



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

MEIGS COUNTY
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REPORT OF INDEPENDENT ACCOUNTANTS

Meigs County
100 East Second Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

We have audited the accompanying general purpose financial statements of Meigs County, Ohio (the County) as of and for the year ended December 31, 2000, 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 Meigs Industries, Inc. the County's discretely presented component unit. Those financial statements were audited by other auditor's whose report thereon has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for Meigs Industries, Inc., is based upon the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Meigs Industries, Inc. were audited by the other auditors in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Meigs County, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund type and discretely presented component unit for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2001, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

Jim Petro
Auditor of State

November 29, 2001

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MEIGS COUNTY
Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Unit
December 31, 2000

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Cash and Cash Equivalents	\$299,848	\$3,031,795	\$37,753	\$14,356
Cash and Cash Equivalents in Segregated Accounts	1,132	414	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	5,957	100,080	0	0
Accrued Interest	99,597	0	0	0
Due from Other Funds	140,961	8,619	0	0
Due from Other Funds - Taxes	942,939	1,223,010	0	0
Due from Other Governments	194,935	460,293	0	0
Materials and Supplies Inventory	11,952	161,664	0	0
Notes Receivable	0	37,396	0	0
Prepaid Items	3,720	9,541	0	0
Fixed Assets, (Net where applicable of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$1,701,041	\$5,032,812	\$37,753	\$14,356

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)	COMPONENT UNIT	Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	Primary Government		Meigs Industries
		\$0	\$0	\$4,444,309	\$0	\$4,444,309
\$3,922	\$1,056,635					
11,726	271,268	0	0	284,540	414	284,954
0	11,550,852	0	0	11,550,852	0	11,550,852
0	0	0	0	106,037	41,272	147,309
0	0	0	0	99,597	0	99,597
0	0	0	0	149,580	0	149,580
0	0	0	0	2,165,949	0	2,165,949
0	855,694	0	0	1,510,922	0	1,510,922
0	0	0	0	173,616	0	173,616
0	0	0	0	37,396	0	37,396
0	0	0	0	13,261	0	13,261
0	0	10,017,774	0	10,017,774	41,030	10,058,804
0	0	0	37,753	37,753	0	37,753
0	0	0	1,570,503	1,570,503	0	1,570,503
<u>\$15,648</u>	<u>\$13,734,449</u>	<u>\$10,017,774</u>	<u>\$1,608,256</u>	<u>\$32,162,089</u>	<u>\$82,716</u>	<u>\$32,244,805</u>

continued

MEIGS COUNTY
Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Unit
December 31, 2000
(Continued)

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities:				
Accounts Payable	\$83,073	\$287,163	\$0	\$0
Contracts Payable	2,742	36,117	0	0
Accrued Wages and Benefits	68,052	184,628	0	0
Compensated Absences Payable	0	5,700	0	0
Due to Other Funds	0	39,767	0	0
Due to Other Funds - Taxes	0	0	0	0
Due to Other Governments	48,420	140,903	0	0
Deferred Revenue	942,939	1,554,201	0	0
Undistributed Monies	0	0	0	0
Deposits Held and Due to Others	0	0	0	0
Accrued Interest Payable	0	1,609	0	182
Insurance Claims Payable	0	0	0	0
Notes Payable	15,814	160,262	0	59,768
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	1,161,040	2,410,350	0	59,950
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	14,055	95,910	0	0
Reserved for Inventory	11,952	161,664	0	0
Unreserved:				
Undesignated	513,994	2,364,888	37,753	(45,594)
Total Fund Equity and Other Credits	540,001	2,622,462	37,753	(45,594)
Total Liabilities, Fund Equity and Other Credits	\$1,701,041	\$5,032,812	\$37,753	\$14,356

See accompanying notes to the general purpose financial statements.

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)	COMPONENT UNIT	Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	Primary Government		Meigs Industries
		\$0	\$0	\$370,236	\$18,714	\$388,950
		0	0	38,859	0	38,859
		0	0	252,680	0	252,680
		0	0	542,053	0	542,053
	109,813	0	0	149,580	0	149,580
	2,165,949	0	0	2,165,949	0	2,165,949
	10,971,639	0	336,882	11,497,844	0	11,497,844
	0	0	0	2,497,140	0	2,497,140
	376,739	0	0	376,739	0	376,739
	104,994	0	0	104,994	0	104,994
	0	0	0	1,791	0	1,791
14,011	0	0	0	14,011	0	14,011
0	0	0	0	235,844	0	235,844
0	0	0	14,321	14,321	0	14,321
0	0	0	715,000	715,000	0	715,000
14,011	13,729,134	0	1,608,256	18,982,741	18,714	19,001,455
0	0	10,017,774	0	10,017,774	0	10,017,774
0	0	0	0	0	27,720	27,720
1,637	0	0	0	1,637	36,282	37,919
0	0	0	0	109,965	0	109,965
0	0	0	0	173,616	0	173,616
0	5,315	0	0	2,876,356	0	2,876,356
1,637	5,315	10,017,774	0	13,179,348	64,002	13,243,350
\$15,648	\$13,734,449	\$10,017,774	\$1,608,256	\$32,162,089	\$82,716	\$32,244,805

MEIGS COUNTY
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental and Similar Fiduciary Fund Types
For the Year Ended December 31, 2000

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$2,180,629	\$1,310,744	\$0
Charges for Services	449,962	649,584	0
Licenses and Permits	2,874	350	0
Fines and Forfeitures	145,287	58,546	0
Intergovernmental	532,031	11,895,562	0
Interest Earnings	337,564	7,462	0
Other	223,773	230,899	115,517
<i>Total Revenues</i>	3,872,120	14,153,147	115,517
Expenditures:			
<i>Current:</i>			
General Government:			
Legislative and Executive	1,310,314	122,831	0
Judicial	395,060	143,981	0
Public Safety	826,489	850,014	0
Public Works	50,567	4,341,871	0
Health	166,050	124,143	0
Human Services	114,158	8,584,896	0
Economic Development and Assistance	0	40,240	0
Other	708,262	0	0
Capital Outlay	0	0	0
<i>Debt Service:</i>			
Principal Retirement	13,676	0	65,000
Interest and Fiscal Charges	1,319	1,636	52,163
<i>Total Expenditures</i>	3,585,895	14,209,612	117,163
Excess of Revenues Over (Under) Expenditures	286,225	(56,465)	(1,646)
Other Financing Sources(Uses):			
Operating Transfers - In	116,000	363,361	0
Operating Transfers - Out	(225,936)	(323,724)	0
<i>Total Other Financing Sources (Uses)</i>	(109,936)	39,637	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	176,289	(16,828)	(1,646)
Fund Balances (Deficit) at Beginning of Year, As Restated	360,995	2,619,182	39,399
Increase (Decrease) in Reserve for Inventory	2,717	20,108	0
Fund Balances (Deficit) at End of Year	\$540,001	\$2,622,462	\$37,753

See accompanying notes to the general purpose financial statements.

	FIDUCIARY FUND TYPE	Totals (Memorandum Only)
Capital Projects	Expendable Trust	Primary Government
\$9,116	\$0	\$3,500,489
0	0	1,099,546
0	0	3,224
0	0	203,833
0	0	12,427,593
0	0	345,026
0	458	570,647
<u>9,116</u>	<u>458</u>	<u>18,150,358</u>
0	0	1,433,145
0	0	539,041
0	0	1,676,503
0	0	4,392,438
0	0	290,193
0	3,039	8,702,093
0	0	40,240
0	0	708,262
14,737	0	14,737
0	0	78,676
2,189	0	57,307
<u>16,926</u>	<u>3,039</u>	<u>17,932,635</u>
(7,810)	(2,581)	217,723
70,299	0	549,660
0	0	(549,660)
<u>70,299</u>	<u>0</u>	<u>0</u>
62,489	(2,581)	217,723
(108,083)	7,896	2,919,389
0	0	22,825
<u>(\$45,594)</u>	<u>\$5,315</u>	<u>\$3,159,937</u>

MEIGS COUNTY
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental and Similar Fiduciary Fund Types
For the Year Ended December 31, 2000

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$2,192,221	\$2,193,967	\$1,746
Charges for Services	436,817	444,265	7,448
Licenses and Permits	3,450	2,874	(576)
Fines and Forfeitures	127,830	153,365	25,535
Intergovernmental	458,450	463,640	5,190
Interest Earnings	200,000	208,220	8,220
Other	218,406	181,724	(36,682)
<i>Total Revenues</i>	<u>3,637,174</u>	<u>3,648,055</u>	<u>10,881</u>
Expenditures:			
<i>Current:</i>			
General Government:			
Legislative and Executive	1,372,793	1,354,510	18,283
Judicial	415,995	396,001	19,994
Public Safety	802,752	800,415	2,337
Public Works	53,020	50,767	2,253
Health	169,066	166,889	2,177
Human Services	116,830	114,842	1,988
Conservation and Recreation	0	0	0
Economic Development and Assistance	0	0	0
Other	713,225	708,262	4,963
Capital Outlay	0	0	0
<i>Debt Service:</i>			
Principal Retirement	3,985	3,985	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>3,647,666</u>	<u>3,595,671</u>	<u>51,995</u>
Excess of Revenues Over (Under) Expenditures	(10,492)	52,384	62,876
Other Financing Sources (Uses):			
Proceeds of Notes	0	0	0
Advances - In	0	98,100	98,100
Advances - Out	(53,111)	(98,548)	(45,437)
Operating Transfers - In	68,940	119,000	50,060
Operating Transfers - Out	(225,936)	(225,936)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(210,107)</u>	<u>(107,384)</u>	<u>102,723</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(220,599)	(55,000)	165,599
Fund Balances (Deficit) at Beginning of Year	225,743	225,743	0
Prior Year Encumbrances Appropriated	20,366	20,366	0
Fund Balances (Deficit) at End of Year	<u>\$25,510</u>	<u>\$191,109</u>	<u>\$165,599</u>

GOVERNMENTAL FUND TYPES

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,310,744	\$1,310,744	\$0	\$0	\$0	\$0
453,302	632,764	179,462	0	0	0
0	350	350	0	0	0
21,800	60,118	38,318	0	0	0
11,722,602	12,303,382	580,780	0	0	0
6,000	7,462	1,462	0	0	0
51,670	282,665	230,995	115,517	115,517	0
<u>13,566,118</u>	<u>14,597,485</u>	<u>1,031,367</u>	<u>115,517</u>	<u>115,517</u>	<u>0</u>
193,726	130,210	63,516	0	0	0
219,283	140,747	78,536	0	0	0
1,010,542	847,070	163,472	0	0	0
4,979,214	4,803,993	175,221	0	0	0
168,179	121,129	47,050	0	0	0
9,414,855	8,602,385	812,470	0	0	0
500	0	500	0	0	0
41,861	40,142	1,719	0	0	0
11,537	0	11,537	0	0	0
0	0	0	0	0	0
2,208	2,208	0	65,000	65,000	0
35	35	0	89,917	52,163	37,754
<u>16,041,940</u>	<u>14,687,919</u>	<u>1,354,021</u>	<u>154,917</u>	<u>117,163</u>	<u>37,754</u>
(2,475,822)	(90,434)	2,385,388	(39,400)	(1,646)	37,754
160,000	160,000	0	0	0	0
0	59,509	59,509	0	0	0
(150,000)	(59,061)	90,939	0	0	0
481,089	360,361	(120,728)	0	0	0
(545,763)	(323,724)	222,039	0	0	0
<u>(54,674)</u>	<u>197,085</u>	<u>251,759</u>	<u>0</u>	<u>0</u>	<u>0</u>
(2,530,496)	106,651	2,637,147	(39,400)	(1,646)	37,754
2,629,681	2,629,681	0	39,400	39,400	0
129,211	129,211	0	0	0	0
<u>\$228,396</u>	<u>\$2,865,543</u>	<u>\$2,637,147</u>	<u>\$0</u>	<u>\$37,754</u>	<u>\$37,754</u>

continued

MEIGS COUNTY
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental and Similar Fiduciary Fund Types
For the Year Ended December 31, 2000

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$9,116	\$9,116	\$0
Charges for Services	0	0	0
Licenses and Permits	0	0	0
Fines and Forfeitures	0	0	0
Intergovernmental	0	0	0
Interest Earnings	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>9,116</u>	<u>9,116</u>	<u>0</u>
Expenditures:			
<i>Current:</i>			
General Government:			
Legislative and Executive	0	0	0
Judicial	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health	0	0	0
Human Services	0	0	0
Conservation and Recreation	0	0	0
Economic Development and Assistance	0	0	0
Other	0	0	0
Capital Outlay	22,308	22,258	50
<i>Debt Service:</i>			
Principal Retirement	42,485	42,485	0
Interest and Fiscal Charges	2,852	2,852	0
<i>Total Expenditures</i>	<u>67,645</u>	<u>67,595</u>	<u>50</u>
Excess of Revenues Over (Under) Expenditures	(58,529)	(58,479)	50
Other Financing Sources (Uses):			
Proceeds of Notes	0	0	0
Advances - In	0	3,039	3,039
Advances - Out	0	(3,039)	(3,039)
Operating Transfers - In	62,843	70,299	7,456
Operating Transfers - Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>62,843</u>	<u>70,299</u>	<u>7,456</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,314	11,820	7,506
Fund Balances (Deficit) at Beginning of Year	2,536	2,536	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balances (Deficit) at End of Year	<u>\$6,850</u>	<u>\$14,356</u>	<u>\$7,506</u>

See accompanying notes to the general purpose financial statements.

