

**WASHINGTON COUNTY, OHIO**

**MARIETTA, OHIO**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**WITH INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2001**





**Auditor of State  
Betty Montgomery**

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January 21, 2003

The attached audit was conducted and prepared for release prior to the commencement of my term of office on January 13, 2003. Thus, I am releasing this audit under the signature of my predecessor.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of County Commissioners  
Washington County  
205 Putnam Street  
Marietta, Ohio 45750

We have reviewed the Independent Auditor's Report of Washington County, prepared by S.R. Snodgrass, A.C., for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Finding For Recovery

Ohio Rev. Code Section 1901.11 states that Judges designated as full-time judges by Section 1901.08 of the Revised Code shall receive as compensation sixty-one thousand seven hundred fifty dollars per annum. It also states that the presiding Judge of a Municipal Court who is also the Administrative Judge of the court shall receive, pursuant to division (C) of this Section, an additional one thousand five hundred dollars per annum. The compensation of Municipal Judges shall be paid in semimonthly installments, three-fifths of the amount being payable from the City Treasurer and two-fifths of the amount being paid from the Treasury of the County in which the municipal corporation is situated. For the purposes of this Finding for Recovery, the additional compensation received from the State Treasury pursuant to Ohio Rev. Code 141.04 (A)(5) is not being considered.

According to the 1998 - 2001 W-2s and payroll records for William M. Nuzum, Marietta Municipal Court Judge, he was overpaid by the County \$900 per year. Judge Nuzum was entitled to be paid \$63,250 per annum, 40% of which should be paid by Washington County (\$25,300). However, according to the payroll records and W-2s, Judge Nuzum was compensated for the entire Administrative Judge allowance by the County, due to an oversight by the County Auditor's Office. This resulted in overcompensation in the amount of \$3,600, as shown in the following table:

| Year  | Amount paid<br>by County | Amount due<br>per ORC<br>Sect.<br>1901.11 | Amount<br>Overpaid |
|-------|--------------------------|---|--------------------|
| 1998  | \$ 26,200                | \$ 25,300                                 | \$ 900             |
| 1999  | 26,200                   | 25,300                                    | 900                |
| 2000  | 26,200                   | 25,300                                    | 900                |
| 2001  | 26,200                   | 25,300                                    | 900                |
| Total |                          |   | \$ 3,600           |

In accordance with the foregoing facts, and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against William H. Nuzum, III, Marietta Municipal Court Judge, in the amount of \$3,600, in favor of the General Fund of Washington County.

Judge Nuzum was also overpaid by the City of Marietta during the same period (1998 - 2001) in the amount of \$3,600. Accordingly, a Finding for Recovery has been issued in the audit report of the City of Marietta for the year ended December 31, 2001.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO  
Auditor of State

August 8, 2002

**Washington County, Ohio  
GENERAL PURPOSE FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2001**

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# SNODGRASS

Certified Public Accountants and Consultants

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Washington County, Ohio  
Marietta, Ohio

We have audited the accompanying general purpose financial statements of Washington County, Ohio, as of and for the year ended December 31, 2001, 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 Wasco, Inc., the County's only discretely presented component unit. Those financial statements were audited by other auditors whose report was furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts discretely presented for Wasco, Inc., is based solely on 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of the 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 Washington County, Ohio, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, the County adopted the provisions of Governmental Accounting Standards Board Statements Number 33 and 36 during the year, and thereby changed their method of accounting for certain nonexchange transactions.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2002, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

*S. R. Snodgrass, A.C.*

Wheeling, West Virginia  
June 7, 2002 (November 26, 2002, as to the  
Schedule of Expenditures of Federal Awards)

Washington County, Ohio  
 Combined Balance Sheet  
 All Fund Types, Account Groups, and  
 Discretely Presented Component Unit  
 December 31, 2001 - Primary Government  
 August 31, 2001 - Component Unit

|   | Governmental Fund Types   |                            |                         |                         |
|---|---------------------------|----------------------------|-------------------------|-------------------------|
|   | General                   | Special<br>Revenue         | Debt<br>Service         | Capital<br>Projects     |
| <u>Assets and Other Debits:</u>   |                           |                            |                         |                         |
| <u>Assets:</u>  |                           |                            |                         |                         |
| Cash and Cash Equivalents   | \$1,587,590               | \$19,869,158               | \$89,696                | \$140,756               |
| Cash and Cash Equivalents in<br>Segregated Accounts                                 | 42,055                    | 0                          | 0                       | 2,266                   |
| Investments   | 0                         | 0                          | 0                       | 0                       |
| Investments in Segregated Accounts  | 0                         | 0                          | 0                       | 0                       |
| Receivables:  |                           |                            |                         |                         |
| Taxes   | 294,660                   | 1,178,602                  | 0                       | 0                       |
| Accounts  | 18,127                    | 26,994                     | 0                       | 0                       |
| Special Assessments   | 0                         | 0                          | 0                       | 0                       |
| Accrued Interest  | 23,485                    | 1,201                      | 0                       | 0                       |
| Loans   | 0                         | 22,600                     | 0                       | 0                       |
| Intergovernmental   | 783,892                   | 5,215,585                  | 8,946                   | 0                       |
| Interfund   | 0                         | 24,084                     | 0                       | 0                       |
| Due from Other Funds<br>(excluding Agency Funds)                                    | 3,369                     | 22,803                     | 0                       | 0                       |
| Due from Agency Funds:  |                           |                            |                         |                         |
| Property Taxes  | 2,518,447                 | 5,664,889                  | 210,286                 | 0                       |
| Accounts  | 53,770                    | 16,220                     | 0                       | 0                       |
| Special Assessments   | 0                         | 0                          | 0                       | 0                       |
| Delinquent Sewer Accounts   | 0                         | 0                          | 0                       | 0                       |
| Materials and Supplies Inventory  | 54,902                    | 395,178                    | 0                       | 0                       |
| Prepaid Items   | 14,983                    | 79,545                     | 0                       | 10,290                  |
| Fixed Assets (Net, where applicable, of<br>Accumulated Depreciation)                | 0                         | 0                          | 0                       | 0                       |
| <u>Other Debits:</u>  |                           |                            |                         |                         |
| Amount to be Provided from General<br>Government Resources                          | 0                         | 0                          | 0                       | 0                       |
| Amount Available in Debt Service Fund<br>for Retirement of General Obligation Bonds | 0                         | 0                          | 0                       | 0                       |
| <b>Total Assets and Other Debits</b>  | <b><u>\$5,395,280</u></b> | <b><u>\$32,516,859</u></b> | <b><u>\$308,928</u></b> | <b><u>\$153,312</u></b> |

See accompanying notes to the general purpose financial statements.

| Proprietary<br>Fund Type | Fiduciary<br>Fund Types | Account Groups             |                                     | Primary<br>Government<br>Totals<br>(Memorandum<br>Only) | Component<br>Unit | Reporting<br>Entity<br>Totals<br>(Memorandum<br>Only) |
|--------------------------|-------------------------|----------------------------|-------------------------------------|---|-------------------|---|
|                          |                         | General<br>Fixed<br>Assets | General<br>Long-Term<br>Obligations |   |                   |   |
| Enterprise               | Trust and<br>Agency     |                            |                                     |   |                   |   |
| \$38,143                 | \$1,979,986             | \$0                        | \$0                                 | \$23,705,329  | \$139,954         | \$23,845,283  |
| 0                        | 242,862                 | 0                          | 0                                   | 287,183   | 0                 | 287,183   |
| 0                        | 0                       | 0                          | 0                                   | 0   | 75,440            | 75,440  |
| 0                        | 348,830                 | 0                          | 0                                   | 348,830   | 0                 | 348,830   |
| 0                        | 48,115,944              | 0                          | 0                                   | 49,589,206  | 0                 | 49,589,206  |
| 97,376                   | 26,635                  | 0                          | 0                                   | 169,132   | 113,064           | 282,196   |
| 0                        | 413,572                 | 0                          | 0                                   | 413,572   | 0                 | 413,572   |
| 0                        | 0                       | 0                          | 0                                   | 24,686  | 0                 | 24,686  |
| 0                        | 0                       | 0                          | 0                                   | 22,600  | 0                 | 22,600  |
| 0                        | 3,044,048               | 0                          | 0                                   | 9,052,471   | 0                 | 9,052,471   |
| 0                        | 0                       | 0                          | 0                                   | 24,084  | 0                 | 24,084  |
| 30                       | 2,785                   | 0                          | 0                                   | 28,987  | 0                 | 28,987  |
| 0                        | 0                       | 0                          | 0                                   | 8,393,622   | 0                 | 8,393,622   |
| 0                        | 0                       | 0                          | 0                                   | 69,990  | 0                 | 69,990  |
| 314,194                  | 0                       | 0                          | 0                                   | 314,194   | 0                 | 314,194   |
| 5,650                    | 0                       | 0                          | 0                                   | 5,650   | 0                 | 5,650   |
| 0                        | 0                       | 0                          | 0                                   | 450,080   | 3,221             | 453,301   |
| 286                      | 0                       | 0                          | 0                                   | 105,104   | 7,863             | 112,967   |
| 5,062,183                | 0                       | 24,733,142                 | 0                                   | 29,795,325  | 88,603            | 29,883,928  |
| 0                        | 0                       | 0                          | 4,903,733                           | 4,903,733   | 0                 | 4,903,733   |
| 0                        | 0                       | 0                          | 89,696                              | 89,696  | 0                 | 89,696  |
| <u>\$5,517,862</u>       | <u>\$54,174,662</u>     | <u>\$24,733,142</u>        | <u>\$4,993,429</u>                  | <u>\$127,793,474</u>                                    | <u>\$428,145</u>  | <u>\$128,221,619</u>                                  |

See accompanying notes to the general purpose financial statements.

