fixed assets are to be reported.

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

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

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

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Fund Fixed Assets: Fixed assets associated with the enterprise funds are accounted for in those funds. Depreciation is calculated using the straight-line method over the estimated useful life of each asset. The assets of the enterprise funds, including equipment purchased under capital leases, are depreciated on the following basis:

<u>Descriptions</u>	<u>Estimated Lives</u>
Land Improvements	15-50 years
Buildings	5-50 years
Furniture and Fixtures	10 years
Machinery and Equipment	5-25 years
Vehicles	5 years
Power Mains and Lines	20 years

M. Compensated Absences: The County follows the provisions of *GASB Statement No.16 "Accounting for Compensated Absences"*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments.

County employees earn vacation and sick leave at varying rates depending on length of service and departmental policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. Upon retirement for non-union personnel, unused sick leave is paid for one-fourth days of total sick leave accumulated to a maximum of 30 days paid. Union members are paid up to a maximum of 600 hours.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

N. Reserves of Fund Equity: The County records reservations for those portions of fund balance which are legally segregated for specific future use or which do not represent available, expendable resources and, therefore, are not available for expenditure. Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, loans receivable and inventory of supplies.

O. Income From Operations: For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains and losses.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Transactions: During the course of normal operations, the County has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers.

Transactions that constitute reimbursements for expenditures or expenses initially made from a fund that are properly allocable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures and expenses in the fund that is reimbursed.

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

R. Total Columns on General Purpose Financial Statements: Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

When the title of a statement indicates that a component unit is included, two total columns are presented. The first is captioned "Primary Government" to indicate that only those activities that comprise the County's legal entity have been included. The second is captioned "Reporting Entity" and includes the activity and operations of the County's legally separate discretely presented component unit (see Note 1). The "Totals" column on statements which do not include a component unit have no additional caption.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability - Fund Equity Deficits

Special Revenue Fund - There is a deficit in the Indigent Guardianship and Office of Criminal Justice Special Revenue Funds in the amounts of \$34,284 and \$3,262, respectively, as a result of the application of generally accepted accounting principles to the financial reporting to this fund. The General Fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

Enterprise Fund - The Sewer Operating and Sanitary Revenue Waste Enterprise Funds have deficit retained earnings of \$1,503,484 and \$1,003,096, respectively, as a result of the application of generally accepted accounting principles to the financial reporting to these funds. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (Continued)

B. Compliance

The following had expenditures plus encumbrances in excess of appropriations for the fiscal year ended December 31, 1999.

<u>Fund/Function/Account</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
GENERAL FUNDS:			
Capital Outlay	\$156,095	\$157,290	\$1,195
SPECIAL REVENUE FUNDS:			
Dog & Kennel			
Health	68,810	79,743	10,933
Public Assistance			
Human Services	2,266,653	2,374,629	107,976
Real Estate Assessment			
Legislative/Executive	304,265	305,424	1,159
Municipal MVL Fees			
Public Works	0	56,594	56,594
Enforcement & Education			
Public Safety	0	556	556
C.H.I.P. Bloomingburg			
Economic Development	\$423,699	\$446,681	\$22,982
Debt Service:			
Principal Retirement	0	54,900	54,900
Debt Service Funds:			
General Obligation Debt Service			
Interest and Fiscal Charges	69,208	70,172	964
Special Assessment Debt Service			
Interest and Fiscal Charges	29,360	30,155	795
Capital Project Funds:			
Court House Capital Improvement			
Capital Outlay			

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (Continued)

Capital Improvements	0	5,113	5,113
Enterprise Funds:			
Sewer Operating Fund			
Interest and Fiscal Charges	85,378	112,642	27,264
Sanitary Revenue Waste			
Contractual Services	620,616	699,126	78,510

The following had an excess of appropriations over estimated resources plus unencumbered cash:

<u>Fund Type/ Fund:</u>	<u>Estimated Resources and Unencumbered Cash</u>	<u>Appropriations</u>	<u>Excess</u>
Capital Project Fund:			
Buildings-Capital Project	\$0	\$169,333	\$169,333

NOTE 4 - BUDGET TO GAAP RECONCILIATION

While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types, and the Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental funds or note disclosure for proprietary funds (GAAP basis);

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 4 - BUDGET TO GAAP RECONCILIATION (Continued)

4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis);
5. Proceeds from and principal payments on bond anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis);
6. For proprietary funds the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis); and
7. Revenues and expenditures were not presented for non-budgeted funds (budget basis) but were recorded on the operating statements (GAAP basis).

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
Governmental Fund Types and Expendable Trust Funds

	General Fund	Special Revenue	Debt Service	Capital Projects	Expendable Trusts
GAAP Basis	\$535,559	\$1,308,205	\$41,475	\$234,002	\$6,443
Revenue Accruals	(56,200)	(68,833)	36,778	0	(64)
Note Proceeds	0	104,665	70,000	(70,000)	0
Expenditure Accruals	(92,506)	(121,606)	(2,854)	5,922	(6,677)
Principal Retirement	0	0	(70,000)	0	0
Transfers	0	0	2,854	(2,854)	0
Advances	(1,289)	1,289	0	0	0
Inception of Capital Lease	0	0	0	0	0
Non-budgeted fund Activity	0	0	0	0	0
Encumbrances	(107,678)	(326,932)	0	0	0
Budget Basis	<u>\$277,886</u>	<u>\$896,788</u>	<u>\$78,253</u>	<u>\$167,070</u>	<u>(\$298)</u>

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 4 - BUDGET TO GAAP RECONCILIATION, (Continued)

	Enterprise
Net Loss/Excess of Revenues	
Over Expenses, Advances and Operating Transfers	
Proprietary Fund Type	
GAAP Basis	\$861,423
Revenue Accruals	(27,762)
Expenditure Accruals	(2,671,391)
Principal Retirement	0
Encumbrances	(565,584)
Advances	0
Transfers	0
Depreciation	0
Capital Outlay	0
Bond Proceeds	2,130,000
Non-budgeted Fund Activity	(1,014,715)
Budget Basis	(\$1,288,029)

NOTE 5 - DEPOSITS AND INVESTMENTS

1. Monies held by the County are classified by State statute into two categories. Active monies means an amount of public monies determined to be necessary to meet current demand upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Monies held by the County which are not considered active are classified as inactive.