Expendable Trust Funds			Totals (Memorandum Only) Primary Government		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$3,512,081	\$3,513,827	\$1,746
0	0	0	890,119	1,077,029	186,910
0	0	0	3,450	3,224	(226)
0	0	0	149,630	213,483	63,853
0	0	0	12,181,052	12,767,022	585,970
0	0	0	206,000	215,682	9,682
97,389	97,847	458	482,982	677,753	194,771
<u>97,389</u>	<u>97,847</u>	<u>458</u>	<u>17,425,314</u>	<u>18,468,020</u>	<u>1,042,706</u>
0	0	0	1,566,519	1,484,720	81,799
0	0	0	635,278	536,748	98,530
178	0	178	1,813,472	1,647,485	165,987
0	0	0	5,032,234	4,854,760	177,474
0	0	0	337,245	288,018	49,227
6,020	3,039	2,981	9,537,705	8,720,266	817,439
0	0	0	500	0	500
0	0	0	41,861	40,142	1,719
4,912	4,876	36	729,674	713,138	16,536
0	0	0	22,308	22,258	50
0	0	0	113,678	113,678	0
0	0	0	92,804	55,050	37,754
<u>11,110</u>	<u>7,915</u>	<u>3,195</u>	<u>19,923,278</u>	<u>18,476,263</u>	<u>1,447,015</u>
86,279	89,932	3,653	(2,497,964)	(8,243)	2,489,721
0	0	0	160,000	160,000	0
0	0	0	0	160,648	160,648
0	0	0	(203,111)	(160,648)	42,463
0	0	0	612,872	549,660	(63,212)
0	0	0	(771,699)	(549,660)	222,039
<u>0</u>	<u>0</u>	<u>0</u>	<u>(201,938)</u>	<u>160,000</u>	<u>361,938</u>
86,279	89,932	3,653	(2,699,902)	151,757	2,851,659
42,134	42,134	0	2,939,494	2,939,494	0
0	0	0	149,577	149,577	0
<u>\$128,413</u>	<u>\$132,066</u>	<u>\$3,653</u>	<u>\$389,169</u>	<u>\$3,240,828</u>	<u>\$2,851,659</u>

MEIGS COUNTY
Combined Statement of Revenues, Expenses
and Changes in Fund Equity
Proprietary Fund Type and Discretely Presented Component Unit
For the Year Ended December 31, 2000

	PROPRIETARY FUND TYPE	Totals (Memorandum Only)	COMPONENT UNIT	Totals (Memorandum Only)
	Internal Service	Primary Government	Meigs Industries	Reporting Entity
Operating Revenues:				
Charges for Services	\$629,793	\$629,793	\$291,580	\$921,373
Program Income	0	0	105,050	105,050
Total Operating Revenues	629,793	629,793	396,630	1,026,423
Operating Expenses:				
Personal Services	0	0	369,577	369,577
Contract Services	0	0	5,144	5,144
Materials and Supplies	0	0	25,865	25,865
Insurance Claims	502,300	502,300	0	502,300
Other Expenses	0	0	19,103	19,103
Total Operating Expenses	502,300	502,300	419,689	921,989
Net Income (Loss)	127,493	127,493	(23,059)	104,434
Retained Earnings at Beginning of Year	(125,856)	(125,856)	59,341	(66,515)
Retained Earnings at End of Year	1,637	1,637	36,282	37,919
Contributed Capital at End of Year	0	0	27,720	27,720
Total Fund Equity at End of Year	\$1,637	\$1,637	\$64,002	\$65,639

See accompanying notes to the general purpose financial statements.

MEIGS COUNTY
Combined Statement of Cash Flows
Proprietary Fund Type and Discretely Presented Component Unit
For the Year Ended December 31, 2000

	PROPRIETARY FUND TYPE	Totals (Memorandum Only)	COMPONENT UNIT	Totals (Memorandum Only)
	Internal Service	Primary Government	Meigs Industries	Reporting Entity
Cash Flows from Operating Activities:				
Cash Receipts From Customers	\$629,793	\$629,793	\$273,778	\$903,571
Cash Receipts From Program Income	0	0	105,050	105,050
Cash Payments to Employees	0	0	(369,577)	(369,577)
Cash Payments to Contractors for Services	0	0	(2,340)	(2,340)
Cash Payments to Suppliers for Goods and Services	0	0	(12,580)	(12,580)
Cash Payments for Insurance Claims	(672,840)	(672,840)	0	(672,840)
Other Operating Expenses	0	0	(19,103)	(19,103)
<i>Net Cash from Operating Activities</i>	(43,047)	(43,047)	(24,772)	(67,819)
Net Increase (Decrease) in Cash and Cash Equivalents	(43,047)	(43,047)	(24,772)	(67,819)
Cash and Cash Equivalents at Beginning of Year	58,695	58,695	25,186	83,881
Cash and Cash Equivalents at End of Year	\$15,648	\$15,648	\$414	\$16,062
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:				
Operating Income (Loss)	\$127,493	\$127,493	(\$23,059)	\$104,434
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:				
Changes in Assets & Liabilities:				
(Increase) Decrease in Accounts Receivable	0	0	(17,802)	(17,802)
(Increase) Decrease in Prepaid Items	0	0	2,804	2,804
Increase (Decrease) in Accounts Payable	0	0	13,285	13,285
Increase (Decrease) in Insurance Claims Payable	(170,540)	(170,540)	0	(170,540)
Net Cash from Operating Activities	(\$43,047)	(\$43,047)	(\$24,772)	(\$67,819)

See accompanying notes to the general purpose financial statements.

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MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 1 - DESCRIPTION OF MEIGS COUNTY

Meigs County is a political subdivision of the State of Ohio, established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The three member Board of County Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer and tax assessor and the County Treasurer serves as the custodian of all County funds and as tax collector. In addition, there are six other elected administrative officials provided for by Ohio law which include the Clerk of Courts, Recorder, Coroner, Engineer, Prosecuting Attorney and Sheriff. The judicial branch of the County includes one County Court Judge, one Common Pleas Court Judge, and one Juvenile and Probate Court Judge.

The County's major operations include human and social services, health and community assistance services, law enforcement services, road and bridge maintenance services, as well as, other general and administrative support services.

For financial reporting purposes, the County complies with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, in defining the financial reporting entity. The financial reporting entity consists of the County as the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County and whose corporate powers the County holds. For Meigs County this includes the Board of Mental Retardation and Developmental Disabilities, Emergency Management Agency, Park District, Emergency Medical Services, Children Services Board, and all other 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 deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the organizations' budget, the issuance of its debt or the levying of its taxes.

Discretely Presented Component Unit: The component unit column in the combined financial statements includes the financial data of Meigs Industries, Inc. for the year ended December 31, 2000. It is reported in a separate column to emphasize that it is legally separate from the County. The component unit is a non-profit corporation whose governing body is elected by its members; however, it is considered financially accountable to the County due to the County's legal obligation to provide financial support toward its operation. Complete financial statements of the individual component unit can be obtained from the administrative offices of Meigs Industries, Inc., 1310 Carleton Street, Syracuse, Ohio 45779.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 1 - DESCRIPTION OF MEIGS COUNTY

In the case of each separate agency, board and commission listed below, the County serves as fiscal agent; however, each is a legally separate entity which are not financially accountable to the County. The governing authority of each entity designates its own management; has total control over operations; is responsible for reviewing, approving and revising its budget; is responsible for the generation of revenue and expenditures of funds; maintains title to their own assets; levies its own tax and finances its own deficits. Accordingly, the following entities have been included only as Agency Funds within Meigs County's combined financial statements:

- ◆ *Meigs County Health District*
- ◆ *Meigs County Soil and Water Conservation District*

NOTE 2 - JOINTLY GOVERNED ORGANIZATIONS

- ◆ *Gallia-Jackson-Meigs Counties Alcohol, Drug Addiction and Mental Health Services (ADAMH) Board:* The ADAMH Board is a jointly governed organization. Participants are Gallia, Jackson, and Meigs counties. The Board provides no direct services but contracts for their delivery. The Board's function is to assess needs, and to plan, monitor, fund and evaluate the services. The Board is managed by eighteen members, five appointed by commissioners of Jackson County, two by commissioners of Gallia County, and three by commissioners of Meigs County which are proportionate to population, four by Ohio Department of Drug and Alcohol and four by the State Department of Mental Health. Each participating county's influence is limited to the number of members each appoints to the Board. The Board exercises total control of the budgeting, appropriation, contracting and management.

All of the Board's revenue is from state and federal grants awarded to the multi-county board. Gallia County serves as the fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2000, the County made no contributions to the Board.

- ◆ *Joint Solid Waste Management District:* The County is a member of a multi-county Joint Solid Waste Management District (District), which is a jointly governed organization involving Gallia, Jackson, Vinton, and Meigs counties. The purpose of the District is to plan and implement comprehensive and environmentally sound solid waste management facilities and provide for the establishment of waste minimization, waste reduction, and recycling programs. The District was created in 1989, as required by the Ohio Revised Code.

The Gallia, Jackson, Vinton, and Meigs Solid Waste District is governed and operated through three groups. A twelve member board of directors, comprised of three commissioners from each County, is responsible for the District's financial matters. Financial records are maintained by the District. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. A twenty-five member policy committee, comprised of seven members from each County and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Each participating County's influence is limited to the number of members each appoints to the board. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

- ◆ Gallia-Meigs Regional Airport: The Gallia-Meigs Regional Airport operates under a separate board that consists of seven members. Three members are appointed by Meigs County and four members are appointed by Gallia County. The Gallia County Commissioners approve the budget, approve expenditures, fund deficits and they are directly responsible for the debt. All of the land and fixed assets at the airport belongs to Gallia County. The Airport rents the facilities from Gallia County. A manager contracted by the airport authority board operates as a fixed based operator. The Airport generates revenue from sales and rental space. Grants are applied for in the airport authority's name. Meigs County does not contribute financially to the Airport operations. The Airport operates on a calendar year basis. The operating statement of the Airport is presented at the object level. The Airport is required only to report operating information at the program level; however, since it operates under a single program, object level information is presented to provide more comprehensive financial information. Financial statements are audited and issued as part of Gallia County and are not obtainable separately.

NOTE 3 - BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounts of the County are organized on the basis of funds or account groups, each of which are considered a separate accounting entity. The operations of each fund are accounted for based on a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The various funds are summarized by type in the general purpose financial statements.

Amounts in the "totals - memorandum only" columns in the financial statements represent a summation of the combined financial statement line items of the fund types, account groups, and the component unit and are presented for analytical purposes only. The summation includes fund types, account groups and a component unit that use different bases of accounting. Consequently, amount shown in the "totals-memorandum only" columns are not comparable to a consolidation and do not represent the total resources available total revenues and expenditures/expenses of the County.