(Continued)

Washington County, Ohio  
 Combined Balance Sheet  
 All Fund Types, Account Groups, and  
 Discretely Presented Component Unit (Continued)  
 December 31, 2001 - Primary Government  
 August 31, 2001 - Component Unit

|   | Governmental Fund Types |                     |                  |                     |
|---|-------------------------|---------------------|------------------|---------------------|
|   | General                 | Special<br>Revenue  | Debt<br>Service  | Capital<br>Projects |
| Liabilities, Fund Equity<br><u>and Other Credits:</u>       |                         |                     |                  |                     |
| <u>Liabilities:</u>   |                         |                     |                  |                     |
| Accounts Payable  | \$132,308               | \$518,738           | \$0              | \$0                 |
| Contracts Payable   | 0                       | 247,292             | 0                | 0                   |
| Accrued Wages and Benefits                                  | 76,995                  | 260,759             | 0                | 0                   |
| Compensated Absences Payable                                | 15,190                  | 61,239              | 0                | 0                   |
| Interfund Payable   | 0                       | 24,084              | 0                | 0                   |
| Due to Other Funds  | 30                      | 28,957              | 0                | 0                   |
| Intergovernmental Payable                                   | 35,369                  | 738,964             | 0                | 0                   |
| Deferred Revenue  | 3,052,277               | 11,670,601          | 219,232          | 0                   |
| Due to Others   | 0                       | 0                   | 0                | 0                   |
| Accrued Interest Payable                                    | 0                       | 0                   | 0                | 1,819               |
| Notes Payable   | 0                       | 0                   | 0                | 81,000              |
| Capital Leases Payable                                      | 0                       | 0                   | 0                | 0                   |
| OPWC Loans Payable  | 0                       | 0                   | 0                | 0                   |
| FHA Loans Payable   | 0                       | 0                   | 0                | 0                   |
| Tax Refund Payable  | 0                       | 0                   | 0                | 0                   |
| General Obligation Bonds Payable                            | 0                       | 0                   | 0                | 0                   |
| <b>Total Liabilities</b>                                    | <b>3,312,169</b>        | <b>13,550,634</b>   | <b>219,232</b>   | <b>82,819</b>       |
| <u>Fund Equity and Other Credits:</u>                       |                         |                     |                  |                     |
| Investment in General Fixed Assets                          | 0                       | 0                   | 0                | 0                   |
| Contributed Capital   | 0                       | 0                   | 0                | 0                   |
| Retained Earnings:  |                         |                     |                  |                     |
| Unreserved (Deficit)  | 0                       | 0                   | 0                | 0                   |
| Fund Balance:   |                         |                     |                  |                     |
| Reserved for Encumbrances                                   | 183,755                 | 2,005,253           | 0                | 0                   |
| Reserved for Inventory                                      | 54,902                  | 395,178             | 0                | 0                   |
| Reserved for Unclaimed Monies                               | 72,263                  | 0                   | 0                | 0                   |
| Reserved for Loans  | 0                       | 22,600              | 0                | 0                   |
| Unreserved:   |                         |                     |                  |                     |
| Undesignated  | 1,772,191               | 16,543,194          | 89,696           | 70,493              |
| <b>Total Fund Equity and Other Credits</b>                  | <b>2,083,111</b>        | <b>18,966,225</b>   | <b>89,696</b>    | <b>70,493</b>       |
| <b>Total Liabilities, Fund Equity<br/>and Other Credits</b> | <b>\$5,395,280</b>      | <b>\$32,516,859</b> | <b>\$308,928</b> | <b>\$153,312</b>    |

See accompanying notes to the general purpose financial statements

| Proprietary<br>Fund Type | Fiduciary<br>Fund Types | Account Groups             |                                     | Primary<br>Government<br>Totals<br>(Memorandum<br>Only) | Component<br>Unit | Reporting<br>Entity<br>Totals<br>(Memorandum<br>Only) |
|--------------------------|-------------------------|----------------------------|-------------------------------------|---|-------------------|---|
|                          |                         | General<br>Fixed<br>Assets | General<br>Long-Term<br>Obligations |   |                   |   |
| Enterprise               | Trust and<br>Agency     |                            |                                     |   |                   |   |
| \$6,113                  | \$0                     | \$0                        | \$0                                 | \$657,159   | \$18,165          | \$675,324   |
| 0                        | 0                       | 0                          | 0                                   | 247,292   | 0                 | 247,292   |
| 2,096                    | 0                       | 0                          | 0                                   | 339,850   | 20,372            | 360,222   |
| 3,182                    | 0                       | 0                          | 633,789                             | 713,400   | 11,406            | 724,806   |
| 0                        | 0                       | 0                          | 0                                   | 24,084  | 0                 | 24,084  |
| 0                        | 8,783,456               | 0                          | 0                                   | 8,812,443   | 0                 | 8,812,443   |
| 645                      | 44,334,307              | 0                          | 0                                   | 45,109,285  | 1,815             | 45,111,100  |
| 0                        | 0                       | 0                          | 0                                   | 14,942,110  | 0                 | 14,942,110  |
| 0                        | 744,579                 | 0                          | 0                                   | 744,579   | 0                 | 744,579   |
| 7,303                    | 0                       | 0                          | 0                                   | 9,122   | 0                 | 9,122   |
| 10,000                   | 0                       | 0                          | 91,616                              | 182,616   | 0                 | 182,616   |
| 0                        | 0                       | 0                          | 19,252                              | 19,252  | 0                 | 19,252  |
| 511,846                  | 0                       | 0                          | 0                                   | 511,846   | 0                 | 511,846   |
| 845,000                  | 0                       | 0                          | 0                                   | 845,000   | 0                 | 845,000   |
| 0                        | 0                       | 0                          | 8,772                               | 8,772   | 0                 | 8,772   |
| 0                        | 0                       | 0                          | 4,240,000                           | 4,240,000   | 0                 | 4,240,000   |
| <u>1,386,185</u>         | <u>53,862,342</u>       | <u>0</u>                   | <u>4,993,429</u>                    | <u>77,406,810</u>                                       | <u>51,758</u>     | <u>77,458,568</u>                                     |
| 0                        | 0                       | 24,733,142                 | 0                                   | 24,733,142  | 0                 | 24,733,142  |
| 4,980,725                | 0                       | 0                          | 0                                   | 4,980,725   | 0                 | 4,980,725   |
| (849,048)                | 0                       | 0                          | 0                                   | (849,048)   | 376,387           | (472,661)   |
| 0                        | 0                       | 0                          | 0                                   | 2,189,008   | 0                 | 2,189,008   |
| 0                        | 0                       | 0                          | 0                                   | 450,080   | 0                 | 450,080   |
| 0                        | 0                       | 0                          | 0                                   | 72,263  | 0                 | 72,263  |
| 0                        | 0                       | 0                          | 0                                   | 22,600  | 0                 | 22,600  |
| 0                        | 312,320                 | 0                          | 0                                   | 18,787,894  | 0                 | 18,787,894  |
| <u>4,131,677</u>         | <u>312,320</u>          | <u>24,733,142</u>          | <u>0</u>                            | <u>50,386,664</u>                                       | <u>376,387</u>    | <u>50,763,051</u>                                     |
| <u>\$5,517,862</u>       | <u>\$54,174,662</u>     | <u>\$24,733,142</u>        | <u>\$4,993,429</u>                  | <u>\$127,793,474</u>                                    | <u>\$428,145</u>  | <u>\$128,221,619</u>                                  |

See accompanying notes to the general purpose financial statements.

Washington County, Ohio  
 Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 All Governmental Fund Types and Similar Trust Fund  
 For the Year Ended December 31, 2001

|  | Governmental       |                     |
|--|--------------------|---------------------|
|  | General            | Special<br>Revenue  |
| <u>Revenues:</u>   |                    |                     |
| Property Taxes   | \$2,292,512        | \$4,821,249         |
| Sales Taxes  | 1,340,564          | 6,861,698           |
| Charges for Services   | 2,075,784          | 3,020,231           |
| Licenses and Permits   | 6,340              | 804,721             |
| Fines and Forfeitures  | 87,172             | 89,155              |
| Intergovernmental  | 1,617,960          | 27,737,714          |
| Interest   | 1,194,561          | 94,324              |
| Rent   | 12,207             | 0                   |
| Other  | 207,428            | 462,637             |
| <b>Total Revenues</b>  | <b>8,834,528</b>   | <b>43,891,729</b>   |
| <u>Expenditures:</u>   |                    |                     |
| Current:   |                    |                     |
| General Government:  |                    |                     |
| Legislative and Executive  | 3,550,075          | 431,731             |
| Judicial   | 1,090,627          | 333,568             |
| Public Safety  | 2,265,832          | 2,814,124           |
| Public Works   | 82,932             | 7,555,249           |
| Health   | 60,414             | 11,699,026          |
| Human Services   | 1,637,105          | 18,373,775          |
| Economic Development and Assistance  | 247,410            | 361,083             |
| Refund of Property Taxes   | 2,734              | 5,811               |
| Capital Outlay   | 0                  | 0                   |
| Intergovernmental  | 420,446            | 268,119             |
| Debt Service:  |                    |                     |
| Principal Retirement   | 7,512              | 532,663             |
| Interest and Fiscal Charges  | 1,863              | 2,619               |
| <b>Total Expenditures</b>  | <b>9,366,950</b>   | <b>42,377,768</b>   |
| Excess of Revenues Over (Under) Expenditures   | (532,422)          | 1,513,961           |
| <u>Other Financing Sources (Uses):</u>   |                    |                     |
| Operating Transfers In   | 100,200            | 196,856             |
| Operating Transfers Out  | (80,472)           | (343,191)           |
| <b>Total Other Financing Sources (Uses)</b>  | <b>19,728</b>      | <b>(146,335)</b>    |
| Excess of Revenues and Other Financing Sources Over<br>(Under) Expenditures and Other Financing Uses | (512,694)          | 1,367,626           |
| Fund Balances at Beginning of Year - Restated (Note 3)   | 2,611,585          | 17,442,665          |
| Increase (Decrease) in Reserve for Inventory   | (15,780)           | 155,934             |
| <b>Fund Balances at End of Year</b>  | <b>\$2,083,111</b> | <b>\$18,966,225</b> |