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

Inactive monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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

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

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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

At year end, the County had \$103,450 in undeposited cash on hand which is included on the balance sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits. At year end the carrying amount of the County's deposits was \$10,367,464 and the bank balance was \$12,427,356. Of the bank balance \$901,419 was covered by federal depository insurance. The Fayette County Memorial Hospital had \$1,478,227 in uninsured and uncollateralized deposits. The remaining \$10,047,710 of the Counties deposits were collateralized by pooled securities.

The carrying amount of Fayette Progressive Industries, Inc. a discretely presented component unit was \$74,246 and the bank balance was \$85,914. All of the bank balance was covered by federal depository insurance.

Investments. *GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements"* requires that local governments disclose the carrying amounts and market value of investments, classified by risk. Category 1 includes investments that are insured or registered or which are held by the County or the County's agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held in the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. Bank Cash Management Funds are unclassified since they are not evidenced by securities that exist in physical or book entry form.

Investments of the County at December 31, 1999, included bank cash management funds, certificates of deposit and Municipal bonds. The certificates of deposit are considered cash and cash equivalents since they mature in three months.

	Category 1	Carrying/Fair Value
Municipal Bonds	\$48,571	\$48,571
Bank Cash Management Funds	0	1,333,744
Total	\$48,571	\$1,382,315

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in *GASB Statement No. 9*. Cash and cash equivalents are defined to include investments with original maturities of three months or less. In addition, funds included within the County's cash management pool are classified as cash and cash equivalents on the balance sheet.

A reconciliation of cash and investments as shown on the County's balance sheet for the primary government follows:

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
<i>GASB Statement No. 9</i>	\$11,804,658	\$48,571
Bank Cash Management	(1,333,744)	1,333,744
Cash on Hand	<u>(103,450)</u>	<u>0</u>
<i>GASB Statement No. 3</i>	<u>\$10,367,464</u>	<u>\$1,382,315</u>

Assets Limited as to Use - Assets limited as to use are designated or restricted as follows:

Temporarily restricted by donor - for specific purposes	<u>\$199,489</u>
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NOTE 6 - NET PATIENT SERVICE REVENUE

Net patient service revenue consists of the following:

Revenue:	
Inpatient Services:	
Routine Services	\$3,320,044
Ancillary Services	5,810,303
Outpatient Ancillary Services	<u>21,156,496</u>
Total Patient Revenue	<u>30,286,843</u>
Revenue Deductions:	
Provisions for Contractual Allowances	\$9,771,511
Provision for Charity Care	419,265
Other Allowances	<u>157,712</u>
Total Revenue Deductions	<u>10,348,488</u>
Total Net Patient Service Revenue	<u>\$19,938,355</u>

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 1999 for real and public utility property taxes represents collections of 1998 taxes. Property tax payments received during 2000 for tangible personal property (other than public utility property) is for 1999 taxes.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 1999 public utility property taxes became a lien December 31, 1998, are levied after October 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after October 1, 1998, on the value as of December 31, 1997. Collections are made in 1999. Tangible personal property assessments are 25 percent of true value.

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

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

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to itself its share of the taxes collected. The full tax rate for all County operations for the tax year 1999 was \$8.45 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

Real Property and Public Utility	\$313,378,220
Public Utility Personal Property	
	49,727,410
Tangible Personal Property	56,846,015
Total Assessed Value	\$419,951,645

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 8 - PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolution, imposed a one percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited to the General Fund and the Motor Vehicle and Gas Tax Special Revenue Fund. Amounts that have been collected by the State and are to be received within the available period are accrued as revenue. Sales and Use tax revenue for 1999 amounted to \$4,076,329.

NOTE 9 - RECEIVABLES

Receivables at December 31, 1999 consisted of taxes, interest, special assessments, interfund, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables except those of the Fayette County Memorial Hospital Enterprise Fund, are considered collectible in full. The Hospital has accounts receivable in the amount of \$4,770,678, which is net after an allowance for uncollectible accounts and contractual adjustments of \$4,853,000.

Loans Receivable (Special Revenue Fund) represent loans made available through the Community Housing Improvement Program to eligible individuals for rehabilitation work to their residences. The loans are forgiven at 20% per year and will only be repaid if the property owner vacates the property during the first five years.