The County uses the following fund types and account groups:

Governmental Funds: Those funds through which most governmental functions are typically financed. The following comprise the County's governmental fund types:

- ◆ General Fund: This fund accounts for all financial resources not accounted for in another fund. The major sources of revenue are sales and use tax, property tax, state and local government fund receipts, and investment earnings. The General Fund is the operating fund of the County.
- ◆ Special Revenue Funds: These funds are used to account for specific governmental revenues (other than major capital projects) requiring separate accounting because of the legal or regulatory provisions or administrative actions.
- ◆ Debt Service Funds: These funds are used to account for the accumulation of resources for, and the payment of, principal and interest on debt with governmental commitment reported in the County's General Long-Term Obligations Account Group.
- ◆ Capital Projects Funds: These funds are used to account for the acquisition or construction of major facilities and capital improvements (other than those financed by proprietary funds and trust funds).

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 3 - BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Proprietary Fund: This fund is used to account for those County 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 comprises the County's proprietary fund type:

- ◆ Internal Service Fund: This fund is used to account for the financing of goods or services provided by one department to other departments of the County or to other governments on a cost-reimbursement basis.

Fiduciary Funds: Funds are used to account for assets held by the County in a trustee capacity for individuals, other governments and/or funds. The following comprise the County's fiduciary fund types:

- ◆ Expendable Trust Funds: These funds are used to account for trusts or bequests of the County whereby, the resources of the trust, including principal and earnings, may be expended. These funds are accounted for in essentially the same manner as governmental funds.
- ◆ Agency Funds: These funds are custodial in nature (assets equal liabilities) and do not purport to present the financial position or results of operations of the related entities.

Account Groups: Account groups are used to establish accounting control and accountability for the County's general fixed assets and general long-term obligations. The two account groups include:

- ◆ General Fixed Assets Account Group: This group is used to account for all fixed assets of the County other than those accounted for in the proprietary funds. General fixed assets include land, land improvements, buildings, structures and improvements, and furniture, fixtures, and equipment owned by the County.
- ◆ General Long-Term Obligations Account Group: This account group is used to account for all long-term obligations of the County except that accounted for in the proprietary funds.

Summary of Significant Accounting Policies

The accompanying combined financial statements of the County are prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board.

Basis of Accounting

All financial transactions for governmental and expendable trust funds are accounted for on the modified accrual basis of accounting and "financial flow" measurement focus. Under the modified accrual basis, revenues for these funds are recognized when they become both measurable and available to finance County operations (collected within sixty days after year end). In applying this concept, County revenues accrued at the end of the year include taxes, interest earnings and reimbursements for grant expenditures. Governmental and expendable trust fund expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable except for interest on long-term debt, which is recorded when due. Agency Funds are purely custodial in nature (assets equal liabilities) and thus do not focus on the measurement of operations; the modified accrual basis of accounting is followed, however, for recognizing the assets and liabilities in these funds. Proprietary fund financial transactions are accounted for on the accrual basis of accounting and "capital maintenance" measurement focus. Under the accrual basis, revenues are recognized when earned and measurable and expenses are recognized as incurred, if measurable.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 3 - BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Under the guidelines of GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the County does not apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989, to its proprietary activities.

Budgetary Accounting and Control

Under Ohio law, the Board of County Commissioners must adopt an appropriations budget by January 1st of a given year, or adopt a temporary appropriation measure with final passage of a permanent budget by April 1st, for all funds except agency funds. Budgets are adopted for each department by fund, program, department and object level.

Each County department prepares a budget which is approved by the Board of County Commissioners. All modifications made throughout the year to the original budgets must be requested by the departmental management and can be approved only through legal resolution by the Board of County Commissioners. Several supplemental appropriation resolutions were legally enacted by the Board of County Commissioners during the year. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

The County maintains budgetary control within each department and fund by not permitting expenditures/expenses and encumbrances to exceed appropriations for each fund, program, department and object. Unencumbered and unexpended appropriations lapse at year-end in all annually budgeted funds. Prior year encumbrances and corresponding prior year appropriations are carried forward as part of the budgetary authority for next year and are included in the revised budget amounts shown in the budget-to-actual comparisons.

The County budgetary process accounts for certain transactions on a budgetary basis instead of a GAAP basis. The main differences between the budget basis and the GAAP basis are that revenues are recorded when actually received (budget basis) as opposed to when susceptible to accrual (GAAP basis), and expenditures/expenses are recorded when paid (budget basis) as opposed to when incurred (GAAP basis). Additionally, the County reflects outstanding encumbrances as expenditures/expenses on the budgetary basis.

The budgetary procedures described above apply to all funds except Agency Funds. The actual results of operations compared to the revised appropriation for budgeted governmental funds are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and Expendable Trust Funds.

Cash and Cash Equivalents

The County Treasurer invests all active and inactive County funds. Active County funds are invested in interest bearing accounts with local commercial banks. Inactive funds are invested in certificates of deposit. The County pools its cash for investment purposes to capture the highest rate of return. All interest earned on investments is allocated to the General Fund with the exception of several other qualifying funds as prescribed by Ohio laws. Qualified funds receive interest based upon their average monthly balance. During 2000, the General Fund earned interest revenue of \$337,564 of which, \$316,238 was assigned from other funds.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating contracts such as certificates of deposit are reported at cost.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 3 - BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Material and Supplies Inventory

Inventory on hand at year-end is reported for all funds and valued at cost using the first-in, first-out method. Costs of inventory are charged as expenditures in the governmental fund types when purchased and as expenses in proprietary fund types when used. Reported inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Fixed Assets and Depreciation

Fixed assets which are acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and are capitalized in the General Fixed Assets Account Group if they meet the County's capitalization criteria. The County has established a \$300 capitalization threshold for reporting fixed assets.

The fixed asset values were initially determined by the County at December 31, 1993, using original acquisition costs when such information was available. However, in cases where information supporting original costs was not available, estimates were made of the historical costs by indexing the current replacement cost of each fixed asset back to the estimated year of acquisition. All fixed assets are recorded at either historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. General infrastructure fixed assets that are public domain assets such as roads, bridges, streets, sidewalks, curbs and gutters, drainage systems, and lighting systems are not capitalized in the General Fixed Assets Account Group of the County. Infrastructure fixed assets related to proprietary funds are capitalized based on the County's valuation policy within the appropriate proprietary fund.

Depreciation is not reflected in the General Fixed Assets Account Group. Depreciation on proprietary fund fixed assets is charged as an expense against current operations by allocating the cost of the asset over the estimated useful life using the straight line method. The estimated useful life of the various fixed asset classes are as follows:

Land improvements	5 years
Buildings, structures and improvements	50 years
Improvements other than buildings	20 years
Furniture, fixtures and equipment	5-15 years
Plant & facilities	50 years

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 3 - BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Capitalization of Interest

It is the County's policy to capitalize net interest costs on funds borrowed to finance proprietary fund construction projects until substantial completion of the project. During 2000, there were no proprietary fund net interest costs to capitalize.

Long-Term Liabilities

In accordance with GAAP, long-term liabilities are not recognized within the governmental funds. Instead, they are reported as liabilities in the General Long-Term Obligations Account Group. Long-term liabilities used to finance proprietary funds operations and directly payable from revenue of those funds are reported in the applicable proprietary fund.

Interfund Transactions

During the normal course of operations, the County has numerous transactions between funds. Operating transfers represent transfers of resources from a fund receiving revenue to a fund through which those resources will be expended. Interfund transactions that would be treated as revenues and expenditures/expenses if they involve organizations external to the County are similarly treated when involving other funds of the County. Property taxes transferred between funds are treated as revenue in the recipient funds and a reduction of a liability in the disbursing fund.

Intergovernmental Revenues

Intergovernmental revenues, such as local government revenues are recognized when measurable and available. Other federal and state grants and assistance awards, made on the basis of entitlement, are recorded as intergovernmental receivables and revenues when entitlement occurs. All other federal and state reimbursement-type grants are recorded as receivables and revenues when the related expenditures/expenses are incurred.

Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the County records a liability for sick leave, vacation and compensatory time when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

Fund Equity

The County reserves portions of fund balance which are legally segregated for specific future uses or which do not represent available, spendable resources and therefore, are not available for appropriations or expenditures. Designation of fund balance are amounts that have been designated by management or by legal contractual requirement for a specific use. Unreserved / undesignated fund balance indicates that portion of fund balance which is available for appropriations in future periods.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 3 - BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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.

NOTE 4 - RECONCILIATION OF BUDGET BASIS TO GAAP BASIS

A reconciliation of the results of operations for the year ended December 31, 2000 on the budget basis to the GAAP basis follows:

Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types				
Description	General	Special Revenue	Debt Service	Capital Projects
Budget Basis	(\$55,000)	\$106,651	(\$1,646)	\$11,820
Revenues -				
<i>Increase (Decrease) from:</i>				
Taxes	(13,338)	0	0	0
Charges for Services	5,697	16,820	0	0
Fines and Forfeitures	(8,078)	(1,572)	0	0
Intergovernmental	68,391	(567,820)	0	0
Interest Earnings	129,344	0	0	0
Other Revenues	42,049	(51,766)	0	0
Expenditures -				
<i>Increase (Decrease) from:</i>				
Legislative and Executive	44,196	7,379	0	0
Judicial	941	(3,234)	0	0
Public Safety	(26,074)	(2,944)	0	0
Public Works	200	462,122	0	0
Health	839	(3,014)	0	0
Human Services	684	17,489	0	0
Economic Development	0	(98)	0	0
Capital Outlay	0	0	0	7,521
Debt Service:				
Principal	(9,691)	2,208	0	42,485
Interest	(1,319)	(1,601)	0	663
Other Sources (Uses)	(2,552)	2,552	0	0
GAAP Basis	<u>\$176,289</u>	<u>(\$16,828)</u>	<u>(\$1,646)</u>	<u>\$62,489</u>

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS

Moneys held by the County are classified by State Statute into two categories. Active moneys are public moneys determined to be necessary to meet current demand upon the County treasury. Active moneys 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.

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair 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 fair value daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. 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;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers acceptances and commercial paper notes for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS (Continued)

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

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

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

Deposits

At year end, the County had \$3,481 in undeposited cash on hand which is included on the balance sheet of the County as part of "Cash and Cash Equivalents".

At year end, the carrying amount of the County's deposits was \$3,850,782 and the bank balance was \$4,217,781. Of the bank balance, \$585,214 was covered by federal deposit insurance and \$3,632,567 was considered uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

Investments

GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements," requires that the County's investments be classified by category of risk. Category 1 includes investments that are insured or registered or for which the securities 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 by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. STAROhio, an investment fund operated by the Ohio State Treasurer is unclassified since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Amount	Fair Value
Repurchase Agreement	875,000	875,000	875,000
Total	\$875,000	\$875,000	\$875,000

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS (Continued)

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between classifications of cash and cash equivalents and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	4,729,263	\$0
Cash on Hand	(3,481)	0
Repurchase Agreement	(875,000)	875,000
GASB Statement No. 3	\$3,850,782	\$875,000

NOTE 6 - INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivables and payables balances as of December 31, 2000 are as follows:

	Due from Other Funds	Due from Other Funds - Taxes	Due to Other Funds	Due to Other Funds - Taxes
<i>General Fund</i>	\$140,961	\$942,939	\$0	\$0
<i>Special Revenue Funds:</i>				
Meigs Juvenile Court Home Stabilization	2,619	0	6,000	0
Indigent Guardianship	6,000	0	0	0
Board of Mental Retardation	0	620,000	0	0
Meigs County Crafters	0	0	6,148	0
Public Assistance	0	0	27,619	0
Emergency Medical Services	0	513,547	0	0
Tuberculosis	0	89,463	0	0
<i>Total Special Revenue Funds</i>	8,619	1,223,010	39,767	0
<i>Expendable Trust Funds:</i>				
Unclaimed Monies	0	0	31,927	0
<i>Agency Funds:</i>				
Agency Tax	0	0	71,015	2,165,949
Law Library Agency	0	0	6,871	0
County Sheriff Agency	0	0	0	0
<i>Total Agency Funds</i>	0	0	77,886	2,165,949
Total - All Funds	\$149,580	\$2,165,949	\$149,580	\$2,165,949

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 7 - FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 2000 follows:

	Balance January 1, 2000	Additions	Deletions	Balance December 31, 2000
Land and Improvements	\$350,736	\$0	\$0	\$350,736
Building, Structures and Improvements	4,221,857	0	0	4,221,857
Improvements Other than Buildings	373,531	3,700	0	377,231
Furniture, Fixtures, and Equipment	4,938,939	430,337	301,326	5,067,950
Totals	\$9,885,063	\$434,037	\$301,326	\$10,017,774

At December 31, 2000, fixed assets include \$42,992 of equipment under capitalized leases.