See accompanying notes to the general purpose financial statements

| Fund Types       |                  | Fiduciary Fund Type |                     | Totals |
|------------------|------------------|---------------------|---------------------|--------|
| Debt Service     | Capital Projects | Expendable Trust    | (Memorandum Only)   |        |
| \$192,240        | \$0              | \$0                 | \$7,306,001         |        |
| 0                | 0                | 0                   | 8,202,262           |        |
| 0                | 82,761           | 0                   | 5,178,776           |        |
| 0                | 0                | 0                   | 811,061             |        |
| 0                | 0                | 0                   | 176,327             |        |
| 17,863           | 0                | 0                   | 29,373,537          |        |
| 0                | 0                | 26,519              | 1,315,404           |        |
| 134,076          | 0                | 0                   | 146,283             |        |
| 0                | 0                | 0                   | 670,065             |        |
| <u>344,179</u>   | <u>82,761</u>    | <u>26,519</u>       | <u>53,179,716</u>   |        |
| 4,503            | 0                | 0                   | 3,986,309           |        |
| 0                | 0                | 0                   | 1,424,195           |        |
| 0                | 0                | 0                   | 5,079,956           |        |
| 0                | 0                | 0                   | 7,638,181           |        |
| 0                | 0                | 0                   | 11,759,440          |        |
| 0                | 0                | 5,511               | 20,016,391          |        |
| 0                | 0                | 0                   | 608,493             |        |
| 228              | 0                | 0                   | 8,773               |        |
| 0                | 10,417           | 0                   | 10,417              |        |
| 0                | 0                | 0                   | 688,565             |        |
| 255,000          | 0                | 0                   | 795,175             |        |
| 228,248          | 4,701            | 0                   | 237,431             |        |
| <u>487,979</u>   | <u>15,118</u>    | <u>5,511</u>        | <u>52,253,326</u>   |        |
| <u>(143,800)</u> | <u>67,643</u>    | <u>21,008</u>       | <u>926,390</u>      |        |
| 150,000          | 0                | 0                   | 447,056             |        |
| 0                | (23,393)         | 0                   | (447,056)           |        |
| <u>150,000</u>   | <u>(23,393)</u>  | <u>0</u>            | <u>0</u>            |        |
| 6,200            | 44,250           | 21,008              | 926,390             |        |
| 83,496           | 26,243           | 291,312             | 20,455,301          |        |
| 0                | 0                | 0                   | 140,154             |        |
| <u>\$89,696</u>  | <u>\$70,493</u>  | <u>\$312,320</u>    | <u>\$21,521,845</u> |        |

See accompanying notes to the general purpose financial statements.

Washington County, Ohio  
 Combined Statement of Revenues, Expenditures, and Changes  
 in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Similar Trust Fund  
 For the Year Ended December 31, 2001

|  | General Fund       |                    |  |
|--|--------------------|--------------------|--|
|  | Revised<br>Budget  | Actual             | Variance<br>Favorable<br>(Unfavorable) |
| <u>Revenues:</u>   |                    |                    |  |
| Property Taxes   | \$2,289,778        | \$2,289,778        | \$0                                    |
| Sales Taxes  | 1,320,000          | 1,320,000          | 0                                      |
| Charges for Services   | 2,058,071          | 2,058,078          | 7                                      |
| Licenses and Permits   | 6,340              | 6,340              | 0                                      |
| Fines and Forfeitures  | 93,431             | 93,431             | 0                                      |
| Intergovernmental  | 1,638,628          | 1,638,628          | 0                                      |
| Interest   | 1,203,220          | 1,203,220          | 0                                      |
| Rent   | 10,207             | 10,207             | 0                                      |
| Other  | 240,873            | 240,873            | 0                                      |
| <b>Total Revenues</b>  | <b>8,860,548</b>   | <b>8,860,555</b>   | <b>7</b>                               |
| <u>Expenditures:</u>   |                    |                    |  |
| Current:   |                    |                    |  |
| General Government:  |                    |                    |  |
| Legislative and Executive  | 4,178,953          | 3,799,401          | 379,552                                |
| Judicial   | 1,270,643          | 1,105,203          | 165,440                                |
| Public Safety  | 2,520,462          | 2,343,631          | 176,831                                |
| Public Works   | 86,683             | 84,547             | 2,136                                  |
| Health   | 104,200            | 70,757             | 33,443                                 |
| Human Services   | 1,674,083          | 1,646,145          | 27,938                                 |
| Economic Development and Assistance  | 261,269            | 261,269            | 0                                      |
| Capital Outlay   | 0                  | 0                  | 0                                      |
| Intergovernmental  | 422,102            | 420,446            | 1,656                                  |
| Debt Service:  |                    |                    |  |
| Principal Retirement   | 0                  | 0                  | 0                                      |
| Interest and Fiscal Charges  | 0                  | 0                  | 0                                      |
| <b>Total Expenditures</b>  | <b>10,518,395</b>  | <b>9,731,399</b>   | <b>786,996</b>                         |
| <b>Excess of Revenues Over (Under) Expenditures</b>  | <b>(1,657,847)</b> | <b>(870,844)</b>   | <b>787,003</b>                         |
| <u>Other Financing Sources (Uses):</u>   |                    |                    |  |
| Proceeds of Notes  | 0                  | 0                  | 0                                      |
| Proceeds of Sale of Fixed Assets   | 0                  | 0                  | 0                                      |
| Advances In  | 8,000              | 8,000              | 0                                      |
| Advances Out   | 0                  | 0                  | 0                                      |
| Operating Transfers In   | 100,200            | 100,200            | 0                                      |
| Operating Transfers Out  | (108,730)          | (80,472)           | 28,258                                 |
| <b>Total Other Financing Sources (Uses)</b>  | <b>(530)</b>       | <b>27,728</b>      | <b>28,258</b>                          |
| <b>Excess of Revenues and Other Financing Sources<br/>Over (Under) Expenditures and Other Financing Uses</b> | <b>(1,658,377)</b> | <b>(843,116)</b>   | <b>815,261</b>                         |
| Fund Balances at Beginning of Year   | 1,614,469          | 1,614,469          | 0                                      |
| Prior Year Encumbrances Appropriated   | 406,153            | 406,153            | 0                                      |
| <b>Fund Balances at End of Year</b>  | <b>\$362,245</b>   | <b>\$1,177,506</b> | <b>\$815,261</b>                       |

See accompanying notes to the general purpose financial statements.



| Special Revenue Funds |                     |                                  | Debt Service Fund |                  |                                  |
|-----------------------|---------------------|----------------------------------|-------------------|------------------|----------------------------------|
| Revised Budget        | Actual              | Variance Favorable (Unfavorable) | Revised Budget    | Actual           | Variance Favorable (Unfavorable) |
| \$4,815,438           | \$4,815,438         | \$0                              | \$192,012         | \$192,012        | \$0                              |
| 6,777,458             | 6,777,458           | 0                                | 0                 | 0                | 0                                |
| 3,145,492             | 3,145,492           | 0                                | 0                 | 0                | 0                                |
| 800,026               | 800,026             | 0                                | 0                 | 0                | 0                                |
| 100,643               | 100,643             | 0                                | 0                 | 0                | 0                                |
| 28,913,316            | 29,117,685          | 204,369                          | 17,863            | 17,863           | 0                                |
| 94,761                | 94,761              | 0                                | 0                 | 0                | 0                                |
| 0                     | 0                   | 0                                | 134,076           | 134,076          | 0                                |
| 592,243               | 592,243             | 0                                | 0                 | 0                | 0                                |
| <u>45,239,377</u>     | <u>45,443,746</u>   | <u>204,369</u>                   | <u>343,951</u>    | <u>343,951</u>   | <u>0</u>                         |
| 698,243               | 557,048             | 141,195                          | 4,503             | 4,503            | 0                                |
| 502,500               | 356,515             | 145,985                          | 0                 | 0                | 0                                |
| 3,748,837             | 3,143,006           | 605,831                          | 0                 | 0                | 0                                |
| 11,382,238            | 8,716,531           | 2,665,707                        | 0                 | 0                | 0                                |
| 13,567,996            | 12,630,554          | 937,442                          | 0                 | 0                | 0                                |
| 20,128,744            | 19,476,376          | 652,368                          | 0                 | 0                | 0                                |
| 556,229               | 416,467             | 139,762                          | 0                 | 0                | 0                                |
| 0                     | 0                   | 0                                | 0                 | 0                | 0                                |
| 268,596               | 263,901             | 4,695                            | 0                 | 0                | 0                                |
| 193,561               | 193,561             | 0                                | 255,156           | 255,000          | 156                              |
| 2,619                 | 2,619               | 0                                | 228,248           | 228,248          | 0                                |
| <u>51,049,563</u>     | <u>45,756,578</u>   | <u>5,292,985</u>                 | <u>487,907</u>    | <u>487,751</u>   | <u>156</u>                       |
| <u>(5,810,186)</u>    | <u>(312,832)</u>    | <u>5,497,354</u>                 | <u>(143,956)</u>  | <u>(143,800)</u> | <u>156</u>                       |
| 0                     | 0                   | 0                                | 0                 | 0                | 0                                |
| 1,007                 | 1,007               | 0                                | 0                 | 0                | 0                                |
| 6,000                 | 6,000               | 0                                | 0                 | 0                | 0                                |
| (64,007)              | (14,000)            | 50,007                           | 0                 | 0                | 0                                |
| 196,856               | 196,856             | 0                                | 150,000           | 150,000          | 0                                |
| <u>(349,873)</u>      | <u>(343,191)</u>    | <u>6,682</u>                     | <u>0</u>          | <u>0</u>         | <u>0</u>                         |
| <u>(210,017)</u>      | <u>(153,328)</u>    | <u>56,689</u>                    | <u>150,000</u>    | <u>150,000</u>   | <u>0</u>                         |
| (6,020,203)           | (466,160)           | 5,554,043                        | 6,044             | 6,200            | 156                              |
| 14,105,403            | 14,105,403          | 0                                | 83,496            | 83,496           | 0                                |
| 3,292,413             | 3,292,413           | 0                                | 0                 | 0                | 0                                |
| <u>\$11,377,613</u>   | <u>\$16,931,656</u> | <u>\$5,554,043</u>               | <u>\$89,540</u>   | <u>\$89,696</u>  | <u>\$156</u>                     |

See accompanying notes to the general purpose financial statements.