Loans Receivable (Debt Service Fund) represent an agreement between the County, City of Washington Court House, YUSA Corporation and TFO Tech. to repay the debt which was incurred by the County for the construction of two water service towers.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 9 - RECEIVABLES (Continued)

A summary of intergovernmental receivables follows:

	Amount
<u>General Fund:</u>	
Reimbursement for State Tuberculosis Control	\$1,032
Municipal Court Fines	1,572
Salary Reimbursements	8,157
Indigent Defense Reimbursement	2,413
Housing of Prisoners	135
City of Washington Miscellaneous Reimbursement	322
County Levy	1,013
Total General Fund	14,644
<u>Special Revenue Funds:</u>	
Motor Vehicle and Gas Tax	171,898
Municipal Motor Vehicle License	4,761
Dog & Kennel	75
EMA Grant	169
Enforcement and Education	74
Mental Retardation and Developmental Disabilities Grants	60,471
Senior Nutrition Grants	24,121
Drug Law Enforcement	100
Recycle Ohio Grant	8,490
Juvenile Driver Alcohol Treatment	25
Community Housing Improvement Program Grants	73,971
Felony Delinquent Care and Custody	3,739
Total Special Revenue Funds	347,894
<u>Agency Funds:</u>	
Undivided Tax Fund	229,642
Township	2,879
County Hotel Lodging Tax	51,382
Law Library	4,125
Total Agency Funds	288,028
Grand Total All Funds	\$650,566

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 10 - COST REPORT SETTLEMENTS

Approximately 53 percent of the Hospital's revenues from patient services are received from the Medicare and Medicaid programs. The Hospital has agreements with these payors that provide for reimbursement to the Hospital at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's established rates for services and amounts reimbursed by third-party payors.

A summary of the basis of reimbursement with these third-party payors follows.

Medicare - Inpatient, acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Some outpatient services and defined capital costs related to Medicare beneficiaries are paid based upon a cost reimbursement method. Other outpatient services, including ambulatory surgery, radiology and laboratory services are reimbursed on an established fee-for-service methodology.

Medicaid - Inpatient, acute-care services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Capital costs relating to Medicaid inpatients are paid on a cost reimbursement method. The Hospital is reimbursed for outpatient services on an established fee-for-service methodology.

Cost report settlements result from the adjustment of interim payments to final reimbursement under these programs and are subject to audit by fiscal intermediaries. Although these audits may result in some changes in these amounts, they are not expected to have a material effect on the accompanying financial statements.

NOTE 11 - NOTES RECEIVABLE

Notes receivable represent loans to physicians under various cash flow support and loan arrangements. These loans are to be repaid in varying monthly installments including interest at rates ranging from 0 to 6.0 percent, and are unsecured. A portion of the physician notes receivable are forgiven over time under the terms of the physician loan agreement. A summary of these amounts outstanding is as follows:

Total Notes Receivable	\$256,089
Less: Current Portion	<u>87,724</u>
Long-Term Portion	<u><u>\$168,365</u></u>

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 12 - NONOPERATING GAINS

Nonoperating gains consist of the following:

Donations, gifts and grants	\$8,573
Investment Income	101,267
Other Gains	<u>28,380</u>
Nonoperating Gains	<u><u>\$138,220</u></u>

NOTE 13 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at December 31, 1999, follows:

Land	\$470,865
Land and Land Improvements	607,674
Buildings	9,454,532
Machinery and Equipment	8,193,443
Vehicles	38,625
Construction in Progress	1,674,475
Sewer and Water Lines	<u>35,424</u>
Total Fixed Assets	20,475,038
Less Accumulated Depreciation	<u>9,124,039</u>
Net Book Value	<u><u>\$11,350,999</u></u>

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

	Balance <u>12/31/98</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/99</u>
Land	\$1,005,431	\$4,000	\$0	\$1,009,431
Land Improvements	213,033	17,596	0	230,629
Building	6,748,220	318,517	60,826	7,005,911
Furniture and Fixtures	664,994	3,884	0	668,878
Machinery and Equipment	2,988,022	161,137	14,061	3,135,098
Vehicles	1,898,207	206,390	95,122	2,009,475
Construction in Progress	<u>0</u>	<u>89,677</u>	<u>0</u>	<u>89,677</u>
Total Fixed Assets	<u><u>\$13,517,907</u></u>	<u><u>\$801,201</u></u>	<u><u>\$170,009</u></u>	<u><u>\$14,149,099</u></u>

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 14 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. During 1999, the County contracted with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The County pays all elected officials' bonds by State statute.

The Hospital is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Hospital has purchased commercial insurance for malpractice, general liability, employee medical and workers' compensation claims.

The Hospital is insured against medical malpractice claims under a claims-made policy, whereby only the claims reported to the insurance carrier during the policy period are covered regardless of when the incident giving rise to the claim occurred. Under the terms of the policy, the Hospital bears the risk of the ultimate costs of any individual claim exceeding \$1,000,000 or aggregate claims exceeding \$3,000,000 for claims asserted in the policy year.

Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during the claims-made term, but reported subsequently, will be uninsured.

There are several pending claims against the Hospital. There is insurance coverage, but it is possible that the liability for the claims may exceed the aggregate insurance coverage. There are also pending claims against the Hospital that are not insured. Management intends to vigorously defend these claims. Presently, it is not possible to determine the resolution of the claims or amount of liability, if any.

NOTE 15 - DEFINED BENEFIT RETIREMENT PLANS

A. Public Employees Retirement System:

All County full-time employees, other than teachers, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085 or 1-800-222-PERS (7377).

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 15 - DEFINED BENEFIT RETIREMENT PLANS (Continued)

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the County is required to contribute 9.35 percent. For law enforcement employees, the employee contribution is 9.0 percent and the employer contribution is 12.5 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's required contributions to PERS for the years ended December 31, 1999, 1998, and 1997 were \$819,419, \$829,313, and \$968,337, respectively. The full amount has been contributed for 1998 and 1997. 80.33 percent has been contributed for 1999 with the remainder being reported as a liability within the general long-term obligations account group. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Hospital's required contributions to PERS for the years ended December 31, 1999, 1998 and 1997 were \$898,371, \$890,857, and \$867,395, respectively.