NOTE 8 - NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2000 follows:

Purpose/ Description	Interest Rate	Balance January 1, 2000	Additions	Deductions	Balance December 31, 2000
<i><u>General Fund:</u></i>					
Prisoner's Phone Equipment	15.00%	\$19,799	\$0	\$3,985	\$15,814
<i>Total General Fund</i>		<u>\$19,799</u>	<u>\$0</u>	<u>\$3,985</u>	<u>\$15,814</u>
<i><u>Special Revenue Funds:</u></i>					
County Court Computer System	5.85%	\$1,950	\$0	\$1,950	\$0
Road Paving Equipment	4.00%	520	0	258	262
County Road Improvements	4.00%	0	160,000	0	160,000
<i>Total Special Revenue Funds</i>		<u>\$2,470</u>	<u>\$160,000</u>	<u>\$2,208</u>	<u>\$160,262</u>
<i><u>Capital Project Funds:</u></i>					
Auditor's Computer Equipment	5.10%	\$19,511	\$0	\$13,998	\$5,513
Sheriff's Cruisers	5.19%	26,250	0	21,018	5,232
Prosecutor's Office Building	5.50%	56,492	0	7,469	49,023
<i>Total Capital Project Funds</i>		<u>\$102,253</u>	<u>\$0</u>	<u>\$42,485</u>	<u>\$59,768</u>

All of the notes are backed by the full faith and credit of the County. The note liability is reflected in the fund which received the proceeds.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 9 - LONG-TERM DEBT AND OTHER OBLIGATIONS

The following is a summary of long-term bond obligations of the County as of December 31, 2000:

General Obligation Bonds Payable From Governmental Fund Revenue:

Purpose/ Description	Interest Rate	Balance January 1, 2000	Additions	Deductions	Balance December 31, 2000
Human Services Building	7.20%	\$780,000	\$0	\$65,000	\$715,000
Totals		<u>\$780,000</u>	<u>\$0</u>	<u>\$65,000</u>	<u>\$715,000</u>

The annual requirements to amortize long-term bond obligations outstanding as of December 31, 2000 are as follows:

For Year Ending December 31	Human Services Building
2001	\$113,230
2002	109,102
2003	104,942
2004	100,717
2005	96,427
2006-2010	416,326
2011	69,680
Totals	1,010,424
Less: Amount Representing Interest	295,424
Total Long-Term Obligations	<u>\$715,000</u>

Long-Term Bonds: All long-term bonds are issued for governmental purposes of the County and are retired through the Debt Service Fund. General obligation bonds are secured by the County's ability to levy a voted or unvoted property tax within the limitations of Ohio law. The bonds are also backed by the full faith and credit of the County as additional security.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 9 - LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)

The following is a summary of changes in the remaining components of the General Long-Term Obligations Account Group:

Obligations	Balance January 1, 2000	Additions	Reductions	Balance December 31, 2000
Compensated Absences	\$543,295	\$0	\$1,242	\$542,053
Due to Other Governments	252,938	83,944	0	336,882
Capital Leases	27,997	0	13,676	14,321
Totals	\$824,230	\$83,944	\$14,918	\$893,256

Compensated Absences: The County records a liability for sick leave, vacation, and compensatory time when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

Due to Other Governments: The County's obligation to the employee retirement systems and workers' compensation program both represent governmental fund type obligations incurred at year end that are not paid during the available period. These amounts are reported in the General Long-Term Obligations Account Group since available financial resources are not used to pay these obligations.

Capital Lease Obligations: The County has entered into agreements to lease equipment and other assets. Such agreements are, in substance, lease purchases and are reflected as capital lease obligations in the combined financial statements. Capital lease payments are reflected as debt service in the combined financial statements for the governmental funds. New leases are, in substance, capital purchases and are reflected as current expenditures and proceeds from capital leases in the combined financial statements. The capital lease obligation reflected above as part of the General Long-Term Obligations Account Group represents the present value of the net future minimum lease payments on all capital leases.

The County's future minimum lease payments under lease obligations which have been capitalized as of December 31, 2000 are as follows:

Year Ended December 31	Capital Lease Payments
2001	\$14,995
Total Minimum Lease Payments	14,995
Less: Amount Representing Interest	(674)
Present Value of Net Minimum Lease Payments	\$14,321

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 10 - PENSION OBLIGATIONS

A. Public Employees Retirement System (PERS)

Plan Description: The County contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code assigns the authority to establish and amend benefit provisions. The PERS issues a publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS.

Funding Policy: The Ohio Revised Code provides statutory authority for employee and employer contribution rates. The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for local government divisions and 6% for law enforcement divisions. Plan members, other than those engaged in law enforcement, are required to contribute 8.5% of their annual covered salary and for 2000 the County is required to contribute 10.84%. For law enforcement employees, the member contribution is 9% and the employer contribution is 15.7%. The County's required contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$723,323, \$795,980, and \$742,824, respectively; 76.42% has been contributed for 2000 and 100% for years 1999 and 1998. Of the 2000 amount, \$170,544 was unpaid at December 31, 2000 and is recorded as a liability within the respective funds.

B. State Teachers Retirement System (STRS)

Plan Description: Certified teachers employed by the school for the mentally retarded contribute to 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. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

Funding Policy: Plan members are required to contribute 9.3% of their annual covered salary and the employer is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The County's required contributions to STRS for the years ended December 31, 2000, 1999, and 1998 were \$33,336, \$40,102, and \$32,660, respectively; 88.54% has been contributed for 2000 and 100% for years 1999 and 1998. Of the 2000 amount, \$3,821 was unpaid at December 31, 2000 and is recorded as a liability within the respective funds.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 11 - POSTEMPLOYMENT BENEFITS

Public Employees Retirement System: The Public Employees Retirement System of Ohio (the System) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. 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 the System is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was rolled back for year 2000. Of the 10.84% and 15.70% employer contribution rates for local government and law enforcement divisions of the County for the year 2000, 4.3% was used to fund health care which amounted to \$222,606.

The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75%. An annual increase of 4.75% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.10%. Health care costs were assumed to increase 4.75% annually.

As of December 31, 1999, the number of active contributing participants was 401,339. The actuarial value of the System's net assets available for OPEB at December 31, 1999 was \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

The Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for local government divisions and 6% for law enforcement divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

State Teachers Retirement System: Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System. Coverage includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by the State Teachers Retirement System. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

The Ohio Revised Code grants authority to the State Teachers Retirement System to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from State Teachers Retirement System funds shall be included in the employer contribution rate, currently 14% of covered payroll. The State Teachers Retirement Board allocates employer contributions to the Health Care Reserve Fund from which payments for health care benefits are paid. For the fiscal year ended June 30, 2000, the Board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund which amounted to \$8,334. The balance in the Health Care Reserve Fund was \$3.419 billion at June 30, 2000. The Health Care Reserve Fund allocation for the year ended June 30, 2001 and after, will be 4.5% of covered payroll.

For the year ended June 30, 2000, the net health care costs paid by the State Teachers Retirement System were \$283,137,000. There were 99,011 eligible benefit recipients.

NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The County's vehicles and general liability are covered by the Allied Municipal Insurance Company. At December 31, 2000 the County maintained the following insurance coverage through the insurance company:

Type of Coverage	Annual Aggregate	Deductible
Buildings - replacement cost	\$11,198,000	\$500
Contents - replacement cost	1,287,697	500
Extra Expenses	500,000	500
Electronic Data Processing Equipment	250,000	500
Contractor's Equipment	675,438	500
Earthquake Damage	10,000,000	25,000
Boiler and Machinery	1,000,000	500
Crime Insurance - Potential Employee Dishonesty	250,000	250
General Liability	2,000,000	0
Employee Benefits Liability	2,000,000	1,000
Automobile Liability	2,000,000	100 to 250
Law Enforcement Liability	2,000,000	1,000
Public Officials Liability	2,000,000	1,000
Theft, Disappearance, & Destruction	5,000	250

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 12 - RISK MANAGEMENT (Continued)

The County participates in the worker's compensation program provided by the State of Ohio. The County belongs to a pool with 60 other counties (County Commissioners Association of Ohio) for a worker's compensation group rating program. A savings of \$4,285 was realized on the annual premium cost in 2000.

The County had established two separate limited risk health, dental, and vision insurance programs for its employees. The following third party administrators were used to service claims for the respective County offices: Business Administrators and Consultants, Inc. (BAC) serviced all claims submitted by employees of the Engineer's Department and Medical Claims Services, Inc. (MCS) serviced all claims submitted by all other employees of the County, except the employees of the Board of Mental Retardation. Excess coverage insurance policies covered individual claims in excess of \$20,000 for BAC; and individual claims in excess of \$30,000 and aggregate claims in excess of \$902,812 for MCS. During 2000, the County discontinued its self funded insurance coverage through MCS and switched to a fully funded coverage through Anthem Blue Cross and Blue Shield. A liability for unpaid claims costs of \$14,011 has been accrued in the Internal Service Fund which is the total of all outstanding claims incurred prior to cancellation of the self funded insurance but were not paid as of the end of the year.

Interfund premiums are based on the insured funds' claims experience. Changes in the Internal Service Fund's claims liability during 1999 and 2000 are:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1999	\$106,187	\$879,020	\$800,656	\$184,551
2000	184,551	445,782	616,322	14,011

The County has had no significant reductions in any of its insurance coverage from that maintained in prior years. Additionally, there have been no insurance settlements that have exceeded insurance coverage in any of the past three years.

NOTE 13 - DEFERRED COMPENSATION

Meigs County employees and elected officials may participate in either the Ohio Public Employees Deferred Compensation Program or the County Commissioners' Association of Ohio Deferred Compensation Program, both created in accordance with Internal Revenue Service Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available to employees until termination, retirement, death or in the case of an unforeseeable emergency.

Under the Ohio Public Employees Deferred Compensation Program and the County Commissioners' Association of Ohio Deferred Compensation Program, all plan assets are now being held in a trust arrangement for the exclusive benefit of participants and their beneficiaries, as required by the Small Business Job Protection Act of 1996. Under this Act, all existing deferred compensation plans were required to implement such a trust arrangement by January 1, 1999. As a result, the assets of these plans are no longer reflected in the combined financial statements of the County.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 14 - ENCUMBRANCES

Encumbrance accounting for purchase orders and contracts is used during the normal course of operations to reserve portions of appropriations in County funds as an extension of budgetary control. An encumbrance is a reserve on the available spending authority due to a commitment related to unperformed contracts for goods and services and does not represent a GAAP expenditure or liability. Reserve for encumbrances are reported separately for each governmental fund.

NOTE 15 - PROPERTY TAX REVENUE

Property taxes include amounts levied against real, public utility, and tangible personal (business) property. Taxes collected on real property (other than public utility) in 2000 are levied on assessed values as of January 1, 1999, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent reevaluation was completed in 1998. Real property taxes are payable annually or semi-annually. The first payment is due March 16, 2000, with the remainder payable by July 24, 2000.

Taxes collected from tangible personal property (other than public utility) in 2000 are levied on assessed values during and at the close of the most recent fiscal year of the taxpayer ended on or before March 31, 2000, and at the rates determined in 1999. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 29, 2000. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30, 2000; if paid semiannually, the first payment is due April 30, 2000, with the remainder payable by September 29, 2000.

Public utility-real, and public utility-tangible personal property taxes collected in 2000 are levied in 1999 on assessed values determined as of December 31, 1998 (second year preceding the tax collection year), the lien date. Public utility taxes are assessed on 35% of true value (which is, in general, net book value) for real property and 88% of true value for tangible personal property. Public utility property taxes are payable on the same dates as real property taxes described above.

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

"Due from Other Funds - Taxes" represent delinquent taxes outstanding and current real, public utility, and tangible personal property taxes which were measurable and unpaid as of December 31, 2000. Although total property tax collections for the next ensuing fiscal year are measurable, the amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2000 operations. Therefore, "Due from Other Funds - Taxes" is offset by a credit to "Deferred Revenue."