(Continued)

Washington County, Ohio  
 Combined Statement of Revenues, Expenditures, and Changes  
 in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Similar Trust Fund (Continued)  
 For the Year Ended December 31, 2001

|  | Capital Projects Funds |           |  |
|--|------------------------|-----------|--|
|  | Revised<br>Budget      | Actual    | Variance<br>Favorable<br>(Unfavorable) |
| <u>Revenues:</u>   |                        |           |  |
| Property Taxes   | \$0                    | \$0       | \$0                                    |
| Sales Taxes  | 0                      | 0         | 0                                      |
| Charges for Services   | 82,706                 | 82,706    | 0                                      |
| Licenses and Permits   | 0                      | 0         | 0                                      |
| Fines and Forfeitures  | 0                      | 0         | 0                                      |
| Intergovernmental  | 0                      | 0         | 0                                      |
| Interest   | 0                      | 0         | 0                                      |
| Rent   | 0                      | 0         | 0                                      |
| Other  | 0                      | 0         | 0                                      |
|  | 82,706                 | 82,706    | 0                                      |
| Total Revenues   |                        |           |  |
| <u>Expenditures:</u>   |                        |           |  |
| Current:   |                        |           |  |
| 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                                      |
| Economic Development and Assistance  | 0                      | 0         | 0                                      |
| Capital Outlay   | 103,500                | 34,176    | 69,324                                 |
| Intergovernmental  | 0                      | 0         | 0                                      |
| Debt Service:  |                        |           |  |
| Principal Retirement   | 126,000                | 126,000   | 0                                      |
| Interest and Fiscal Charges  | 6,917                  | 6,917     | 0                                      |
|  | 236,417                | 167,093   | 69,324                                 |
| Total Expenditures   |                        |           |  |
| Excess of Revenues Over (Under) Expenditures   | (153,711)              | (84,387)  | 69,324                                 |
| <u>Other Financing Sources (Uses):</u>   |                        |           |  |
| Proceeds of Notes  | 81,000                 | 81,000    | 0                                      |
| Proceeds of Sale of Fixed Assets   | 0                      | 0         | 0                                      |
| Advances In  | 0                      | 0         | 0                                      |
| Advances Out   | 0                      | 0         | 0                                      |
| Operating Transfers In   | 0                      | 0         | 0                                      |
| Operating Transfers Out  | (23,393)               | (23,393)  | 0                                      |
|  | 57,607                 | 57,607    | 0                                      |
| Total Other Financing Sources (Uses)   |                        |           |  |
| Excess of Revenues and Other Financing Sources<br>Over (Under) Expenditures and Other Financing Uses | (96,104)               | (26,780)  | 69,324                                 |
| Fund Balances at Beginning of Year   | 147,132                | 147,132   | 0                                      |
| Prior Year Encumbrances Appropriated   | 17,235                 | 17,235    | 0                                      |
| Fund Balances at End of Year   | \$68,263               | \$137,587 | \$69,324                               |

See accompanying notes to the general purpose financial statements

| Expendable Trust Fund |                  |                                  | Totals (Memorandum Only) |                     |                                  |
|-----------------------|------------------|----------------------------------|--------------------------|---------------------|----------------------------------|
| Revised Budget        | Actual           | Variance Favorable (Unfavorable) | Revised Budget           | Actual              | Variance Favorable (Unfavorable) |
| \$0                   | \$0              | \$0                              | \$7,297,228              | \$7,297,228         | \$0                              |
| 0                     | 0                | 0                                | 8,097,458                | 8,097,458           | 0                                |
| 0                     | 0                | 0                                | 5,286,269                | 5,286,276           | 7                                |
| 0                     | 0                | 0                                | 806,366                  | 806,366             | 0                                |
| 0                     | 0                | 0                                | 194,074                  | 194,074             | 0                                |
| 0                     | 0                | 0                                | 30,569,807               | 30,774,176          | 204,369                          |
| 26,519                | 26,519           | 0                                | 1,324,500                | 1,324,500           | 0                                |
| 0                     | 0                | 0                                | 144,283                  | 144,283             | 0                                |
| 0                     | 0                | 0                                | 833,116                  | 833,116             | 0                                |
| <u>26,519</u>         | <u>26,519</u>    | <u>0</u>                         | <u>54,553,101</u>        | <u>54,757,477</u>   | <u>204,376</u>                   |
| 0                     | 0                | 0                                | 4,881,699                | 4,360,952           | 520,747                          |
| 0                     | 0                | 0                                | 1,773,143                | 1,461,718           | 311,425                          |
| 0                     | 0                | 0                                | 6,269,299                | 5,486,637           | 782,662                          |
| 0                     | 0                | 0                                | 11,468,921               | 8,801,078           | 2,667,843                        |
| 0                     | 0                | 0                                | 13,672,196               | 12,701,311          | 970,885                          |
| 40,000                | 5,511            | 34,489                           | 21,842,827               | 21,128,032          | 714,795                          |
| 0                     | 0                | 0                                | 817,498                  | 677,736             | 139,762                          |
| 0                     | 0                | 0                                | 103,500                  | 34,176              | 69,324                           |
| 0                     | 0                | 0                                | 690,698                  | 684,347             | 6,351                            |
| 0                     | 0                | 0                                | 574,717                  | 574,561             | 156                              |
| 0                     | 0                | 0                                | 237,784                  | 237,784             | 0                                |
| <u>40,000</u>         | <u>5,511</u>     | <u>34,489</u>                    | <u>62,332,282</u>        | <u>56,148,332</u>   | <u>6,183,950</u>                 |
| <u>(13,481)</u>       | <u>21,008</u>    | <u>34,489</u>                    | <u>(7,779,181)</u>       | <u>(1,390,855)</u>  | <u>6,388,326</u>                 |
| 0                     | 0                | 0                                | 81,000                   | 81,000              | 0                                |
| 0                     | 0                | 0                                | 1,007                    | 1,007               | 0                                |
| 0                     | 0                | 0                                | 14,000                   | 14,000              | 0                                |
| 0                     | 0                | 0                                | (64,007)                 | (14,000)            | 50,007                           |
| 0                     | 0                | 0                                | 447,056                  | 447,056             | 0                                |
| 0                     | 0                | 0                                | (481,996)                | (447,056)           | 34,940                           |
| <u>0</u>              | <u>0</u>         | <u>0</u>                         | <u>(2,940)</u>           | <u>82,007</u>       | <u>84,947</u>                    |
| <u>(13,481)</u>       | <u>21,008</u>    | <u>34,489</u>                    | <u>(7,782,121)</u>       | <u>(1,308,848)</u>  | <u>6,473,273</u>                 |
| 291,312               | 291,312          | 0                                | 16,241,812               | 16,241,812          | 0                                |
| 0                     | 0                | 0                                | 3,715,801                | 3,715,801           | 0                                |
| <u>\$277,831</u>      | <u>\$312,320</u> | <u>\$34,489</u>                  | <u>\$12,175,492</u>      | <u>\$18,648,765</u> | <u>\$6,473,273</u>               |

See accompanying notes to the general purpose financial statements.

Washington County, Ohio  
Statement of Revenues,  
Expenses, and Changes in Retained Earnings  
Proprietary Fund and Discretely Presented Component Unit  
For the Year Ended December 31, 2001 - Primary Government  
For the Fiscal Year Ended August 31, 2001 - Component Unit

|   | Proprietary<br>Fund Type  | Component<br>Unit       | Reporting<br>Entity<br>Totals<br>(Memorandum<br>Only) |
|---|---------------------------|-------------------------|---|
|   | Enterprise                |                         |   |
| <u>Operating Revenues:</u>  |                           |                         |   |
| Charges for Services  | \$292,498                 | \$921,489               | \$952,288   |
| In-Kind Contributions   | 0                         | 303,825                 | 303,825   |
| Other   | 66                        | 0                       | 66  |
| Total Operating Revenues  | <u>292,564</u>            | <u>1,225,314</u>        | <u>1,517,878</u>                                      |
| <u>Operating Expenses:</u>  |                           |                         |   |
| Salaries and Wages  | 98,476                    | 685,303                 | 783,779   |
| Fringe Benefits   | 14,896                    | 50,214                  | 65,110  |
| Contractual Services  | 104,157                   | 42,801                  | 146,958   |
| Materials and Supplies  | 17,027                    | 99,771                  | 116,798   |
| Other Operating Expenses  | 20,891                    | 71,001                  | 91,892  |
| In-Kind Contributions   | 0                         | 187,325                 | 187,325   |
| Depreciation  | 157,546                   | 26,469                  | 184,015   |
| Total Operating Expenses  | <u>412,993</u>            | <u>1,162,884</u>        | <u>1,575,877</u>                                      |
| Operating Income (Loss)   | <u>(120,429)</u>          | <u>62,430</u>           | <u>(57,999)</u>                                       |
| <u>Non-Operating Revenues (Expenses):</u>                               |                           |                         |   |
| Interest and Fiscal Charges   | (42,433)                  | 0                       | (42,433)  |
| Capital Contributions - Tap-in Fees                                     | 6,952                     | 0                       | 6,952   |
| Other Non-Operating Revenues  | 10,426                    | 9,510                   | 19,936  |
| Total Non-Operating Revenues (Expenses)                                 | <u>(25,055)</u>           | <u>9,510</u>            | <u>(15,545)</u>                                       |
| Net Income (Loss)   | <u>(145,484)</u>          | <u>71,940</u>           | <u>(73,544)</u>                                       |
| Retained Earnings (Deficit)<br>at Beginning of Year - Restated (Note 3) | <u>(703,564)</u>          | <u>304,447</u>          | <u>(399,117)</u>                                      |
| Retained Earnings (Deficit) at End of Year                              | <u><u>(\$849,048)</u></u> | <u><u>\$376,387</u></u> | <u><u>(\$472,661)</u></u>                             |

See accompanying notes to the general purpose financial statements

Washington County, Ohio  
Statement of Revenues, Expenses, and Changes in  
Fund Equity - Budget and Actual (Budget Basis)  
Proprietary Fund  
For the Year Ended December 31, 2001

|  | Enterprise Fund   |                 |  |
|--|-------------------|-----------------|--|
|  | Revised<br>Budget | Actual          | Variance<br>Favorable<br>(Unfavorable) |
| <u>Revenues:</u>   |                   |                 |  |
| Charges for Services   | \$277,325         | \$277,325       | \$0                                    |
| Tap-In Fees  | 6,952             | 6,952           | 0                                      |
| Other Operating Revenues                                     | 897               | 897             | 0                                      |
| Note Proceeds  | 10,000            | 10,000          | 0                                      |
| Special Assessments  | 20,590            | 20,590          | 0                                      |
|  | <u>315,764</u>    | <u>315,764</u>  | <u>0</u>                               |
| <u>Expenses:</u>   |                   |                 |  |
| Salaries and Wages   | 99,711            | 97,326          | 2,385                                  |
| Fringe Benefits  | 16,887            | 16,718          | 169                                    |
| Contractual Services   | 110,284           | 102,178         | 8,106                                  |
| Materials and Supplies                                       | 17,452            | 17,452          | 0                                      |
| Other Operating Expenses                                     | 22,438            | 22,438          | 0                                      |
| Capital Outlay   | 7,868             | 15,922          | (8,054)                                |
| Debt Principal Retirement                                    | 62,195            | 62,195          | 0                                      |
| Interest and Fiscal Charges                                  | 42,682            | 42,682          | 0                                      |
|  | <u>379,517</u>    | <u>376,911</u>  | <u>2,606</u>                           |
| Excess of Revenues Under Expenses                            | (63,753)          | (61,147)        | 2,606                                  |
| Operating Transfers Out                                      | 8,479             | 0               | (8,479)                                |
|  | <u>8,479</u>      | <u>0</u>        | <u>(8,479)</u>                         |
| Excess of Revenues Under Expenses<br>and Operating Transfers | (72,232)          | (61,147)        | 11,085                                 |
| Fund Equity at Beginning of Year                             | 63,660            | 63,660          | 0                                      |
| Prior Year Encumbrances<br>Appropriated                      | 25,612            | 25,612          | 0                                      |
|  | <u>25,612</u>     | <u>25,612</u>   | <u>0</u>                               |
| Fund Equity at End of Year                                   | <u>\$17,040</u>   | <u>\$28,125</u> | <u>\$11,085</u>                        |