B. State Teachers Retirement System:

Certified teachers employed by the school for the Board of Mental Retardation and Developmental Disabilities participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371, or by calling (614) 227-4090.

Plan members are required to contribute 9.3 percent of their annual covered salary to fund pension obligations and the County is required to contribute 14 percent. 6.00 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions to STRS for the years ended December 31, 1999, 1998 and 1997 were \$15,101, \$29,956 and \$50,089, respectively. The full amount has been contributed for 1998 and 1997. 84.50 percent has been contributed for 1999 with the remainder being reported as a fund liability.

NOTE 16 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System:

The Public Employees Retirement System of Ohio (PERS) 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 Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 1999 employer contribution rate was 13.55

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 16 - POSTEMPLOYMENT BENEFITS (Continued)

percent of covered payroll for employees not engaged in law enforcement; 4.20 percent was the portion that was used to fund health care for 1999. For law enforcement employees, the employer contribution rate for 1999 was 16.70 percent of which 4.20 percent was used to fund health care.

For 1999, benefits are funded on a pay-as-you-go basis. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through the contribution to PERS. OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,642. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The County's actual contributions for 1999 which were used to fund OPEB were \$403,091.

B. State Teachers Retirement System:

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the County, this amount equaled \$19,940.

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

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 17 - OTHER EMPLOYEE BENEFITS

Fayette County employees may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Employees of Fayette County participate in the Ohio Public Employees Deferred Compensation Program. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. The deferred pay and income earned on it is not subject to taxation until it is received by the employee. According to the plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 18 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years the County has entered into capitalized leases. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13 "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the general purpose financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. For enterprise funds the capital lease payment is reflected as a reduction in the enterprise fund liability.

Future minimum lease payments through 2004 are as follows:

<u>Year</u>	General Long-Term Obligations <u>Account Group</u>	<u>Enterprise</u>
2000	\$20,327	\$104,483
2001	17,492	102,284
2002	720	46,625
2003	0	46,625
2004	0	42,740
Total Minimum Lease Payment	<u>38,539</u>	<u>342,757</u>
Less: Amount Representing Interest	<u>(2,758)</u>	<u>(35,930)</u>
Total Present Value of Minimum Lease Payments	<u><u>\$35,781</u></u>	<u><u>\$306,827</u></u>

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 19 - LONG-TERM DEBT

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

	<u>Interest Rate</u>	<u>Outstanding 12/31/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/99</u>
<u>GENERAL LONG-TERM OBLIGATIONS:</u>					
<u>General Obligation Bonds:</u>					
Water Systems Improvement (Jeffersonville)	6.60%	\$40,000	\$0	\$20,000	\$20,000
Water Systems Bond (YUSA)	7.70%	115,000	0	5,000	110,000
Clark-Fayette Port Authority	6.00%	45,000	0	15,000	30,000
McArthur Road Improvement	4.50%	380,000	0	70,000	310,000
Co. Administration Building	5.45%	0	300,000	0	300,000
State Route 41/Carr Road Improvement	5.48%	485,000	0	60,000	425,000
Total General Obligations Bonds		<u>1,065,000</u>	<u>300,000</u>	<u>170,000</u>	<u>1,195,000</u>
<u>Special Assessment Bonds:</u>					
Route 35/Interstate 71 Water Systems	5.90%	300,000	0	20,000	280,000
Clinton Avenue Sewer Extension Phase I	5.60%	142,000	0	4,000	138,000
Clinton Avenue Phase II	5.57%	0	70,000	0	70,000
Total Special Assessments		<u>442,000</u>	<u>70,000</u>	<u>24,000</u>	<u>488,000</u>
<u>Other Long-Term Obligations:</u>					
Compensated Absences		679,742	100,822	0	780,564
Pension Obligation		184,849	235,810	184,849	235,810
Capital Leases Payable		48,939	8,450	21,608	35,781
Total Other Long-Term Obligations		<u>913,530</u>	<u>345,082</u>	<u>206,457</u>	<u>1,052,155</u>
Total General Long-Term Obligations		<u>\$2,420,530</u>	<u>715,082</u>	<u>\$400,457</u>	<u>\$2,735,155</u>
<u>ENTERPRISE FUND OBLIGATIONS:</u>					
<u>Mortgage Revenue Notes:</u>					
Series 1995 A Fixed Rate					
Hospital Improvement	6.05%	\$207,164	\$0	\$207,164	\$0
<u>General Obligation Bonds</u>					
Rattlesnake Treatment Plant Sewer District	7.50%	160,000	0	10,000	150,000
R.S. Sewer WWTP Proj.	5.59%	0	2,130,000	0	2,130,000
Landfill Improvement Bond Retirement	4.80%	280,000	0	40,000	240,000
Total General Obligation Bonds		<u>440,000</u>	<u>2,130,000</u>	<u>50,000</u>	<u>2,520,000</u>

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 19 LONG-TERM DEBT (Continued)

Other Long-Term Obligations:

Compensated Absences	15,573	335	0	15,908
Capital Leases Payable	207,022	99,805	0	306,827
Landfill Closure and Postclosure	<u>1,294,887</u>	<u>0</u>	<u>55,362</u>	<u>1,239,525</u>
Total Other Long-Term Obligations	<u>1,517,482</u>	<u>100,140</u>	<u>55,362</u>	<u>1,562,260</u>
Total Enterprise Fund Obligations	<u>\$2,164,646</u>	<u>\$2,230,140</u>	<u>312,526</u>	<u>\$4,082,260</u>

General Obligation Bonds:

All general obligation bonds are supported by the full faith and credit of the County. General obligation bonds presented as a liability in the general long term-obligations account group will be paid from an unvoted property tax charged against residents of the County. The General Fund receives the tax money, then transfers it to the Debt Service Fund.