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 15 - PROPERTY TAX REVENUE - (Continued)

The full tax rate for all County operations for the year ended December 31, 2000, was \$14.10 per \$1,000 of assessed value. The assessed value by classification upon which 2000 revenues were derived follows:

	Assessed Values
Real Property	\$170,195,610
Tangible Personal Property	33,479,220
Public Utility Property	45,457,660
Total	\$249,132,490

NOTE 16 - PERMISSIVE SALES AND USE TAX

On February 1, 1987, the County Commissioners adopted a resolution, pursuant to Sections 5739.02 and 5741.02, Ohio Revised Code, that imposes a tax of one (1%) percent on all retail sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of 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 a warrant payable to the County.

The revenues generated from this sales tax are credited entirely to the County's General Fund. Amounts that have been collected by the State and that are received within the available period are accrued as revenue. In 2000, this sales and use tax generated a total of \$1,178,408 in revenue.

NOTE 17 - INTERFUND TRANSFERS

A summary of operating transfers by fund type follows:

Transfers From	Transfers To			
	General	Special Revenue	Capital Projects	Total
General	\$0	\$183,637	\$42,299	\$225,936
Special Revenue	116,000	179,724	28,000	323,724
	\$116,000	\$363,361	\$70,299	\$549,660

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 18 - INTERGOVERNMENTAL REVENUE

The following is a summary of major intergovernmental revenues:

General Fund:

Local Government Distributions and Reimbursements	\$390,182
State Property Tax Reimbursements	111,398
Other Grants and Reimbursements	30,451
<i>Total General Fund</i>	<u><u>\$532,031</u></u>

Special Revenue Funds:

Community Development Block Grants	\$740,783
Rural Hardship Grants	57,774
Mental Retardation Grants	1,190,152
Victims Assistance Grants	79,329
Emergency Management Grants	180,131
Major Crimes Task Force Grants	141,635
Public Assistance Grants	5,086,067
Child Support Enforcement Incentives	255,963
Litter Control Grants	53,960
Auto, License & Gas Taxes	2,640,247
Ohio Public Works Commission Grants	651,339
Youth Services Grants	50,000
Juvenile Court Grants	100,625
Emergency Medical Services Grants	49,981
Children Services Grants	342,730
Common Pleas Court Grants	119,695
Other Grants & Reimbursements	155,151
<i>Total Special Revenue Funds</i>	<u><u>\$11,895,562</u></u>

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 19 - PRIOR PERIOD ADJUSTMENT

The County reclassified certain Special Revenue Funds to Agency Funds. This change caused the following adjustment to be made to the fund balance of the Special Revenue Funds. In addition, an increase was made to the assets and liabilities of the Agency Funds for this same amount.

	Special Revenue
Fund Balance as Previously Reported at December 31, 1999	\$2,628,345
Net Decrease Due to Reclassification of Funds	(9,163)
Fund Balance as Restated at January 1, 2000	\$2,619,182

NOTE 20 - CONTINGENCIES

The County participates in several federal and state assisted grants and programs that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The County believes that disallowed claims, if any, will not have a material adverse effect on the County's financial position.

Additionally, the County is defendant in three lawsuits. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially adversely affect the County's financial condition.

NOTE 21 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

The following funds had a deficit in fund balance as of December 31, 2000:

<u>Special Revenue Funds:</u>	
Early Intervention	\$2,474
Juvenile Court Home Stabilization	255
<u>Capital Project Funds:</u>	
Building Acquisition	43,098
Auditor/Treasurer Computer Acquisition	4,091
Sheriff Cruisers Acquisition	5,254

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 21 - ACCOUNTABILITY AND COMPLIANCE (Continued)

The deficit fund balances in the Early Intervention and Juvenile Court Home Stabilization Funds are the result of intergovernmental revenue and transfers which had not been received at year end and was not available to finance current period expenditures. These deficits will be eliminated through future intergovernmental revenue and transfers.

The deficit fund balances in the Building Acquisition, Auditor/Treasurer Computer Acquisition, and Sheriff Cruisers Acquisition Funds are the result of the issuance of general obligation notes. Through future transfers from the General Fund, these deficit balances will be eliminated once the notes are retired.

NOTE 22 - COMPONENT UNIT DISCLOSURES

Organization

Meigs Industries, Inc. (the "Organization"), a legally separate non-profit corporation organized in March 1986 under Ohio Revised Code Chapter 1702, is classified as a tax-exempt organization under Internal Revenue Code Section 501(c)(3). The Organization, under contractual agreement with the Meigs County Board of Mental Retardation and Developmental Disabilities (MR/DD), provides sheltered employment for mentally retarded or handicapped individuals in Meigs County.

Basis of Accounting

The Organization presents its financial statements in conformity with generally accepted accounting principles for non-profit organizations; however, equipment is charged to expense in the year of purchase, which is not in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

The Organization considers all demand accounts and all highly liquid investments with an original maturity of three months or less to be considered cash and cash equivalents. As reflected in NOTE 5, the Organization's deposits are fully covered by FDIC insurance.

Accounts Receivable

Accounts receivable represents charges for services for janitorial and grounds maintenance service contracts with Ohio Industries for the Handicapped for cleaning and mowing and are considered fully collectible.

Fixed Assets

Fixed asset values are determined at original acquisition costs when purchased. At December 31, 2000, the Organization had machinery and equipment valued at \$41,030, which is net of accumulated depreciation.

Accounts Payable

Accounts payable represents various charges to the Organization from vendors for goods and services purchased on open account.

MEIGS COUNTY
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 22 - COMPONENT UNIT DISCLOSURES - (Continued)

Contributed Capital

Contributed capital is not subject to repayment and primarily represents assets contributed to the Organization by the MR/DD. These assets are recorded at their estimated fair market value on the date contributed. Depreciation on all contributed assets is included in the determination of net income and closed to contributed capital. During 2000, the Organization had no change in contributed capital amount.

Retained Earnings

Unreserved retained earnings indicates that portion of fund equity which is available to the Organization for expenditure in future periods.

Program Income

During 2000, the Organization contracted with and received \$105,050 in program income from the MR/DD for services provided to MR/DD clients. These services provided for MR/DD is based on an annual contract between the Organization and MR/DD, which for 2000, was in the amount of \$105,050 plus reimbursable expenses relating to the position of marketing director.

MEIGS COUNTY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2000**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Pass through the Ohio Department of Education:</i>			
Food Distribution Program	10.550	N/A	\$2,787
Nutrition Cluster:			
School Breakfast Program	10.553	05-PU-00	5,366
National School Lunch Program	10.555	03/04-PU-00	<u>13,057</u>
Total Nutrition Cluster			18,423
<i>Direct from the Federal Government:</i>			
Rural Housing Preservation	10.433	OMB 0348-0004	<u>14,147</u>
Total United States Department of Agriculture			<u>35,357</u>
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Pass through the Ohio Department of Development:</i>			
Community Development Block Grant	14.228		
		BC 97-049-1	39
		BC 99-049-1	322,441
		BF 97-049-1	619
		BF 98-049-1	6,005
		BF 99-049-1	174,851
		BM 96-049-1	5,882
		BM 99-049-1	10,357
		BN 97-049-1	2
		BN 99-049-1	14,958
		BP 98-049-1	111,700
		BP 98-049-2	59,463
		BP 99-049-1	300,000
		BW 97-049-1	<u>1,151</u>
Total Community Development Block Grant			<u>1,007,468</u>
Total United States Department of Housing and Urban Development			<u>1,007,468</u>
UNITED STATES DEPARTMENT OF JUSTICE			
<i>Pass through the Ohio Attorney General:</i>			
Crime Victims Assistance Program	16.575		
		98VAGENE197X	216
		99VAGENE197	7,670
		99VAGENE197X	26,164
		2000VAGENE197	40,024
		2001VAGENE197	<u>9,155</u>
Total Crime Victims Assistance Program			83,229

MEIGS COUNTY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2000
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Disbursements
UNITED STATES DEPARTMENT OF JUSTICE (Continued)			
<i>Pass through the Governor's Office of Criminal Justice Services:</i>			
Byrne Formula Grant Program	16.579		
		97-DG-A-01-7183	42
		98-DG-A-01-7183	7,098
Total Byrne Formula Grant Program		99-DG-A-01-7183	<u>128,314</u>
			135,454
Violence Against Women Formula Grant	16.588		
		96-WF-VA2-8416	2,498
		97-WF-VA2-8416	11,401
Total Violence Against Women Formula Grant		97-WF-VA2-8416A	<u>23,800</u>
			37,699
Law Enforcement Block Grant	16.592		
		98-LE-LEB-3049	<u>420</u>
Total United States Department of Justice			0
UNITED STATES DEPARTMENT OF TRANSPORTATION			
<i>Pass through the Ohio Department of Transportation:</i>			
Interagency Hazardous Materials Public Sector Training and Planning	20.703		
		N/A	<u>1,962</u>
Total United States Department of Transportation			<u>1,962</u>
APPALACHIAN REGIONAL COMMISSION			
<i>Direct from the Federal Government:</i>			
Appalachian State Research and Technical Assistance	23.011		
		OH-13291	<u>27,335</u>
Total Appalachian Regional Commission			<u>27,335</u>
ENVIRONMENTAL PROTECTION AGENCY			
<i>Pass through the Ohio Environmental Protection Agency:</i>			
Hardship Grant for Rural Communities	66.470		
		HG390004-01	<u>56,537</u>
Total Environmental Protection Agency			<u>56,537</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Pass through the Ohio Emergency Management Agency:</i>			
Public Assistance Grant	83.544		
		DR-1227	154,316
Hazard Mitigation Grant	83.548		
		DR-1164	188,472
Emergency Management Performance Grant	83.552		
		N/A	<u>15,038</u>
Total Federal Emergency Management Agency			<u>357,826</u>

MEIGS COUNTY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2000
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Disbursements
UNITED STATES DEPARTMENT OF EDUCATION			
<i>Pass through the Ohio Department of Education:</i>			
Special Education Cluster:			
Special Education Grants to States (Title VIB)	84.027		
		6B-SF-99	11,029
Total Special Education Grants to States (Title VIB)		6B-SF-01	<u>20,124</u>
			31,153
Special Education Preschool Grant	84.173		
		PG-S1-01	<u>9,564</u>
Total Special Education Cluster			<u>40,717</u>
<i>Pass through the Ohio Department of Health:</i>			
Special Education for Infants and Families			
	84.181		
		53-1-03-F-AN-392 99	1,128
Total Special Education for Infants and Families		53-1-03-F-AN-392 00	<u>9,656</u>
			<u>10,784</u>
Total United States Department of Education			<u>51,501</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Pass through Ohio Department of Health:</i>			
Abstinence Education			
	93.235		
		53300-A	289
<i>Pass through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Family Preservation and Support Services			
	93.556		
		N/A	13
Social Services Block Grant (Title XX)	93.667		
		N/A	26,023
Targeted Case Management (Title XIX)	93.714		
		N/A	9,795
Medical Assistance Program (Medicaid: Title XIX)	93.778		
		FY98	<u>201,502</u>
Total United States Department of Health and Human Services			<u>237,622</u>
Total Federal Awards Expenditures			<u>\$2,032,410</u>

The accompanying notes to the Schedule of Federal Awards Expenditures are an integral part of this Schedule.

MEIGS COUNTY

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the United States Department of Agriculture, is reported in the Schedule at the fair market value of the commodities disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At December 31, 2000, the County had no significant food commodities in inventory.

NOTE C - MATCHING REQUIREMENTS

Certain federal programs require that the County contribute non-federal funds (matching funds) to support the federally-funded programs. The expenditure of non-federal matching funds is not included on the Schedule.



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

Meigs County
100 East Second Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

We have audited the accompanying general purpose financial statements of Meigs County, Ohio (the County), as of and for the year ended December 31, 2000, and have issued our report thereon dated November 29, 2001. We conducted our audit in accordance with standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Meigs Industries, Inc., were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, and not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not extend to Meigs Industries, Inc.

Compliance

As part of obtaining reasonable assurance about whether the County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2000-60753-001 through 2000-60753-018. We also noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated November 29, 2001.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as item 2000-60753-015 through 2000-60753-018.

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

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe reportable condition 2000-60753-015 described above is a material weakness. We also 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 November 29, 2001.

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

Jim Petro
Auditor of State

November 29, 2001



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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**

Meigs County
100 East Second Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

Compliance

We have audited the compliance of Meigs 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 programs for the year ended December 31, 2000. The County's major federal programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2000. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, relating to nonmajor federal programs, that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2000-60753-019 through 2000-60753-022.

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.

Meigs 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. However, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated November 29, 2001.