See accompanying notes to the general purpose financial statements

Washington County, Ohio  
Statement of Cash Flows  
Proprietary Fund and Discretely Presented Component Unit  
For the Year Ended December 31, 2001 - Primary Government  
For the Fiscal Year Ended August 31, 2001 - Component Unit

|  | <u>Proprietary<br/>Fund Type</u> |                           | Reporting<br>Entity<br>Totals<br>(Memorandum<br>Only) |
|--|----------------------------------|---------------------------|---|
|  | <u>Enterprise</u>                | <u>Component<br/>Unit</u> |   |
| Increase (Decrease) in<br><u>Cash and Cash Equivalents</u>           |                                  |                           |   |
| <u>Cash Flows from Operating Activities:</u>                         |                                  |                           |   |
| Cash Received from Customers   | \$277,325                        | \$946,459                 | \$1,223,784   |
| Cash Payments for Employee<br>Services and Benefits                  | (114,044)                        | (735,517)                 | (849,561)   |
| Cash Payments for Goods and Services                                 | (119,213)                        | (85,798)                  | (205,011)   |
| Other Operating Revenues   | 897                              | 0                         | 897   |
| Other Operating Expenses   | (20,891)                         | 0                         | (20,891)  |
| Net Cash Provided by Operating Activities                            | <u>24,074</u>                    | <u>125,144</u>            | <u>149,218</u>  |
| <u>Cash Flows from Capital and<br/>Related Financing Activities:</u> |                                  |                           |   |
| Acquisition of Capital Assets  | (7,868)                          | (23,383)                  | (31,251)  |
| Note Proceeds  | 10,000                           | 0                         | 10,000  |
| Capital Contributions from Tap-in Fees                               | 6,952                            | 0                         | 6,952   |
| Special Assessments  | 20,590                           | 0                         | 20,590  |
| Principal Paid on Notes and Loans Payable                            | (62,195)                         | 0                         | (62,195)  |
| Interest Paid on Notes and Loans Payable                             | (42,682)                         | 0                         | (42,682)  |
| Net Cash Used in<br>Capital and Related Financing Activities         | <u>(75,203)</u>                  | <u>(23,383)</u>           | <u>(98,586)</u>                                       |
| <u>Cash Flows from Investing Activities:</u>                         |                                  |                           |   |
| Acquisition of Investment  | 0                                | (4,419)                   | (4,419)   |
| Interest   | 0                                | 9,510                     | 9,510   |
| Net Cash Provided by Investing Activities                            | <u>0</u>                         | <u>5,091</u>              | <u>5,091</u>  |
| Net Increase (Decrease) in Cash and Cash Equivalents                 | (51,129)                         | 106,852                   | 55,723  |
| Cash and Cash Equivalents at Beginning of Year                       | <u>89,272</u>                    | <u>33,102</u>             | <u>122,374</u>  |
| Cash and Cash Equivalents at End of Year                             | <u>\$38,143</u>                  | <u>\$139,954</u>          | <u>\$178,097</u>                                      |

See accompanying notes to the general purpose financial statements.

(Continued)

Washington County, Ohio  
Statement of Cash Flows  
Proprietary Fund and Discretely Presented Component Unit (Continued)  
For the Year Ended December 31, 2001 - Primary Government  
For the Fiscal Year Ended August 31, 2001 - Component Unit

|   | <u>Proprietary<br/>Fund Type</u> |                           | Reporting<br>Entity<br>Totals<br>(Memorandum<br>Only) |
|---|----------------------------------|---------------------------|---|
|   | <u>Enterprise</u>                | <u>Component<br/>Unit</u> |   |
| Reconciliation of Operating Income (Loss) to<br><u>Net Cash Provided by Operating Activities:</u> |                                  |                           |   |
| Operating Income (Loss)   | (\$120,429)                      | \$62,430                  | (\$57,999)  |
| Adjustments to Reconcile Operating Income (Loss)<br>to Net Cash Provided by Operating Activities: |                                  |                           |   |
| Depreciation Expense  | 157,546                          | 26,469                    | 184,015   |
| Changes in Assets and Liabilities:  |                                  |                           |   |
| (Increase) Decrease in Accounts Receivable  | (18,809)                         | 32,442                    | 13,633  |
| Decrease in Intergovernmental Receivables   | 831                              | 0                         | 831   |
| Decrease in Due from Other Funds  | 3,636                            | 0                         | 3,636   |
| Decrease in Materials and Supplies Inventory  | 0                                | 1,752                     | 1,752   |
| Increase in Prepaid Items   | (286)                            | (992)                     | (1,278)   |
| Increase in Accounts Payable  | 2,595                            | 5,085                     | 7,680   |
| Decrease in Retainage Payable   | (298)                            | 0                         | (298)   |
| Increase (Decrease) in Accrued Wages and Benefits Payable   | 187                              | (34)                      | 153   |
| Increase (Decrease) in Compensated Absences Payable   | 963                              | (2,008)                   | (1,045)   |
| Decrease in Intergovernmental Payables  | (1,862)                          | 0                         | (1,862)   |
| Net Cash Provided by Operating Activities   | <u>\$24,074</u>                  | <u>\$125,144</u>          | <u>\$149,218</u>                                      |

Noncash Capital and Related Financing Activities:

During 2001, the 1% Permissive Sales Tax Special Revenue Fund acquired fixed assets for the Sewer Enterprise Fund in the amount of \$10,397.

See accompanying notes to the general purpose financial statements

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
*December 31, 2001*

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION**

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

**A. Reporting Entity**

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

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Washington County, this includes the Board of Mental Retardation and Developmental Disabilities, the Mental Health and Recovery Services Board, and all departments and activities that are directly operated by the elected County Officials.

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

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



**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
*December 31, 2001*

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

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

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

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

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

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

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

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

**B. Basis of Presentation - Fund Accounting**

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

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

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

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

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

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

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

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

**Proprietary Fund Type** The proprietary fund is used to account for the County's ongoing activities which are similar to those found in the private sector. The County's proprietary fund is an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

**Expendable Trust Fund** This fund is accounted for in essentially the same manner as governmental funds.

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

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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**Account Groups** To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

**General Fixed Asset Account Group** The general fixed assets account group is used to account for all fixed assets of the County, other than those fixed assets accounted for in the proprietary fund.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Measurement Focus and Basis of Accounting**

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

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

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

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary fund.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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from property taxes is recognized in the fiscal year for which the tax is levied. (See Note 7) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: state-levied locally shared taxes, interest, grants, fees and rentals.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

#### B. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, legally are required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners. Budgetary information for Wasco, Inc. (component unit) is not reported because it is not included in the entity for which "the appropriated budget" is adopted, and does not itself maintain budgetary financial records.

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

**Estimated Resources** The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the

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annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs either to be increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources which was issued on December 31, 2001.

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

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

**Lapsing of Appropriations** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not reappropriated.

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis). Material encumbrances are disclosed in the Notes to the Financial Statements for the proprietary fund type (GAAP basis).

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*Notes to the General Purpose Financial Statements*  
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4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. For the proprietary fund, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. Revenues received by year end and not posted to cash (budget basis) are recorded as revenue (GAAP basis).

**C. Cash and Cash Equivalents**

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

During 2001, the County had investments in certificates of deposit, which are reported at cost, and in money market funds and United States Government Bonds as part of the expendable trust fund. These investments have maturities greater than three months and are reported at fair value which is based on quoted market prices. The County Court Agency Fund also holds a certificate of deposit. This certificate of deposit and the investments of the expendable trust fund are reflected on the Combined Balance Sheet as "Investments in Segregated Accounts".

Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 2001 amounted to \$1,194,561, which includes \$1,131,063 assigned from other County funds.

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

For purposes of the Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Investments for Wasco, Inc. (component unit) consist of certificates of deposit. These investments have maturities of more than three months.

**D. Receivables and Payables**

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

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

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*Notes to the General Purpose Financial Statements*  
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E. Inventory

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

G. Interfund Assets and Liabilities

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

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

H. Fixed Assets and Depreciation

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

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

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

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

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

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

I. Compensated Absences

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

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

J. Long-Term Obligation

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



**Washington County, Ohio**  
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Long-term debt and other obligations financed by the proprietary fund are reported as liabilities in the proprietary fund.

**K. Contributed Capital**

Prior to 2001, contributed capital represents resources from other funds, other governments, and customers provided to the enterprise fund that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Tap-in fees are recorded as contributed capital to the extent they exceed the actual costs of the connection to the waste water system.

Because the County had not prepared financial statements in accordance with Generally Accepted Accounting Principles prior to 1991, the exact amount of contributed capital at December 31, 1991, cannot be determined. Capital contributions received in 2001 have been recorded as revenues and are reported as increases in retained earnings based on new guidelines established by GASB Statement 33 "Accounting and Reporting for Nonexchange Transactions".

**L. Capitalization of Interest**

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

For 2001, interest costs incurred on construction projects of the proprietary fund were not material.

**M. Reserves of Fund Equity**

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

**N. Interfund Transactions**

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

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

**O. Estimates**

The preparation of the 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.