The enterprise general obligation bonds are supported by the revenues of the sewer and the sanitary revenue waste enterprise funds.

Special Assessment Bonds:

Special assessment bonds are payable from the proceeds of assessments levied against the specific property owners who primarily benefitted from the project. Special assessment monies will be received in and the debt will be retired from the Debt Service Fund. In the event that property owners fail to make their special assessment payments, the County is responsible for providing the resources to meet the annual principal and interest payments.

Compensated Absences/Pension Obligation:

Additions and deletions of accrued vacation and sick leave are shown net since it is impractical for the County to determine these amounts separately. Compensated absences and the pension obligation will be paid from the funds from which the employee's salaries are paid.

Mortgage Revenue Notes:

The notes mature in equal monthly installments through December 1, 1999, with any remaining principal payable on January 3, 2005 and bears interest at 6.05%. The note also contains various restricted covenants including interest coverage ratios, restrictions on investment purposes and investment coverages.

The enterprise general obligation bonds are supported by the revenues of the sewer and the sanitary revenue waste enterprise funds.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 19 LONG-TERM DEBT (Continued)

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The effects of the debt limitations described above at December 31, 1999 are an overall debt margin of \$8,057,685 and a limit on unvoted debt margin of \$3,258,410.

The following is a summary of the County's future annual debt service requirements for long-term obligations:

<u>General Long-Term Obligations</u>	General Obligation Bonds	Special Assessment Bonds	Total
2000	\$250,983	\$54,002	\$304,985
2001	235,366	53,480	288,846
2002	215,701	51,937	267,638
2003	185,537	52,391	237,928
2004	92,276	50,741	143,017
2005-2009	363,943	234,485	598,428
2010-2014	125,342	187,133	312,475
2015-2019	129,181	57,628	186,809
Total Principal and Interest	1,598,329	741,797	2,340,126
Less: Amount Representing Interest	(403,329)	(253,797)	(653,126)
Total Principal	<u>\$1,195,000</u>	<u>\$488,000</u>	<u>\$1,687,000</u>

<u>Enterprise Fund Obligations:</u>	General Obligation Bonds
2000	\$232,584
2001	230,485
2002	230,883
2003	230,804
2004	230,456
2005-2009	963,888
2010-2014	814,231
2015-2019	813,344

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 19 LONG-TERM DEBT (Continued)

2020-2024	808,050
Total Principal and Interest	4,554,725
Less: Amount Representing Interest	(2,034,725)
Total Principal	\$2,520,000

NOTE 20 - NOTE TRANSACTIONS

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

	Interest Rate	Outstanding 12/31/98	Issued	Retired	Outstanding 12/31/99
<u>Capital Projects Funds:</u>					
Clinton Avenue Sewer Extension Phase II	4.10%	\$70,000	0	\$70,000	0
<u>Enterprise Fund:</u>					
Rattle Snake Waste Water Treatment Plant	4.10%	1,800,000	0	1,800,000	0
Total Notes Payable		\$1,870,000	\$0	\$1,870,000	\$0

The notes being paid from the capital projects funds and the enterprise fund are bond anticipation notes. All of the notes are backed by the full faith and credit of Fayette County. The note liability is reflected in the fund which received the proceeds.

NOTE 21 - INTERFUND TRANSACTIONS

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

Fund Type/Fund	Due From Other Funds	Due To Other Funds	Interfund Receivable	Interfund Payable
General Fund:	\$1,093,297	\$114	\$14,779	\$0
Special Revenue Funds:				
Dog and Kennel	0	0	0	0
MR/DD	1,518,696	1,108	0	0
Public Assistance	0	6,096	0	0
Motor Vehicle Gas Tax	26,539	1,565	0	0
Master Ditch Maintenance	67,326	24,385	0	0
Emergency Medical Services	0	143	0	0

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 21 - INTERFUND TRANSACTIONS (Continued)

Child Support	0	56	0	0
C.H.I.P.	0	17	0	0
Recycle Ohio Grant	0	0	0	8,490
Law Enforcement Block Grant	0	0	0	6,289
Emergency Management	0	28	0	0
Total Special Revenue Funds	<u>1,612,561</u>	<u>33,398</u>	<u>0</u>	<u>14,779</u>
Debt Service Fund	<u>186,009</u>	<u>0</u>	<u>0</u>	<u>0</u>
Enterprise Funds:				
Sewer Fund	28,267	1,700	0	0
Water Fund	15,622	328	0	0
Sanitary Revenue Waste	20	412	0	0
Total Enterprise Funds	<u>43,910</u>	<u>2,440</u>	<u>0</u>	<u>0</u>
Agency:				
Taxing Districts	72,146	0	0	0
Undivided Tax Fund	0	2,971,971	0	0
Total Agency Funds	<u>72,146</u>	<u>2,971,971</u>	<u>0</u>	<u>0</u>
Total All Funds	<u><u>\$3,007,923</u></u>	<u><u>\$3,007,923</u></u>	<u><u>\$14,779</u></u>	<u><u>\$14,779</u></u>

NOTE 22 - LANDFILL CLOSURE AND POST CLOSURE CARE

During 1993, the County stopped receiving refuse in its public landfill. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for thirty years after closure. This amount is based on what it would cost to perform all post closure care in 1999. The Ohio Environmental Protection Agency officially certified the closure of the landfill in 1993. Any remaining costs associated with the closure of the landfill were paid during 1995. The remaining post closure liability recorded in the Refuse Fund is \$1,239,525. This liability will be paid from a bond issuance, fees generated from the transfer station and any remaining cost in a particular year will be covered by transfers from the General Fund. The reporting of the landfill closure and post closure liability follow the guidelines set by the *GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs."*

State and Federal laws and regulations require the County to provide financial assurance for the landfill closure and post closure care costs. The County has complied with this requirement by issuing a \$400,000 Landfill Improvement bond in May of 1996 for the purpose of constructing certain landfill improvements. These proceeds have been receipted into the Sanitary Revenue Waste Enterprise Fund.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 22 - LANDFILL CLOSURE AND POST CLOSURE CARE (Continued)

Currently, the County contracts with a private collection service to handle the solid waste collection and disposal activities for the County.