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

Jim Petro
Auditor of State

November 29, 2001

MEIGS COUNTY

**SCHEDULE OF FINDINGS & QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000**

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)?	Yes
(d)(1)(ii)	Were there any other reportable conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance 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?	Yes
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant Program, CFDA #14.228 Medical Assistance Program (Medicaid: Title XIX) CFDA #93.778
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

MEIGS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

OMB CIRCULAR A-133 §.505

DECEMBER 31, 2000

(Continued)

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

FINDING NUMBER 2000-60753-001

Finding For Recovery

According to the 2000 Time Sheets maintained at the County Prosecutor's Office, Lee Hawks, Major Crimes Task Force employee, had a balance of 41.75 hours of compensatory time at December 30, 2000. Upon termination of employment on that date, Mr. Hawks was entitled to be paid his regular hourly wage (\$13.52) for the unused compensatory time balance. However, according to Meigs County payroll records, Mr. Hawks was compensated for 65.9 hours of compensatory time. This was paid out based upon a letter of approval from John Lentes, Prosecuting Attorney for Meigs County at that time. This resulted in overcompensation in the amount of \$326.51. The Finding for Recovery is calculated as follows:

	Compensatory <u>Balance</u>	Hourly <u>Rate</u>	<u>Total</u>
Amount to be paid per 2000 Time Sheet	41.75	\$13.52	\$564.46
Amount paid by Meigs County on 1/3/01	65.9	13.52	<u>890.97</u>
Difference			(\$326.51)

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery, for public money illegally expended is hereby issued against Lee Hawks and Gulf Insurance Group, his bonding company, and John Lentes and the Ohio Casualty Insurance Company and the American States Insurance Company, his bonding companies, jointly and severally, in the amount of \$326.51 and in favor of the Meigs County Major Crimes Task Force Fund.

MEIGS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)

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

FINDING NUMBER 2000-60753-002

Finding For Recovery

During 2000, the Sheriff's Department had a contract with AllTel for cellular phone service. This contract provided cellular phones to the Sheriff and the Sheriff's Department Deputies. Cellular phones were also given to the Deputies for personal use, provided the deputies pay a monthly fee of \$30 to Lisa Roush, prior Meigs County Sheriff's Department Clerk, to be applied to the phone bill. Based on signed affidavits from the Sheriff Deputies, 5 paid \$30 per month for the months of January through December 2000 for one phone each, 1 Deputy paid \$60 per month for the months of January through December 2000 for two phones, and one Deputy paid \$30 per month for the months of August through December 2000 for one phone. As per the affidavits and supported by the AllTel phone bills, near the end of 2000, the Deputies began writing personal checks payable directly to AllTel. This resulted in \$740 of the total amount paid by the Deputies being credited to the AllTel bill leaving a total of \$1,930 collected but not accounted for. Deposits could not be located for any of the payments remitted by the Deputies to Lisa Roush, the prior Meigs County Sheriff's Department Clerk during the twelve month period. The Finding for Recovery is calculated as follows:

	<u>January</u>	<u>February- December</u>
5 deputies @ \$30.00/month	\$150.00	\$1,650.00
1 deputy @ \$60/month for 12 months	60.00	660.00
1 deputy @ \$30/month for 5 months	0.00	150.00
Amount credited to bill per AllTel Statements	<u>0.00</u>	<u>(740.00)</u>
Total	<u>\$210.00</u>	<u>\$1,720.00</u>

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money collected but not accounted for is hereby issued against Lisa Roush, former Meigs County Sheriff's Department Clerk, in the amount of \$210, in favor of the Meigs County General Fund, (for the period in which she was not bonded), and a finding for recovery is hereby issued against Lisa Roush and Gulf Insurance Group, her bonding company from February to December 2000, jointly and severally, in the amount of \$1,720, in favor of the Meigs County General Fund.

MEIGS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

OMB CIRCULAR A-133 §.505

DECEMBER 31, 2000

(Continued)

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

FINDING NUMBER 2000-60753-003

Finding For Recovery

During April through December 2000, the former Sheriff had an AllTel cellular phone that was used by his wife for personal use. This cellular phone was being paid for by the Meigs County Sheriff's Department, as part of the Department wide group plan. This plan contained a monthly fee of \$999.95 for a total of 34 cellular phones and a specified number of minutes, plus long distance, roaming charges, and taxes per phone, based on the calls made from each phone. There was no record that the former Sheriff paid the portion of the bill related to his wife's personal cellular phone. As a result, the payment of the portion of the cellular phone bill that was related to the cellular phone used by the Sheriff's wife, in the amount of \$459.71, is considered to be an expenditure that does not serve a proper public purpose. The Finding For Recovery is calculated as follows:

Basic Phone Charge: (\$999.95/34 phones)= \$29/month for 9 months	\$261.00
Roaming, Long Distance and Taxes	<u>198.71</u>
Total	<u>\$459.71</u>

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against James Soulsby, former Meigs County Sheriff, and The Ohio Casualty Insurance Company and the American States Insurance Company, his bonding companies, jointly and severally, in the amount of \$459.71 and in favor of Meigs County General Fund.

FINDING NUMBER 2000-60753-004

Finding For Recovery

During January through December 2000, the former Sheriff had an AT&T cellular phone that was used by his daughter for personal use. This cellular phone was being paid for by the Meigs County Sheriff's Department, as part of a Department wide group plan. This plan recorded monthly charges on each phone included in the plan. There was no record that the former Sheriff paid the portion of the bill related to his daughter's personal cellular phone. As a result, the payment of the cellular phone bill that was related to the cellular phone used by the Sheriff's daughter, in the amount of \$268.25, is considered to be an expenditure that does not serve a proper public purpose.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against James Soulsby, former Meigs County Sheriff, and The Ohio Casualty Insurance Company and the American States Insurance Company, his bonding companies, jointly and severally, in the amount of \$268.25 and in favor of Meigs County General Fund.

MEIGS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2000-60753-005

Finding For Recovery

The Sheriff's Department had Pepsi Cola machines located in the Department's garage. The Department received commission checks from Pepsi Cola Bottling Company. Once deposited, the commission was to be paid into the County's General Fund with the Sheriff Department's monthly distribution. During the period of November 1, 1998 through December 31, 2000, the Department collected \$934.00 worth of commission checks. It was the former Sheriff's Department Clerk, Lisa Roush's, responsibility to receipt, deposit and record the collection of these commission checks. Out of the \$934.00, a total of \$712.00 was not recorded in the Sheriff's Department cash book, but according to records from Pepsi Cola, all checks written to the Meigs County Sheriff's Department had been cashed. Therefore, the \$712.00 was collected but not accounted for.

The Finding for Recovery is calculated as follows:

<u>Period</u>	<u>Received from Pepsi</u>	<u>Deposited into Sheriff's Dept. Regular Account</u>	<u>Total unaccounted for</u>
11/01/98 - 12/31/99	\$398.00	\$134.00	\$264.00
01/01/00 - 02/11/00	68.00	0.00	68.00
02/12/00 - 12/31/00	<u>468.00</u>	<u>88.00</u>	<u>380.00</u>
Totals	<u>\$934.00</u>	<u>\$222.00</u>	<u>\$712.00</u>

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money collected but not accounted for is hereby issued against Lisa Roush, former Meigs County Sheriff's Department Clerk, and the American States Insurance Company, her bonding company, jointly and severally, in the amount of \$264.00, in favor of the Meigs County General Fund, a finding for public money collected but not accounted for is hereby issued against Lisa Roush, in the amount of \$68.00, in favor of the Meigs County General Fund, (for the period in which she was not bonded), and a finding for public money collected but not accounted for is hereby issued against Lisa Roush and Gulf Insurance Group, her bonding company, jointly and severally, in the amount of \$380.00, in favor of the Meigs County General Fund.

MEIGS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)**

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

FINDING NUMBER 2000-60753-006

Finding For Recovery

Monies collected upon a prisoner's arrest were to be deposited by Lisa Roush, former Sheriff's Department Clerk, into the Sheriff's Department's Regular account during 1999 and into the Sheriff Departments Prisoner Account in 2000. The Prisoner Account, established in 2000, was a bank account designed to function as a clearing account. The only money that should be paid into the account is money removed from a prisoner, prior to incarceration.

The Deputies maintained a detailed arrest card which reflected all of the items removed from a prisoner and stated the name of the Deputy that collected the items. The Deputies deposited the money collected with Lisa Roush. Upon a prisoner's release, Lisa Roush would return the money collected/deposited by issuing a check to the prisoner. This account should never have a negative balance nor should it ever incur bank overdraft fees.

During 1999, there were payments made from the Regular Account totaling \$4,297.86 to prisoners for monies collected when incarcerated. During 2000, there were also payments made from the Regular Account, totaling \$3,349.73 (this included payments totaling \$729.24 occurring during the period January 1, 2000 through February 11, 2000, a time when Lisa Roush was not bonded), to prisoners for monies collected when incarcerated. These payments agreed to the amount collected from the prisoners upon incarceration according to arrest cards maintained by the Sheriff's Department. Once this money was collected from the prisoners, it was Lisa Roush's responsibility to write a receipt and deposit this money into the Sheriff's Department Regular Account in 1999 and into the Sheriff's Department Prisoner Account in 2000. However, there were no corresponding receipts written or deposits made into the Sheriff's Department Regular Account or Prisoner Account for the monies collected from these prisoners. The subsequent checks were then written from the Sheriff's Department Regular Account in both years since without corresponding deposits, the Prisoner Account would not have had the necessary balance to refund the prisoners.

Also, during the period from May 2, 2000 through September 25, 2000, Lisa Roush wrote checks from the Sheriff's Department Regular Account to the Sheriff's Department Prisoner Account in the amount of \$974.90. These checks from the Sheriff's Department Regular account were needed to cover \$854.90 in shortages in the Prisoner Account and \$120.00 in bank assessed overdraft fees. The shortages in the Prisoner Account occurred because deposits were not made into the account when monies were collected from prisoners upon incarceration, as per the arrest cards, but the corresponding payments to prisoners were made upon the prisoners release. There was also no record of deposits into the Regular Account for the \$854.90 collected from prisoners upon incarceration, indicating the money was never deposited into any of the Sheriff's bank accounts when collected from prisoners.

MEIGS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)

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

FINDING NUMBER 2000-60753-006 (Continued)

Finding for Recovery (Continued)

The finding for recovery is calculated as follows:

<u>Period</u>	<u>Payments to prisoners</u>	<u>Deposits to Prisoner Account from Regular Account</u>
01/01/99 - 12/31/99	\$4,297.86	\$0.00
01/01/00 - 02/11/00	729.24	0.00
02/12/00 - 12/31/00	<u>2,620.49</u>	<u>854.90</u>
	<u>\$7,647.59</u>	<u>\$854.90</u>

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies collected but not accounted for is hereby issued against Lisa Roush and the American States Insurance Company, her bonding company, jointly and severally, in the amount of \$4,297.86, in favor of the Meigs County Sheriff's Department Regular Account, and a finding for public money collected but not accounted for is hereby issued against Lisa Roush in the amount of \$729.24, in favor of the Meigs County Sheriff's Department Regular Account, and a finding for public money collected but not accounted for is hereby issued against Lisa Roush and the Gulf Insurance Group, her bonding company, jointly and severally, in the amount of \$3,474.69 (\$2620.49+\$854.90), in favor of the Meigs County Sheriff's Department Regular Account.

FINDING NUMBER 2000-60753-007

Finding For Recovery

Sheriff's Sales require a 10% cash deposit on the day of the sale. It was Lisa Roush's, former Sheriff's Department Clerk, responsibility to record the sale, collect the cash deposit, write a receipt to the individual making the purchase, and deposit the cash collected into the Sheriff's Department Regular Account. During the period January 1, 1998 through December 31, 2000, according to the Sheriff's Department receipt book, there was a total of \$3,476.46 collected by the Sheriff's Department at Sheriff's sales. However, we found no evidence of deposit into any of the Sheriff's Department bank accounts, nor were these amounts paid directly to the County. The duplicate receipts written for these monies were signed by Lisa Roush, former Sheriff's Department Clerk. As the Clerk, it was Ms. Roush's responsibility to collect all monies received by the Sheriff's Department, prepare duplicate receipts, record the receipt in the department cash book and make the deposits. The finding for recovery is calculated as follows:

MEIGS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)

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

FINDING NUMBER 2000-60753-007 (Continued)

Finding For Recovery (Continued)

1998 Collections Not Deposited	\$577.17
1999 Collections Not Deposited	599.29
2000 Collections Not Deposited	<u>2,300.00</u>
Total	<u>\$3,476.46</u>

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money collected but not accounted for is hereby issued against Lisa Roush and the American States Insurance Company, her bonding company during 1999 and 1998, jointly and severally, in the amount of \$1,176.46, in favor of the Meigs County Sheriff's Department Regular Account, and a finding for public money collected but not accounted for is hereby issued against Lisa Roush and Gulf Insurance Group, her bonding company during 2000, jointly and severally, in the amount of \$2,300.00, in favor of the Meigs County Sheriff's Department Regular Account.