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P. Total Columns on General Purpose Financial Statements

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

**NOTE 3 - RESTATEMENT OF FUND EQUITY AND CHANGE IN ACCOUNTING PRINCIPLES**

**Changes in Accounting Principles** For 2001, the County has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues." GASB Statements No. 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or modified accrual basis of accounting is required. For revenue recognition to occur on the modified accrual basis, however, the criteria established for accrual basis revenue recognition must be met and the revenue must be available. The provisions of Statement No. 33 also require that capital contributions to proprietary funds be recognized as revenues beginning in 2001. The changes in accounting principles had the following effect on fund balances at December 31, 2000:

|   | General     | Special Revenue |
|---|-------------|-----------------|
| Fund Balances, December 31, 2000                            | \$2,414,441 | \$18,231,877    |
| GASB 33 and 36 application to Intergovernmental Receivables | 197,144     | (789,212)       |
| Adjusted Fund Balances, December 31, 2000                   | \$2,611,585 | \$17,442,665    |

During 2001, the County discovered that fixed assets and accumulated depreciation were understated in the Enterprise Fund. This adjustment had the following effect on net loss as previously reported as of December 31, 2000:

|  | Enterprise  |
|--|-------------|
| Net Loss as Previously Reported                        | (\$132,947) |
| Understatement of Accumulated Depreciation             | (284)       |
| Restated Net Loss for the Year Ended December 31, 2000 | (\$133,231) |

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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This and other changes had the following effects on retained earnings as it was previously reported as of December 31, 2000:

|  | Enterprise  |
|--|-------------|
| Balance as Previously Reported             | (\$746,821) |
| Understatement of Accumulated Depreciation | (284)       |
| Understatement of Fixed Assets             | 43,541      |
| Restated Balance as of December 31, 2000   | (\$703,564) |

The General Fixed Assets Account Group was understated by \$9,429 in the previous year. The Account Group's balance at January 1, 2001, increased from \$24,048,724 to \$24,058,153.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

|  | Excess of Revenues and Other Financing Sources<br>Over (Under) Expenditures and Other Financing Uses<br>All Governmental Fund Types and Similar Trust Fund |                    |                 |                     |                     |
|--|--|--------------------|-----------------|---------------------|---------------------|
|  | General  | Special<br>Revenue | Debt<br>Service | Capital<br>Projects | Expendable<br>Trust |
| GAAP Basis                                   | (\$512,694)  | \$1,367,626        | \$6,200         | \$44,250            | \$21,008            |
| Revenue Accruals                             | 34,603   | 1,556,378          | (228)           | 0                   | 0                   |
| Segregated Accounts                          | (15,917)   | 0                  | 0               | (540)               | 0                   |
| Unrecorded Cash                              | 7,341  | (3,354)            | 0               | 485                 | 0                   |
| Advances In                                  | 8,000  | 6,000              | 0               | 0                   | 0                   |
| Prepays                                      | (3,437)  | 55,656             | 0               | 8,919               | 0                   |
| Proceeds of Notes                            | 0  | 0                  | 0               | 81,000              | 0                   |
| Expenditure Accruals                         | (73,487)   | (846,628)          | 228             | (34,894)            | 0                   |
| Debt Service:                                |  |                    |                 |                     | 0                   |
| Principal Retirement                         | 0  | 0                  | 0               | (126,000)           | 0                   |
| Reclassification of<br>Non-budgeted Activity | 0  | 339,102            | 0               | 0                   | 0                   |
| Advances Out                                 | 0  | (14,000)           | 0               | 0                   | 0                   |
| Encumbrances                                 | (287,525)  | (2,926,940)        | 0               | 0                   | 0                   |
| Budget Basis                                 | (\$843,116)  | (\$466,160)        | \$6,200         | (\$26,780)          | \$21,008            |

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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Net Income (Loss)/Excess of Revenues Over (Under) Expenses  
 Proprietary Fund and Discretely Presented Component Unit

|  | Enterprise  | Component<br>Unit |
|--|-------------|-------------------|
| GAAP Basis   | (\$145,484) | \$71,940          |
| Revenue Accruals   | (11,130)    | 0                 |
| Note Proceeds  | 10,000      | 0                 |
| Capital Contributions  | 6,952       | 0                 |
| Expenditure Accruals   | 1,050       | 0                 |
| Depreciation   | 157,546     | 0                 |
| Debt Principal   | (62,195)    | 0                 |
| Capital Outlay   | (7,868)     | 0                 |
| Excess of Revenues<br>Collected Over Expenses<br>for Non-Budgeted Activity | 0           | (71,940)          |
| Encumbrances   | (10,018)    | 0                 |
| Budget Basis   | (\$61,147)  | \$0               |

**NOTE 5 - ACCOUNTABILITY AND COMPLIANCE**

The following funds had deficit fund balances/retained earnings as of December 31, 2001:

|                               | <u>Deficit<br/>Balances</u> |
|-------------------------------|-----------------------------|
| <u>Special Revenue Funds:</u> |                             |
| CSEA                          | \$53,527                    |
| Litter Control                | 950                         |
| Public Assistance             | 1,008,620                   |
| <br><u>Enterprise Fund:</u>   |                             |
| Sewer                         | 849,048                     |

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

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

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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**NOTE 6 - DEPOSITS AND INVESTMENTS**

**PRIMARY GOVERNMENT**

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

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

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

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

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

**Cash on Hand** At year end, the County had \$2,946 in undeposited cash on hand which is included on the balance sheet of the County as part of "Cash and Cash Equivalents."

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

**Deposits** At year end, the carrying amount of the County's deposits was \$24,026,076 and the bank balance was \$26,458,877. Of the bank balance:

1. \$675,897 was covered by federal depository insurance; and
2. \$25,782,980 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County held to a successful claim by the FDIC.

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

|                     | Interest Rates | Category 3 | Fair Value |
|---------------------|----------------|------------|------------|
| US Government Bonds | 4.125 - 7.21%  | \$312,320  | \$312,320  |

The US Government Bonds have maturities ranging from August 31, 2002 to April 9, 2008.

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

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

|                         | Cash and<br>Cash<br>Equivalents/<br>Deposits | Investments |
|-------------------------|--|-------------|
| GASB Statement 9        | \$23,992,512                                 | \$348,830   |
| Cash on Hand            | (2,946)                                      | 0           |
| Certificates of Deposit | 36,510                                       | (36,510)    |
| GASB Statement 3        | \$24,026,076                                 | \$312,320   |

**COMPONENT UNIT**

At fiscal year end, the carrying amount of Wasco, Inc.'s deposits was \$139,954 and the bank balance was \$111,146. All of the bank balances were covered by federal depository insurance. Wasco, Inc. holds two certificates of deposit totaling \$75,440. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit corporation.

**NOTE 7 - RECEIVABLES**

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2001 for real and public utility property taxes represents collections of 2000 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) are for 2001 taxes.

2001 real property taxes are levied after October 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after October 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all County operations for the year ended December 31, 2001, was \$9.05 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

|   |                 |
|---|-----------------|
| Real Property                             | \$642,782,710   |
| Public Utility Tangible Personal Property | 137,865,880     |
| Tangible Personal Property                | 231,050,950     |
| Total Assessed Value                      | \$1,011,699,540 |

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

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

The County treasurer collects property taxes on behalf of all taxing districts in the County. Property taxes receivable represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2001, and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2001 operations. The receivable is offset by deferred revenue.

**B. Intergovernmental Receivables**

|  | Amount         |
|--|----------------|
| <b>General Fund</b>                    |                |
| Local Government                       | \$659,127      |
| Homestead and Rollback                 | 107,352        |
| School Lunch Reimbursement             | 7,870          |
| Estate Tax                             | 1,335          |
| Building Regulation Fees               | 603            |
| Judge Reimbursements                   | 2,973          |
| Juvenile Center Child Support          | 2,507          |
| Sheriff Contracts                      | 2,125          |
| <i>Total General Fund</i>              | <i>783,892</i> |
| <b>Special Revenue Funds</b>           |                |
| MR/DD Gym Rental                       | 120            |
| School Outreach                        | 48,050         |
| Child Support                          | 1,210          |
| Title XIX Medicaid                     | 451,338        |
| Womens Setaside                        | 22,889         |
| Juvenile Center Block Grant            | 18,559         |
| ODMH – PASARR                          | 3,789          |
| Southern Consortium                    | 83,121         |
| ADA HB 484                             | 17,744         |
| Stark County Consumer Grants           | 3,000          |
| Jefferson County Consumer Grants       | 2,008          |
| Community Plan BG                      | 21,599         |
| D & A State (Treatment and Prevention) | 48,953         |
| Treatment Capacity Expansion           | 8,651          |
| ODADAS Womens Match                    | 12,396         |
| Child Adolescent Block Grant           | 8,534          |
| TANF (ODADAS)                          | 13,774         |
| State Subsidy                          | 811,862        |
| Ryan White                             | 6,671          |
| Title XX – Mental Health               | 40,116         |
| Food Reimbursement                     | 3,100          |



**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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|   | Amount       |
|---|--------------|
| <b>Special Revenue Funds (cont'd)</b>     |              |
| Federal Block Grant                       | \$123,976    |
| Take Pride, Ohio                          | 1,500        |
| Recycle Ohio                              | 11,320       |
| Title XX - MR/DD                          | 41,848       |
| Job Coach Services                        | 1,065        |
| Title XIX Medicaid - MRDD                 | 85,510       |
| Operating Subsidy                         | 3,879        |
| Title VI-B                                | 26,281       |
| Title VI                                  | 1,147        |
| Children Services Grants                  | 415,167      |
| Community Development Block Grant         | 23,793       |
| Law Enforcement Block Grant               | 10,382       |
| Chip Grant                                | 295,529      |
| DARE                                      | 7,115        |
| Victim Assistance                         | 20,839       |
| Juvenile Victim Assistance                | 14,361       |
| Emergency Management                      |              |
| Performance Grant                         | 2,473        |
| Urban Mass Transportation Grant           | 4,218        |
| CSEA Advance                              | 46,292       |
| Gas Excise Tax                            | 678,830      |
| Motor Vehicle License                     | 1,529,626    |
| Permissive Motor Vehicle License          | 24,175       |
| Homestead and Rollback                    | 218,775      |
| <i>Total Special Revenue Funds</i>        | 5,215,585    |
| <b>Debt Service Fund</b>                  |              |
| Homestead and Rollback                    | 8,946        |
| <b>Agency Funds</b>                       |              |
| Gas Excise Tax                            | 540,550      |
| Library and Local Government              | 1,243,121    |
| Local Government                          | 806,572      |
| Motor Vehicle License                     | 453,805      |
| <i>Total Agency Funds</i>                 | 3,044,048    |
| <i>Total Intergovernmental Receivable</i> | \$ 9,052,471 |

**NOTE 8 - PERMISSIVE SALES AND USE TAX**

In 1983, the County Commissioners, by resolution, imposed a one percent tax on all retail sales made in the County and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Proceeds of the tax are credited thirty percent to the General Fund and seventy percent to the 1% Permissive Sales Tax Special Revenue Fund until a cap is reached, and then 100 percent to the 1% Permissive Sales Tax Special Revenue Fund. At the November 1989 general election, an additional one-half percent tax was approved by the voters of the County. Proceeds of the tax are credited to the Sheriff's Sales Tax Special Revenue Fund. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of the month. The State Auditor then has five days in which to draw the warrant payable to the County. Sales tax revenues that are measurable and available at year end are accrued as revenue. Sales and use tax revenue in 2001 amounted to \$8,202,262.