NOTE 23 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains four enterprise funds which are intended to be self-supported through user fees charged for services provided to customers for sewer, water, revenue waste services and the Hospital. Financial segment information for the year ended December 31, 1999, is as follows:

	Sewer	Water	Sanitary Revenue Waste	Fayette County Memorial Hospital	Total
Operating Revenues	\$288,617	\$124,718	\$730,386	\$20,010,906	\$21,154,627
Operating Expenses Before Depreciation	413,802	80,233	751,380	18,118,428	19,382,897
Depreciation Expense	2,318	63,757	9,565	996,929	1,072,569
Operating Income (Loss)	(127,503)	(19,272)	(30,559)	876,495	699,161
Income from Investments	3,207	0	0	0	3,207
Nonoperating Gains	0	0	0	138,220	138,220
Interest and Fiscal Charges	126,053	0	13,637	19,054	158,744
Operating Transfers - In	87,827	0	93,800	0	181,627
Operating Transfers - Out	0	(21,102)	0	0	(21,102)
Net Income (Loss)	(162,522)	(40,374)	49,604	1,014,715	861,423
Net Working Capital	759,500	136,607	121,315	0	1,017,422
Additions to Property, Plant and Equipment	1,042,424	0	40,300	273,600	1,356,324
Total Assets	2,182,862	1,140,821	558,365	15,800,933	19,682,981
General Obligation Bonds Payable from Revenue	2,280,000	0	240,000	0	2,520,000
Total Equity (includes restricted funds)	(461,888)	1,122,814	(1,003,096)	13,948,790	13,606,620
Encumbrances Outstanding at December 31, 1999	512,273	1,114	52,197	0	565,584

NOTE 24 - FAYETTE PROGRESSIVE INDUSTRIES, INC.

A. Measurement Focus and Basis of Accounting

The Fayette Progressive Industries, Inc. of Fayette County uses fund accounting to report on their operations and uses the full accrual basis of accounting as set forth in Statement of Position 78-10 for non-profit corporations.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 24 - FAYETTE PROGRESSIVE INDUSTRIES, INC. (Continued)

B. Budgetary Basis of Accounting

Budgetary information for the Fayette Progressive Industries, Inc. is not presented because it is not included in the entity for which the “appropriated budget” is adopted and does not maintain separate budgetary financial records.

C. Deposits and Investments

Cash and cash equivalents held by the Fayette Progressive Industries, Inc. of Fayette County are classified as “Cash and Cash Equivalents in Segregated Accounts”. For purpose of the statements of cash flows, cash and cash equivalents are considered to be all unrestricted highly liquid investment with maturities of 3 months or less at the time of acquisitions.

At year end, Fayette Progressive Industries, Inc. deposits with a carrying value of \$74,246 were in one NOW checking account and a Certificate of Deposit totaling \$85,914.

D. Receivables

Accounts receivable consist of amounts due from customers for trade activities. No allowance for uncollectible accounts was set up as management deems all accounts to be collectible.

E. Fixed Assets

Property and equipment for the Fayette Progressive Industries, Inc. are stated at historical cost and are updated for the cost of additions and retirements during the year. The assets for the Fayette Progressive Industries, Inc. of Fayette County are depreciated on a straight-line basis using five to ten year estimated useful lives. Routine maintenance, repairs and renewals are charged to income as incurred. Renewals and betterments which substantially increase the life of an asset are capitalized. At retirement or sale, the cost of assets, less the related accumulated depreciation, is removed from the accounts and resulting gains or losses are included in income.

A summary of the Fayette Progressive Industries, Inc. fixed assets at December 31, 1999 follows:

Vehicles	\$55,294
Machinery and Equipment	<u>76,707</u>
Total Fixed Assets	132,001
Less Accumulated Depreciation	<u>(96,784)</u>
Net Book Value	<u><u>\$35,217</u></u>

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 24 - FAYETTE PROGRESSIVE INDUSTRIES, INC. (Continued)

F. Contributions

Contributions, if any, are considered to be available for unrestricted use unless specifically restricted by the donor. Donated services, materials and facilities are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. An equivalent expense is also recognized.

G. Income Taxes

The company is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code, and does not currently conduct any activities which management believes would result in the imposition of the unrelated business income tax.

NOTE 25 - JOINTLY GOVERNED ORGANIZATIONS

Paint Valley ADAMHS - The Paint Valley Board of Alcohol, Drug Addiction and Mental Health Services (ADAMHS) of Pike, Fayette, Highland, Pickaway and Ross Counties is a jointly governed organization that is responsible for developing, coordinating, modernizing, funding, monitoring and evaluating a community-based mental health and substance abuse program. The Board consists of eighteen members. Four members are appointed by the Director of the Ohio Department of Mental Health and four members are appointed by the Director of the Ohio

Department of Alcohol and Drug Addiction Services. The remaining members are appointed by the County Commissioners of Pike, Fayette, Highland, Pickaway and Ross Counties in the same proportion as each County's population bears to the total population of the five counties combined. The Board receives revenue from the participating counties and receives federal and state funding through grant monies which are applied for and received by the Board of Trustees.