FINDING NUMBER 2000-60753-008

Finding For Recovery

Sheriff's Sales require a 10% cash deposit on the day of the sale. It was Lisa Roush's, former Sheriff's Department Clerk, responsibility to record the sale, collect the cash deposit, write a receipt to the individual making the purchase, and deposit the cash collected into the Sheriff's Department Regular account. A duplicate receipt was provided by an individual that made a purchase at a Sheriff's sale during 2000. The receipt, given to that individual at the time of the sale on June 13, 2000, stated that it was from the Sheriff's Department, however, the receipt number did not correspond with any of the receipt books provided for audit by the Sheriff's Department. This receipt written to the individual was in the amount of \$2,600 (the required 10% cash deposit for a \$26,000 sale) and was signed by Lisa Roush. There was never a \$2,600 deposit in the Sheriff's Department Regular Account. On the same day, in the receipt books provided for audit by the Sheriff's Department, a receipt was written for \$2,500 and that amount was deposited into the Sheriff's Regular Account. This amount was also posted to the Sheriff Sale column of the cashbook. The receipt stated it was collected from the First National Bank. It therefore is clear that two different receipt books were being used; one that was the official record used to post to the cashbook, and one that was used to write receipts for the purchasers on the day of the Sheriff's Sales. As there were no other Sheriff's Sale collections on June 13, 2000, the \$2,500 check and corresponding receipt appear to have been deposited and recorded in place of the \$2,600 cash and corresponding receipt provided by the purchaser. No deposit was ever located for the difference of \$100 on or around that date.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money collected but not accounted for is hereby issued against Lisa Roush and the Gulf Insurance Company, her bonding company, jointly and severally, in the amount of \$100.00, in favor of the Meigs County Sheriff's Department Regular Account.

MEIGS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)**

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

FINDING NUMBER 2000-60753-009

Finding For Recovery

Court ordered distributions resulting from Sheriff Sales cannot be made until the monies from the sale are collected and deposited. At each Sheriff Sale, a 10% down payment is required at the time of purchase with the remaining balance due by a set date. Lisa Roush, former Sheriff's Department Clerk, was assigned to collect and account for the monies received as a result of the Sheriff Sales. She was also assigned to distribute those monies according to the court order. Although the distributions agreed to the court order and sale records which indicates that all monies have been collected, distributions relating to these sales totaling \$2,710.00 were made in excess of the amounts receipted/deposited for two cases during the period January 1, 1998 through December 31, 1999.

The following two cases, had money unaccounted for, that was equal to the 10% required cash down payment, that must be collected on the day of sale, in order for the court Confirmation or Sale Orders For Deed and Distribution to be completed:

Case # 97-CV-125: The sale amount on the date of sale, July 17, 1998, was \$23,600 according to the Order of Sale. On the date of sale, a 10% cash down payment would be required in the amount of \$2,360 with the remaining \$21,240 due at a later date. All monies must be collected before the distribution can be made. Sheriff's department records indicate that a receipt of \$21,240, representing the 90% balance on the sale, was collected and deposited on September 2, 1998, and was subsequently paid. However, no deposit or receipt could be located for the required cash down payment of \$2,360 on the date of sale.

Case # 99-CV-009: The sale amount on the date of sale, November 5, 1999, was \$3,500 according to the Order of Sale. On the date of sale, a 10% cash down payment would be required in the amount of \$350 with the remaining \$3,150 due at a later date. All monies must be collected before the distribution can be made. Sheriff's department records indicate that a receipt of \$3,150, representing the 90% balance on the sale, was collected and deposited on November 24, 1999, and was subsequently paid. However, no deposit or receipt could be located for the required cash down payment of \$350 on the date of sale.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money collected but not accounted for is hereby issued against Lisa Roush and the American States Insurance Company, her bonding company, jointly and severally, in the amount of \$2,710.00, in favor of the Meigs County Sheriff's Department Regular Account.

MEIGS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)**

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

FINDING NUMBER 2000-60753-010

Finding For Recovery

An expenditure in the amount of \$174.55 for the purchase of two plaques for the Meigs Local School District High School football coaches was made from the Sheriff's Department Regular Account during 2000. Lisa Roush signed the check with the former Sheriff's name and then signed her name below the Sheriff's to indicate that she signed the check on his behalf. The County did not have a policy allowing this type of expenditure, therefore, this expenditure does not represent a proper use of public funds.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Lisa Roush and Gulf Insurance Group, her bonding company, jointly and severally, in the amount of \$174.55, in favor of the Meigs County Sheriff's Department Regular Account.

FINDING NUMBER 2000-60753-011

Finding For Recovery

John Lentes, former Prosecuting Attorney, charged hotel room expenses on the County Commissioner's Visa credit card while in Washington D.C. during the period of December 2-5, 2000. The County Auditor issued warrant number 22110 from the County's Victims of Crime Act (VOCA) Fund to Visa for all of the hotel expenses, as requested by Mr. Lentes. The VISA bill indicated that the hotel charged were for two rooms. The first room charge was \$463.74 and the additional room added additional costs totaling \$231.87 to the hotel bill. Based on our inquiry with Mr. Lentes on July 9, 2001, he was attending a meeting relating to a Mental Health Court Program, however, he was unable to provide documentation to verify his attendance or the agenda of the meeting. This trip did not serve a proper County or public purpose and has resulted in an unallowable expenditure of public money in the amount of \$695.61.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery, for public money illegally expended, is hereby issued against John R. Lentes and the Ohio Casualty Insurance Company and the American States Insurance Company, his bonding companies, jointly and severally, in the amount of \$695.61 and in favor of Meigs County - VOCA Fund.

FINDING NUMBER 2000-60753-012

Finding For Recovery

December 1, 2000, the former County Prosecutor, John Lentes, issued a check, from the Prosecutor's Law Enforcement Trust Fund, (LETF), in the amount of \$500, for cash, to Farmer's Bank. The check contains John Lentes' signature as cashing the check and the memo on the check stated "seminar expenses". However, based on our inquiry with John R. Lentes on July 9, 2001, there was no seminar held during that time. Mr. Lentes stated that he attended a meeting relating to a Mental Health Court Program, however, he was unable to provide documentation to verify his attendance or the agenda of the meeting. Such an expenditure does not serve a proper public purpose nor is it allowable pursuant the County Prosecutors LETF policy.

MEIGS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)**

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

FINDING NUMBER 2000-60753-012 (Continued)

Finding for Recovery (Continued)

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery, for public money illegally expended, is hereby issued against John R. Lentes and the Ohio Casualty Insurance Company and the American States Insurance Company, his bonding companies, jointly and severally, in the amount of \$500 and in favor of the Prosecutor's Law Enforcement Trust Fund.

FINDING NUMBER 2000-60753-13

Finding for Recovery

The Crime Victims Assistance Program states, in general that the subgrantee must follow the Budget Narrative as set forth in the Grant Acceptance Form unless a budget adjustment is approved by the Ohio Attorney General's Office. The money received by the County from this grant is deposited into and expended from the Meigs County - VOCA Fund. Former Prosecutor, John R. Lentes, authorized the issuance of warrant number 18487, issued September 5, 2000, from the Meigs County - VOCA Fund, in the amount of \$1,145.52 to Whaley's Auto Parts for the repair of the former Prosecutor's personal vehicle. Such an expenditure is not allowable pursuant to the grant agreement, nor does it serve a proper public purpose.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against John R. Lentes, former Meigs County Prosecutor, and the Ohio Casualty Insurance Company and the American States Insurance Company, his bonding companies, joint and severally, in the amount of \$1,145.52, and in favor of Meigs County - VOCA Fund.

FINDING NUMBER 2000-60753-014

Noncompliance/Finding for Adjustment

Ohio Rev. Code Section 5705.10 requires all revenue derived from a specific source to be credited to a special fund for the purpose for which the monies were received.

Two warrants (\$1,725 and \$2,589) received from the State of Ohio for the Crime Victims Assistance Grant (VOCA) were deposited into the Law Enforcement Trust Fund (LETF), instead of being deposited into the County's VOCA Fund.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against the Law Enforcement Trust Fund in the amount of \$4,314, in favor of the VOCA Fund.

MEIGS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)**

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

FINDING NUMBER 2000-60753-015

Noncompliance Citation/Material Weakness

Ohio Rev. Code Section 9.38 states that public money must be deposited with the Treasurer of the public office or to a designated depository on the business day following the day of receipt.

If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must the deposit the money on the next business day.

The County Sheriff's Department collected cash receipts that were held for several days before being deposited. Also, neither the County nor the Sheriff's Department have a written policy governing the depository requirements, as suggested by the Ohio Revised Code.

We recommend the County Sheriff's Department ensure deposits are made at least once every twenty-four hours. As an alternative, and based on recent changes in Ohio Law, the Board of County Commissioners may adopt a policy permitting a different time period relating to the deposit of money, as described above

FINDING NUMBER 2000-60753-016

Noncompliance Citation/Reportable Condition

Ohio Rev. Code Section 301.27 states that a credit card held by a Board of County Commissioners or the office of any other county appointing authority shall be used only to pay work-related food, transportation, gasoline and oil, minor motor vehicle maintenance, emergency motor vehicle repair, telephone, lodging, and internet service provider expenses. Furthermore, the Meigs County Commissioner's adopted a "Use of the Commissioners' Visa Card" Policy on September 14, 1995. The policy states the Visa card is not to be used without the authorization of one of the County Commissioners and the Visa card is to be used only for out-of-County expenses which are directly related to County business. The policy also requires all bills for the services provided to be attached to the voucher for payment each month.

On numerous occasions the County's Visa card was used for expenditures relating to both County and non-County related business. Since the County Auditor has disapproved the payment for portions of the monthly VISA card bills due to the lack of supporting documentation, the County was assessed finance charges on unpaid bills. Also, on numerous occasions, Jeff Thorton, County Commissioner, used the County's Visa card for purchases that were not for County business and subsequently reimbursed the County for the expenditures.

We recommend the County Commissioner's disallow use of the County Visa card for non-County related expenditures and adopt a detailed policy regarding the use of the Visa Card by following section 301.27 of the Revised Code. As an alternative to establishing such a policy, we recommend the County cancel the VISA card and implement procedures for an Employee/Elected Official Reimbursement Program for County related expenditures. This alternative would reduce the potential fraud risks associated with a VISA card.

MEIGS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)**

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

FINDING NUMBER 2000-60753-017

Noncompliance Citation/Reportable Condition

Ohio Rev. Code Section 325.31 (A) indicates that on the first business day of each month, each officer named in Section 325.27 of the Ohio Revised Code, which includes the Sheriff, shall pay into the County Treasury, to the credit of the County General Fund, all fees, costs, penalties, percentages, allowances, and perquisites collected by his office during the preceding month.

The Sheriff's Department did not completely or accurately record receipts relating to fees in the November 16, 2001 Departmental records. Subsequently, the payins to the County's General Fund were not made in a timely manner and discrepancies between the amounts collected and the amounts paid in existed. During 2000, only four (4) months were paid into the County timely. In addition, as of December 31, 2000, there was \$572.64 of the Sheriff's Fees from 2000 that had not been paid into the County. However, due to Finding Number 2000-60753-006 through 2000-60753-010 issued above, the Sheriff's Regular Account did not have the required funds to make this transfer.

We recommend the Sheriff's Department record all fees collected and pay these fees into the County General Fund on a monthly basis, as per Ohio Law.