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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**NOTE 9- FIXED ASSETS**

A summary of the Enterprise Fund's fixed assets at December 31, 2001 and the fixed assets of Wasco, Inc. at August 31, 2001 follows:

| Asset Category                    | Primary<br>Government | Component<br>Unit |
|-----------------------------------|-----------------------|-------------------|
| Land                              | \$3,143               | \$0               |
| Buildings                         | 418,785               | 2,605             |
| Improvements other than buildings | 6,239,875             | 0                 |
| Equipment and Furniture           | 77,650                | 114,808           |
| Vehicles                          | 60,213                | 170,317           |
| Total                             | 6,799,666             | 287,730           |
| Less Accumulated Depreciation     | (1,737,483)           | (199,127)         |
| Net Fixed Assets                  | <u>\$5,062,183</u>    | <u>\$88,603</u>   |

A summary of the changes in general fixed assets during 2001 follows:

| Asset Category          | Balance at<br>12/31/00 | Additions          | Deletions        | Balance at<br>12/31/01 |
|-------------------------|------------------------|--------------------|------------------|------------------------|
| Land                    | \$1,925,610            | \$682              | \$0              | \$1,926,292            |
| Buildings               | 10,691,511             | 9,793              | 0                | 10,701,304             |
| Machinery and Equipment | 6,779,555              | 488,924            | 270,705          | 6,997,774              |
| Furniture and Fixtures  | 1,818,125              | 235,666            | 1,183            | 2,052,608              |
| Vehicles                | <u>2,843,352</u>       | <u>359,561</u>     | <u>147,749</u>   | <u>3,055,164</u>       |
| Total                   | <u>\$24,058,153</u>    | <u>\$1,094,626</u> | <u>\$419,637</u> | <u>\$24,733,142</u>    |

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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**NOTE 10 - RISK MANAGEMENT**

**PRIMARY GOVERNMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee injuries; and natural disasters. During 2001, the County contracted with the Buckeye Joint-County Self-Insurance Council (an insurance purchasing pool, see Note 21), for liability, auto, and crime insurance for members. Each member pays a premium for their coverage. The agreement provides that the Council will be self-sustaining through member premiums. Coverage provided by the program and applicable deductibles are as follows:

|                                      | <u>Coverage</u>          | <u>Deductible</u> |
|--------------------------------------|--------------------------|-------------------|
| General Liability                    | \$2,000,000/4,000,000    | \$1,000           |
| Property Damage Liability            | 100,000/100,000          | 1,000             |
| Public Official Liability            | 2,000,000/3,000,000      | 1,000             |
| Law Enforcement                      | 2,000,000/3,000,000      | 1,000             |
| Automobile                           | 2,000,000 Per Occurrence | 0                 |
| Uninsured Motorist                   | 1,000,000 Per Occurrence | 0                 |
| Pollution Liability                  | 10,000                   | 1,000             |
| Risk Blanket Property                | Per Schedule             | 500               |
| Extra Expense                        | 1,000,000                | 500               |
| Personal Property of Others          | 100,000                  | 500               |
| Flood                                | 10,000,000               | 5,000             |
| Earthquake                           | 25,000,000               | 25,000            |
| Electronic Data Processing Equipment | 500,000                  | 500               |
| Blanket Bond                         | 250,000                  | 0                 |
| Elected Officials Bond               | Per Schedule             | 0                 |
| Money and Securities                 | 500,000                  | 500               |
| Boiler and Machinery                 | 25,000,000               | 500               |
| Inland Marine                        | Per Schedule             | 100               |
| Auto Comprehensive                   | Per Schedule             | 100               |
| Auto Collision                       | Per Schedule             | 250               |
| Nurse Liability                      | 2,000,000                | 1,000             |
| EMT/EMTA/Paramedics                  | 2,000,000/4,000,000      | 1,000             |

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

**Washington County, Ohio**  
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For 2001, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 21). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The worker's compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of Gates McDonald, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the cost of administering the program.

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

The County pays all elected official bonds by State statute.

**COMPONENT UNIT**

Professional and general liability is protected by the Erie Insurance Group with a \$1,000,000 per occurrence limit. Property damage is covered up to \$80,000 per scheduled property. Vehicles are also covered under the Erie Insurance Group with liability coverage up to \$1,000,000 per occurrence. Officers and directors liability is covered through Cincinnati Insurance Company at \$1,000,000. Settlement amounts have not exceeded this coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

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

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**A. Public Employees Retirement System**

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

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the County is required to contribute 9.25 percent. For law enforcement employees, the employee contribution is 9 percent and the employer contribution is 12 percent. Contributions are authorized by State statute. The County's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999, were \$1,425,669, \$996,462, and \$1,299,949, respectively, 97.83 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 2000 and 1999. \$30,950 represents the unpaid contribution for fiscal year 2001 and is recorded as a liability within the respective funds.

**Washington County, Ohio**  
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During 2001, the PERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits.

**B. State Teachers Retirement System**

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

For the fiscal year ended June 30, 2001, plan members were required to contribute 9.3 percent of their annual covered salaries. The County was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's required contributions for pension obligations to STRS for the years ended December 31, 2001, 2000, and 1999, were \$48,528, \$47,097 and \$41,423, respectively; 98.18 percent has been contributed for 2001 and 100 percent for 2000 and 1999. \$885 represents the unpaid contribution for 2001 and is recorded as a fund liability.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**A. Public Employees Retirement System**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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The number of active contributing participants was 411,076. The County's actual contributions for 2001 which were used to fund postemployment benefits were \$152,251. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

**B. State Teachers Retirement System**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$60,660 for 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

**NOTE 13 - OTHER EMPLOYER BENEFITS**

**A. Deferred Compensation Plan**

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

**B. Compensated Absences**

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

**C. Insurance Benefits**

The County provides employee medical/surgical benefits, life insurance, and accidental death and dismemberment insurance to employees, except Children Services and MR/DD through Anthem Blue Cross/Blue Shield. The plan has \$100 single and \$250 family deductible limits. Except for employees of the Department of Human Services, Child Support Enforcement Agency, County Home, Mental Health, Sheriff's Department, Health Department, and the Engineer Department, the County pays 75 percent of the total monthly premium for family coverage and 80 percent for single coverage. The County pays 80 percent for both single and family coverage for employees of the Department of Human Services, the Child Support Enforcement Agency, County Home, and the

**Washington County, Ohio**  
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Sheriff's Department. The County pays 100 percent for both single and family coverage for employees of the Mental Health Department. The County pays 90 percent for single coverage and 85 percent for family coverage for employees of the Engineer Department. The County pays 81 percent for both single and family coverage for employees of the Health Department. Premiums are paid from the same funds that pay the employee's salaries.

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

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

**NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE**

In prior years, the County entered into a capitalized lease for postal equipment. The lease met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defined a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the General Purpose Financial Statements for the governmental funds. The item acquired by lease has been capitalized in the General Fixed Assets Account Group in the amount of \$33,703, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the General Long-Term Obligations Account Group.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2001.

| Year Ended December 31,                 | Amount   |
|---|----------|
| 2002                                    | \$9,375  |
| 2003                                    | 9,375    |
| 2004                                    | 2,344    |
| Total Lease Payments                    | 21,094   |
| Less: Amount Representing Interest      | (1,842)  |
| Present Value of Minimum Lease Payments | \$19,252 |

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
 December 31, 2001

**NOTE 15 - CONTRACTUAL COMMITMENTS**

As of December 31, 2001, the County had contractual purchase commitments as follows:

| Projects                            | Fund  | Purchase<br>Commitments | Amounts<br>Paid as of<br>12/31/01 | Amounts<br>Remaining on<br>Contracts |
|-------------------------------------|---|-------------------------|-----------------------------------|--------------------------------------|
| Land Use Study                      | 1% Permissive Sales<br>Special Revenue Fund   | \$36,500                | \$10,906                          | \$25,594                             |
| Rainbow Creek<br>Bridge             | 1% Permissive Sales<br>Special Revenue Fund   | 36,731                  | 17,631                            | 19,100                               |
| Covered Bridge<br>Repair            | 1% Permissive Sales<br>Special Revenue Fund   | 89,728                  | 0                                 | 89,728                               |
| Sawyer Run<br>Bridge                | 1% Permissive Sales<br>Special Revenue Fund   | 131,851                 | 0                                 | 131,851                              |
| Jail and Garage<br>Site Development | 1% Permissive Sales<br>Special Revenue Fund   | 74,800                  | 0                                 | 74,800                               |
| House Numbering<br>Project          | 1% Permissive Sales<br>Special Revenue Fund   | 59,985                  | 0                                 | 59,985                               |
| Highway Garage<br>Site Development  | Motor Vehicle Gas Tax<br>Special Revenue Fund | 77,500                  | 0                                 | 77,500                               |
| County Roads 15<br>and 371          | Motor Vehicle Gas Tax<br>Special Revenue Fund | 108,160                 | 74,469                            | 33,691                               |
| Bear Creek Bridge                   | 1% Permissive Sales<br>Special Revenue Fund   | 33,348                  | 15,128                            | 18,220                               |
| <b>Total</b>                        |   | <b>\$648,603</b>        | <b>\$118,134</b>                  | <b>\$530,469</b>                     |



**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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**NOTE 16 - LONG-TERM OBLIGATIONS**