Fayette County cannot significantly influence operations of the Board, who has sole budgetary authority and controls surpluses and deficits. Fayette County has no ongoing financial interest or responsibility. Complete financial statements can be obtained from the Paint Valley ADAMHS Board, June Frey who serves as Finance Director, 1394 Chestnut Street, Chillicothe, Ohio 45601.

South Central Regional Juvenile Detention Center - The South Central Regional Juvenile Detention Center was created as a holding place for juvenile offenders waiting for disposition by the respective Juvenile Courts of the member counties. The current members include Fayette, Pike, Pickaway, Ross, Jackson, Hocking, Athens, Vinton and Highland Counties. The Center's Board consists of one member from each participating county that is appointed by the Juvenile Court Judge or a County Commissioner from each county. The joint Board selects the superintendent as the Center's administrator.

The Center's revenue is from per diem charges for inmates to the respective counties and a percent of the county tax base to the total base. Ross County is the fiscal officer of the Center. Fayette County does not have any financial interest or responsibility. During 1999, Fayette County contributed \$64,663 to the Center.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 25 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

Fayette County Emergency Management Agency - Fayette County Emergency Management Agency (EMA) is a joint venture between the County, Townships and Villages. The executive committee consists of a county commissioner, seven chief executives from municipalities and ten townships with money provided by the members which is reimbursed by the State. The degree of control is limited to the individual representation on the board.

RPHF Joint Solid Waste District - The RPHF Joint Solid Waste District is a jointly governed organization among Pickaway, Ross, Highland and Fayette Counties. Each of these governments supports the District. The County made no contributions during 1999. The degree of control exercised by any participating County is limited to its representation on the Board. The Board of Directors consists of twelve members, the three County Commissioners of each of the four counties. The District does not have any outstanding debt. The District is self-sufficient, operating entirely on collected fees.

Fayette-Clinton-Fairfield-Ross-Pickaway Job Training Partnership Act (JTPA) - JTPA is a jointly governed organization among five counties in Ohio. The consortium conducts an employment and training administration program under the provisions of JTPA of 1982 and the Job Training Reform Amendments of 1992. The three County Commissioners from each of the four counties comprise the Consortium Board of Governors. The consortium has no outstanding debt. No contributions were made by the County in 1999.

Travel and Tourism Bureau - The Travel and Tourism Bureau (The Bureau) is a jointly governed organization among the County, two townships, two villages and one city. The Board is made up of six trustees, one from each of the following entities: Fayette County, Village of Jeffersonville, Jefferson Township, City of Washington, Union Township and Octa Village. Trustees are elected on a self-nomination basis. Revenues to operate the Bureau are derived solely from the hotel/motel tax. There is currently no outstanding debt.

West Central Ohio Port Authority - The West Central Ohio Port Authority was established under Section 4582.21 of the Ohio Revised Code. Under the Revised Code, the Port Authority is a legally separate entity. The Board of the Authority is comprised of seven members: two members from Champaign County, three from Clark County, and two from Fayette County. The members are appointed by the County Commissioners of each respective county. Fayette County does not approve its budget, nor is it responsible for the Authority's debt. During 1999, the County did not contribute any money to the Authority.

NOTE 26 - RISK SHARING POOL

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

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 26 - RISK SHARING POOL (Continued)

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

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County has no equity interest in CORSA. The County's payment for insurance to CORSA in 1999 was \$121,913. Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

NOTE 27 - CONTINGENT LIABILITIES

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

Several claims and lawsuits are pending against the County. Management intends to vigorously defend these cases. Presently, it is not possible to determine the resolution of these cases or amount of liability, if any. In the opinion of the County Prosecuting Attorney, any potential liability would not have a material effect on the general purpose financial statements.

NOTE 28 - CONTINGENCY

In June 1993, the Office of the Inspector General of the Department of Health and Human Services requested information from Quorum in connection with an investigation involving Quorum's procedures for preparing Medicare cost reports. In January 1995, the U.S. Department of Justice issued a Civil Investigative Demand which also requested information from Quorum in connection with that same investigation. As part of the government's investigation, several former and current employees of Quorum were interviewed. Quorum cooperated fully with the investigation. Quorum received no communication from the government on this matter from approximately June 1996 until August 1998.

In August 1998, the government informed Quorum that the investigation was prompted by allegations made by a former employee of a hospital managed by Quorum. The allegations concern the preparation of cost reports for Medicare and other government payment programs for hospitals owned or managed by Quorum since January 1, 1984. In October 1998, the government commenced litigation under the False Claims Act. Quorum intends to cooperate with the government's inquiry, and, if appropriate, will try to reach a settlement of this case.

FAYETTE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

NOTE 28 - CONTINGENCY (Continued)

The Hospital has been managed by Quorum, and thus is a potential defendant in the case, along with hundreds of other hospitals owned and managed by Quorum. The Hospital has not been identified as a specific defendant in the litigation and has not been served in the case. Whether the Hospital will ever be named as a party defendant in the litigation is unclear. Even if the Hospital were at some point to be brought into the case as a party defendant, it is unclear whether the Hospital would be subject to fines, penalties, damages or other actions or whether any such action or liability would have a material adverse effect on the Hospital's financial condition or results of operations.