FINDING NUMBER 2000-60753-018

Noncompliance Citation/Reportable Condition

Ohio Rev. Code Section 9.11 states any elected or appointed public official of this state or of any political subdivision or instrumentality thereof, or any member, agent, or employee of any board, commission, bureau, or other public body established by law, who is permitted or required in the performance of his duties to affix his signature on any check, draft, warrant, voucher, or other instrument for the payment of money, may adopt a facsimile thereof, in lieu of such manual signature, and affix such facsimile to any such instrument. Notice of the adoption of any such facsimile shall be given in writing to the depository from which funds are to be withdrawn, which notice shall include a description of the device to be used and a specimen of such facsimile signature. Prior to use of such facsimile, the written approval of such depository must be obtained.

The former Sheriff's Department clerk signed the checks written from the various Sheriff's Department bank accounts by signing the Sheriff's name and then her own (i.e., James Soulsby by Lisa Roush). As a result, the Sheriff may have been unaware of the type of expenditures made from the Sheriff's Department accounts. This has resulted in several illegal expenditures and expenditures not for a proper public purpose which are included as Finding Numbers 2000-60753-003, 2000-60753-004, 2000-60753-006, and 2000-60753-010.

We recommend the Sheriff personally sign each check or apply a facsimile signature to each check as described in Ohio Rev. Code Section 9.11 to properly monitor all expenditures made from the Sheriff's Department accounts.

MEIGS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS

1. Reporting

Finding Number	2000-60753-019
CFDA Title and Number	Crime Victims Assistance/16.575
Federal Award Number/Year	98VAGENE197X, 99VAGENE197, 99VAGENE197X, 2000VAGENE197, 2001VAGENE197
Federal Agency	U.S. Department of Criminal Justice
Pass-Through Agency	Ohio Attorney General's Office

Noncompliance Citation

Chapter 3 of the Federal Financial Guide - Standards for Financial Management Systems and the Victims of Crime Act Financial Policies and Procedures, states that Federal Agencies shall not require physical segregation of cash deposits or the establishment of any eligibility requirements for funds which are provided to a recipient. However, the accounting system of all recipients and subrecipients must ensure that agency funds are not commingled with funds from other Federal Agencies. Each award must be accounted for separately. Recipients and subrecipients are prohibited from commingling funds on either a program-by-program basis or a project-by-project basis. Funds specifically budgeted and/or received for one project may not be used to support another.

During 2000, the County accounted for five Victims of Crime Act Grant Awards in three funds which resulted in commingling of Federal Funds.

We recommend the County establish separate funds for each Grant Award after obtaining proper approval by the Board of County Commissioners.

2. Allowable Costs

Finding Number	2000-60753-020
CFDA Title and Number	Crime Victims Assistance/16.575
Federal Award Number/Year	98VAGENE197X, 99VAGENE197, 99VAGENE197X, 2000VAGENE197, 2001VAGENE197
Federal Agency	U.S. Department of Criminal Justice
Pass-Through Agency	Ohio Attorney General's Office

MEIGS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS (Continued)

Finding Number	2000-60753-020 (Continued)
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2. Allowable Costs (Continued)

Noncompliance/Questioned Costs

The application for the Victim's of Crime Act (VOCA) Grant, a subgrant of the Crime Victims Assistance program, is completed by the subgrantee (Meigs County Prosecutor's Office), which includes a section entitled "Budget Narrative." The subgrantee determines the budget computation. Budgeted categories include: personnel, consultants, contract help, rent, equipment, appliances, furnishing, telephone, supplies, groceries, utilities, travel, printing, and other. When the application is approved by the Ohio Attorney General's Office, a VOCA Grant Award and Acceptance Form is forwarded to the grantee. The approved budget is outlined in the acceptance form.

Based on the Grant Application and the Grant Acceptance Form, \$49,889.04 of the \$83,229.44 expenditures made out of the VOCA funds for the year ended December 31, 2000 were allowable; the remaining \$33,340.40 were not. The \$33,340.40 includes findings for recovery against the former prosecutor in the amount of \$1,842.03 (See Finding 2000-60753-011 and 2000-60753-013 in part 2 of this schedule). The remaining questioned costs were either in excess of budget limits per the approved grant agreements or were for items that did not fit into any of the budgeted categories in the approved grant agreements.

In addition to the unallowable expenditures, we noted additional questioned costs of \$8,090 from 1999 when transfers were made from various VOCA Grants Funds (Fund 57, 64, 68) into another VOCA Grant Fund (Fund 75).

A summary of questioned costs follows:

Expenditures for which we question their allowability per the Grant Acceptance Form/Grant Application	\$29,244.27
Expenditures Allowable, but in excess of Grant Budget Limits	3,675.36
Expenditures where no support was available	<u>420.77</u>
Total Questioned Costs for 2000	33,340.40
1999 Transfer from Funds 57, 64, and 68 to Fund 75	<u>8,090.00</u>
Total Questioned Costs	<u>\$41,430.40</u>

We recommend that the Prosecutor's Office and/or other members of management of Meigs County review the requirements of VOCA as outlined in the Grant Agreement, Grant Acceptance Form, the Code of Federal Regulations, etc. to ensure that expenditures charged as grant expenditures are allowable in accordance with the program requirements. Each expenditure of VOCA funds should be reviewed by a responsible, knowledgeable member of management to ascertain that the activity is allowed under the program guidelines.

MEIGS COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS (Continued)

3. Matching

Finding Number	2000-60753-021
CFDA Title and Number	Crime Victims Assistance/16.575
Federal Award Number/Year	98VAGENE197X, 99VAGENE197, 99VAGENE197X, 2000VAGENE197, 2001VAGENE197
Federal Agency	U.S. Department of Criminal Justice
Pass-Through Agency	Ohio Attorney General's Office

Noncompliance

The Victims of Crime Act Financial Policies and Procedures, states that the matching share of the Grant, as listed in the Grant Acceptance Form, must be obligated by the end of each fiscal year for each award.

During 2000, there was a \$50 deficit in the cash match for one of the grant awards. This could result in the granting agency requesting a portion, if not all, of the grant award to be returned which could have a material effect on the grant activity.

We recommend the County transfer the \$50 match from the General Fund to the VOCA Fund. Also, for future matching requirements for grants, we recommend the County establish a tracking system to assure that all grant requirements are met.

4. Allowable Costs

Finding Number	2000-60753-022
CFDA Title and Number	Violence Against Women Act/16.588
Federal Award Number/Year	97-WF-VA2-8416A
Federal Agency	U.S. Department of Criminal Justice
Pass-Through Agency	Ohio Office of Criminal Justice Services

Noncompliance/Questioned Cost

Chapter 10 of Ohio Criminal Justice Services (OCJS) *Standard Federal Subgrant Conditions* describes allowable costs rules for personal services, conferences and workshops, food and beverages, travel, space, printing, publication, duplication, production and certain other allowable cost items. Allowable costs are those costs identified in the circulars and in the grant program's authorizing federal legislation. In addition, costs must be reasonable, allocable, necessary to the project and comply with the funding statute requirements.

MEIGS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2000
(Continued)

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS (Continued)

Finding Number	2000-60753-021 (Continued)
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4. Allowable Costs (Continued)

Noncompliance/Questioned Cost (Continued)

Expenditures in excess of the approved budget, which have resulted in questioned costs are presented below:

	Budget	Actual	Variance
Printing	\$1,000.00	\$2,053.55	(\$1,053.55)

Therefore, the \$1,053.55 is considered a questioned cost. In addition, the County Prosecutor's Office purchased flowers/baskets under this grant in the amount of \$70.02 which was also considered a questioned cost because this purchase does not meet the criteria of any of the approved budget categories. This results in a total questioned cost of \$1,123.57.

We recommend that the Prosecutor's Office and/or other members of management of Meigs County review the requirements of the Violence Against Women Act Program (VAWA) as outlined in the Grant Agreement, OCJS Standard Federal Subgrant Conditions, the Code of Federal Regulations, etc. to ensure that expenditures charged as grant expenditures are allowable in accordance with the program requirements and within the approved budget. Each expenditure of VAWA Program should be reviewed by a responsible, knowledgeable member of management to ascertain that the activity is allowed under the program guidelines.

MEIGS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS

OMB CIRCULAR A-133 §.315(b)

DECEMBER 31, 2000

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid
1999-60753-001	A noncompliance of Ohio Rev. Code Section 9.38 concerning timely deposits in the Sheriff's Department	No	Not Corrected: Reissued as a noncompliance matter in this audit as finding number 2000-60753-016.

MEIGS COUNTY

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §.315(c)
DECEMBER 31, 2000
(Continued)**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-60753-001	The Prosecutor plans to research and investigate all findings.	The Prosecutor has 120 days from the date of report to take official action. After which, the Ohio Attorney General may take action.	Pat Story, Meigs County Prosecutor
2000-60753-002 through 2000-60753-010	The Sheriff plans to inform the Prosecutor so that research and an investigation may commence.	The Prosecutor has 120 days from the date of report to take official action. After which, the Ohio Attorney General may take action.	Ralph Trussell, Meigs County Sheriff
2000-60753-011	The new Prosecutor for Meigs County has contacted the Ohio Attorney General's Office (OAG) concerning the questionable expenditures. The OAG office has since suspended Meigs County VOCA grant.	A representative from the Ohio Attorney General's Office met with the Prosecutor to discuss a new grant for the County.	Pat Story, Meigs County Prosecutor
2000-60705-012 and 2000-60705-013	The Prosecutor plans to research and investigate all findings.	The Prosecutor has 120 days from the date of report to take official action. After which, the Ohio Attorney General may take action.	Pat Story, Meigs County Prosecutor
2000-60753-014	The new Prosecutor for Meigs County has contacted the Ohio Attorney General's Office (OAG) concerning the funds deposited into the Law Enforcement Trust Fund. The OAG office has since suspended Meigs County VOCA grants.	A representative from the Ohio Attorney General's Office met with the Prosecutor to discuss a new grant for the County.	Pat Story, Meigs County Prosecutor

MEIGS COUNTY

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §.315(c)
DECEMBER 31, 2000
(Continued)**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-60705-015	The Sheriff plans to implement procedures to ensure monies collected are deposited timely as well as implementing a daily cash reconciliation process and a review and approval of this reconciliation by the Sheriff.	The Sheriff hopes to have these procedures in full effect by the end of the year.	Ralph Trussell, Meigs County Sheriff
2000-60705-016	The Commissioners plan to cancel the Credit Card and the Prosecutor plans to research the reportable condition.	The Commissioners plan to have the card canceled soon after the date of the audit report.	The County Commissioners
2000-60753-017	The Sheriff plans to implement procedures to ensure that all monies collected are properly recorded and disbursed.	Since the Sheriff has taken office, all monies collected have been properly accounted.	Ralph Trussell, Meigs County Sheriff
2000-60753-018	The Sheriff plans to implement procedures to ensure that all monies collected are properly recorded and disbursed.	Since the Sheriff has taken office, all monies collected have been properly accounted.	Ralph Trussell, Meigs County Sheriff

MEIGS COUNTY

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §.315(c)
DECEMBER 31, 2000
(Continued)**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-60753-019	The new Prosecutor for Meigs County has contacted the Ohio Attorney General's Office (OAG) in concerning the commingling of funds. The OAG office has since suspended the Meigs County VOCA grants until further notice. The Prosecutor is planning to open new VOCA funds when the OAG reinstates the program at the County.	A representative from the Ohio Attorney General's Office met with the Prosecutor to discuss a new grant for the County.	Pat Story, Meigs County Prosecutor
2000-60753-020	When the program is reinstated, the Grant Agreement/Grant Acceptance Form will be reviewed by the Prosecutor before any expenditure is made to ascertain that the activity is allowed under the program guidelines.	A representative from the Ohio Attorney General's Office met with the Prosecutor to discuss a new grant for the County.	Pat Story, Meigs County Prosecutor
2000-60753-021	When the program is reinstated, the Grant Agreement/Grant Acceptance Form will be reviewed by the Prosecutor to ensure all matching requirements are met.	A representative from the Ohio Attorney General's Office met with the Prosecutor to discuss a new grant for the County.	Pat Story, Meigs County Prosecutor
2000-60753-022	The Prosecutor is planning on contacting the Ohio Department of Criminal Justice Services (OCJS) to discuss the questioned costs reported.	The Prosecutor will confer with a representative from the Ohio Attorney General's Office to discuss this issue.	Pat Story, Meigs County Prosecutor



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MEIGS COUNTY FINANCIAL CONDITION

MEIGS 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
DECEMBER 27, 2001