NOTE 29 - CHILD SUPPORT ENFORCEMENT AGENCY

The County is responsible for collecting and distributing child support payments. Collections and payments during 1999 were approximately \$5,093,147. To comply with the 1988 Federal Family Support Act, the Ohio Department of Human Services (ODHS) assumed responsibility for developing the Support Enforcement Tracking System (SETS) software all counties must use to account for child support activity. ODHS is responsible for all costs (which are significantly reimbursed by Federal matching dollars) and programming for SETS development.

Due to developmental delays, SETS is only partially installed as of December 31, 1999. Fayette County continues to use its existing child support software, however, Fayette County CSEA plans to discontinue use of this system and anticipates full conversion to the SETS system by September 30, 2000. The County has developed a contingency plan in the event that child support software fails after December 31, 1999. ODHS believes that statewide implementation of SETS will likely not be complete until September 2000.

NOTE 30 - LOAN PAYABLE

The County has entered into an agreement with a local depository for a line of credit which is used to pay contractors who are performing work involved with the Community Housing Improvement Program (CHIP). The loan is repaid using the reimbursements received from the program.

NOTE 31 - RESTATEMENT OF FUND BALANCES

In 1998, the unclaimed monies funds were incorrectly reported in the special revenue funds. The correction had the following effect on fund balances:

	General Fund	Special Revenue Funds
Fund Balance previously reported at 12/31/98	\$1,922,718	\$3,300,686
Restatement for fund classification	53,712	(53,712)
Fund Balance Restated at 1/01/99	<u>\$1,976,430</u>	<u>\$3,246,974</u>

FAYETTE COUNTY
SCHEDULE OF FEDERAL AWARD EXPENDITURES
DECEMBER 31, 1999

FEDERAL GRANTOR	Federal CFDA	Program	Expenditures
<u>Pass Through Grantor Program Title:</u>	<u>Number</u>	<u>Number</u>	<u></u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grant			
Small Cities Program Grant (CHIP)	14.228	BC-97-023-1	54,500
Home Investment Partnerships Program (HOME)	14.239	BC-97-023-2	319,414
Small Cities Emergency Shelter Grant Program - 99	14.231	BL-99-023-1	34,700
Total U.S. Department of Housing and Urban Development			<u>408,614</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Office of Criminal Justice Services</i>			
Juvenile Justice and Delinquency Program	16.540	98-JJ-DP2-0626	34,434
Public Safety Partnership and Community Policing Program	16.710	98-UM-WX-2058	40,284
Local Law Enforcement Block Grant Program	16.592	97-LE-LEB-3054	8,457
Violence Against Women Formula Grant	16.588	98-WF-VA5-8411	23,389
Total U.S. Department of Justice			<u>106,564</u>
U.S. DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Passed Through Ohio Adjutant General's Emergency Management Agency</i>			
Emergency Management Assistance - 99	83.534	99-24EMA-145	26,510
Total U. S. Department of Federal Emergency Management			<u>26,510</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Special Education - Grants to States-Title VI B - 00	84.027	71100-6B-SF-00P	6,314
Special Education - Grants to States-Title VI B - 99	84.027	71100-6B-SF-99P	7,676
Special Education - Preschool Grants	84.173	71100-PG-F1-99P	3,492
Total Special Education Cluster			<u>17,482</u>
Total U. S. Department of Education			<u>17,482</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Aging</i>			
Special Programs for the Aging - Support Services - Title III-B	93.044	n/a	17,617
Special Programs for the Aging - Nutrition - Title III-C	93.045	n/a	37,458
Total Aging Cluster			<u>55,075</u>
Home Energy Assistance Program (HEAP)	93.568	XC8-19572-001	1,900
Social Service Block Grant - Title XX	93.667	n/a	26,083
Total U.S. Department of Health and Human Services			<u>83,058</u>
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Aging</i>			
Food Distribution	10.550	n/a	27,955
Total U.S. Department of Agriculture			<u>27,955</u>
Total Federal Financial Award Expenditures			<u><u>\$670,183</u></u>

**FAYETTE COUNTY
NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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



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

Fayette County
110 East Court Street
Washington Court House, Ohio 43160

To the Board of County Commissioners:

We have audited the financial statements of Fayette County, Ohio (the County), as of and for the year ended December 31, 1999, and have issued our report thereon dated August 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the financial statements of Fayette County Memorial Hospital. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Fayette County Memorial Hospital, is based on the report of the other auditors.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Governmental Auditing Standards which is described in the accompanying schedule of findings as item 1999-60624-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated August 28, 2000.

Internal Control Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the County in a separate letter dated August 28, 2000.

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

Jim Petro
Auditor of State

August 28, 2000



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

Fayette County
110 East Court Street
Washington Court House, Ohio 43160

To the Board of County Commissioners:

Compliance

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

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

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

Internal Control Over Compliance

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

Fayette County
Report of Independent Accountants on Compliance With Requirements
Applicable to Each Major Federal Program and Internal Control Over
Compliance In Accordance With OMB Circular A-133
Page 2

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

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

Jim Petro
Auditor of State

August 28, 2000

**FAYETTE COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 1999**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Home Improvement Partnership Program CFDA#14.239
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 1999-60624-001

Ohio Rev. Code, Section 5705.41(D), states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated. Also, no orders or contracts involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by this statute:

**FAYETTE COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 1999
(Continued)**

FINDING NUMBER 1999-60624-001 (Continued)

1. Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that she is completing her certifications, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
2. Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Forty-eight percent (48%) of the purchases tested were initiated without obtaining the prior certification of the County Auditor and were not subsequently approved by the County Commissioners within the aforementioned 30 day time period.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None



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FINANCIAL CONDITION

FAYETTE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 3, 2000