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

|  | Outstanding<br>12/31/00 | Additions        | Deletions          | Outstanding<br>12/31/01 |
|--|-------------------------|------------------|--------------------|-------------------------|
| General Long-Term Obligations:                         |                         |                  |                    |                         |
| General Obligation Bonds:                              |                         |                  |                    |                         |
| Juvenile Center - 4.40%-5.90%                          | \$1,700,000             | \$0              | \$60,000           | \$1,640,000             |
| Courthouse Renovation - 3.75%-5.00%                    | 980,000                 | 0                | 105,000            | 875,000                 |
| Building Acquisition - Human<br>Services - 3.75%-5.50% | 1,570,000               | 0                | 55,000             | 1,515,000               |
| Building Acquisition -<br>Commissioners - 3.75%-4.75%  | 245,000                 | 0                | 35,000             | 210,000                 |
| <b>Total General Obligation Bonds</b>                  | <b>4,495,000</b>        | <b>0</b>         | <b>255,000</b>     | <b>4,240,000</b>        |
| Energy Conservation Note - 5.125%                      | 103,068                 | 0                | 11,452             | 91,616                  |
| SIB Putnam Street Bridge Loan - 4.25%                  | 521,211                 | 0                | 521,211            | 0                       |
| Compensated Absences                                   | 593,933                 | 934,087          | 894,231            | 633,789                 |
| Capital Leases   | 26,764                  | 0                | 7,512              | 19,252                  |
| Tax Refund Payable                                     | 17,545                  | 0                | 8,773              | 8,772                   |
| <b>Total General Long-Term Obligations</b>             | <b>5,757,521</b>        | <b>934,087</b>   | <b>1,698,179</b>   | <b>4,993,429</b>        |
| Enterprise Fund Obligations:                           |                         |                  |                    |                         |
| OPWC Loans:  |                         |                  |                    |                         |
| Devola Sewer Loan - 0%                                 | 229,985                 | 0                | 16,428             | 213,557                 |
| Waste Water Treatment<br>Plant Loan - 4%               | 56,240                  | 0                | 11,646             | 44,594                  |
| Cherry Blossom Sewer Loan - 2%                         | 77,066                  | 0                | 3,371              | 73,695                  |
| Barlow Vincent Sewer Plant Loan - 0%                   | 191,250                 | 0                | 11,250             | 180,000                 |
| <b>Total OPWC Loans</b>                                | <b>554,541</b>          | <b>0</b>         | <b>42,695</b>      | <b>511,846</b>          |
| FHA Sewer Loans  | 852,500                 | 0                | 7,500              | 845,000                 |
| <b>Total Enterprise Fund Obligations</b>               | <b>1,407,041</b>        | <b>0</b>         | <b>50,195</b>      | <b>1,356,846</b>        |
| <b>Total Long-Term Obligations</b>                     | <b>\$7,164,562</b>      | <b>\$934,087</b> | <b>\$1,748,374</b> | <b>\$6,350,275</b>      |

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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The Courthouse Renovation, Juvenile Center Construction, and the Commissioners portion of the Building Acquisition general obligation bonds are unvoted and will be retired from the General Bond Retirement Fund with general property tax revenues. The Human Services portion of the Building Acquisition general obligation bonds are unvoted and will be retired from the Human Services Bond Retirement Fund with rental payments received from the Public Assistance Special Revenue Fund. The Energy Conservation Note is unvoted and will be retired with monies realized through energy savings. The capital lease is being paid for by the General Fund.

In 1998, the County entered into a loan agreement for \$1,530,000 with the State Infrastructure Bank for the construction of the Putnam Street bridge. The loan was issued for seven years, one year at 0% interest and 4% interest thereafter; however, the County elected to pay off the loan early. The loan was paid through pledged sales tax revenues.

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

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

The following is a summary of the County's future annual principal and interest (of \$1,989,530) requirements to retire general obligation bonds:

| Year Ended<br>December 31, | Total       |
|----------------------------|-------------|
| 2002                       | \$486,322   |
| 2003                       | 483,542     |
| 2004                       | 485,032     |
| 2005                       | 480,552     |
| 2006                       | 480,378     |
| 2007 – 2011                | 1,722,779   |
| 2012 – 2016                | 1,478,960   |
| 2017 - 2018                | 611,965     |
|                            | \$6,229,530 |

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

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
 December 31, 2001

The following is a summary of the County's future annual principal and interest (of \$928,616) requirements to retire loans:

| Year Ended<br>December 31, | Total       |
|----------------------------|-------------|
| 2002                       | \$91,812    |
| 2003                       | 92,476      |
| 2004                       | 92,192      |
| 2005                       | 85,816      |
| 2006                       | 78,996      |
| 2007 – 2011                | 393,471     |
| 2012 – 2016                | 365,616     |
| 2017 – 2021                | 266,141     |
| 2022 – 2026                | 220,177     |
| 2027 - 2037                | 598,765     |
|                            | \$2,285,462 |

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total valuation of the County. The Code further provides that the total shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The County's overall legal debt margin was \$19,686,185 at December 31, 2001.

Pursuant to State statute, various industrial revenue bonds have been issued for private industry within the County. The proceeds of the industrial revenue bonds are used by the various private industries for new construction or improvements. The bonds are to be repaid by the recipients of the proceeds and do not represent an obligation of the County. As of December 31, 2001, \$63,455,000 of industrial revenue bonds had been issued, and \$52,027,242 of those remained outstanding.

**NOTE 17 - NOTES PAYABLE**

A summary of the note transactions for the year ended December 31, 2001, follows:

|                                       | Outstanding<br>12/31/00 | Additions | Reductions | Outstanding<br>12/31/01 |
|---------------------------------------|-------------------------|-----------|------------|-------------------------|
| Capital Projects Fund:                |                         |           |            |                         |
| Detention Center<br>Computers - 3.85% | \$126,000               | \$81,000  | \$126,000  | \$81,000                |
| Enterprise Fund:                      |                         |           |            |                         |
| Cherry Blossom - 3.85%                | 12,000                  | 10,000    | 12,000     | 10,000                  |
| Total All Funds                       | \$138,000               | \$91,000  | \$138,000  | \$91,000                |

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
*December 31, 2001*

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

**NOTE 18 - INTERFUND TRANSACTIONS**

Due from Other Funds and Due to Other Funds at December 31, 2001, consisted of the following:

| <u>Due from/to Other Funds</u>      | <u>Recipient</u>          | <u>Payer</u>              |
|-------------------------------------|---------------------------|---------------------------|
| General Fund                        | <u>\$2,575,586</u>        | <u>\$30</u>               |
| Special Revenue Funds:              |                           |                           |
| Mental Health                       | 0                         | 4,990                     |
| Public Assistance                   | 0                         | 17,813                    |
| Child Support Enforcement Agency    | 0                         | 3,045                     |
| Certificate of Title Administration | 16,220                    | 0                         |
| Sheriff Sales Tax                   | 0                         | 30                        |
| Victim Assistance                   | 0                         | 324                       |
| MR/DD                               | 2,938,387                 | 170                       |
| Senior Citizens Levy                | 767,022                   | 0                         |
| County Home                         | 1,964,470                 | 0                         |
| Children Services                   | <u>17,813</u>             | <u>2,585</u>              |
| Total Special Revenue Funds         | <u>5,703,912</u>          | <u>28,957</u>             |
| Bond Retirement Fund                | <u>210,286</u>            | <u>0</u>                  |
| Sewer Enterprise Fund               | <u>319,874</u>            | <u>0</u>                  |
| Agency Funds:                       |                           |                           |
| Undivided Tax                       | 0                         | 8,767,236                 |
| County Court Agency                 | 0                         | 16,220                    |
| Family and Children First           | 2,585                     | 0                         |
| Health                              | <u>200</u>                | <u>0</u>                  |
| Total Agency Funds                  | <u>2,785</u>              | <u>8,783,456</u>          |
| Total Due from/to Other Funds       | <u><u>\$8,812,443</u></u> | <u><u>\$8,812,443</u></u> |

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
*December 31, 2001*

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Interfund Receivables and Payables at December 31, 2001, consisted of the following:

| <u>Interfund Receivables and Payables</u> | <u>Receivable</u> | <u>Payable</u> |
|---|-------------------|----------------|
| Special Revenue Funds:                    |                   |                |
| 1% Permissive Sales Tax                   | \$577             | \$0            |
| Urban Mass Transportation                 | 0                 | 577            |
| Youth Services                            | 23,507            | 0              |
| Felony Delinquent Care                    | 0                 | 23,507         |
| Total                                     | \$24,084          | \$24,084       |

**NOTE 19 JOINTLY GOVERNED ORGANIZATIONS**

A. Buckeye Hills-Hocking Valley Regional Development District

The Buckeye Hills-Hocking Valley Regional Developmental District serves as the Area Agency on Aging for Washington, Athens, Hocking, Meigs, Monroe, Morgan, Noble, and Perry Counties. The District was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The District is governed by a fifteen member board of directors. The board is composed of one County Commissioner from each county, one member from the City of Athens, one member from the City of Marietta, four at-large members appointed from the ten government members, and one member from the minority sector. The board has total control over budgeting, personnel, and all other financial matters. The District administers County Community Development Block Grant and Issue II monies. During 2001, the District received \$4,543 in administrative fees from Washington County. The continued existence of the District is not dependent on the County's continued participation and no equity interest exists.

B. Joint Solid Waste District

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

The Joint Solid Waste District is governed and operated through three groups. An eighteen-member board of directors, composed of the three Commissioners from each County, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no contributions were received from the County in 2001. No future contributions by the County are anticipated. A thirty-one member policy committee composed of five members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the Policy Committee. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
*December 31, 2001*

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C. Washington County Family and Children First Council

The Washington County Family and Children First Council provides services to multi-need youth in Washington County. Members of the Cluster include the Washington County Health Department, the Regional Office of Youth Services, the Washington County Juvenile Court, the Washington County Mental Health Board, Washington County Children Services, the General Health District, a representative from the City of Marietta Health Department, and a representative of the Washington County School Districts. The operation of the Council is controlled by an advisory committee which consists of a representative from each agency. In 2001, the County contributed \$186,239. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists.

D. Washington-Morgan Community Action Corporation

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

E. Wood, Washington, and Wirt Planning Commission

The Wood, Washington, and Wirt Planning Commission was created to fulfill the requirements governing urban transportation planning under the Federal Highway Administration and Urban Mass Transportation Administration program regulations in Wood, Washington, and Wirt Counties. The Commission was formed pursuant to West Virginia Code Sections and Ohio Revised Code Section 713.30 and serves as a form of a regional planning commission. The Commission is composed of representatives from county and city governments and a cross section of members from the community appointed by the governmental units. Currently, the Commission has eight governmental representatives and one Washington County Commissioner serves on the Commission. Revenues are derived from Federal Highway and Federal Transportation Administration Grants distributed by the States of Ohio and West Virginia. Local governments contribute a ten percent local match. In 2001, the County did not contribute to the Commission. The continued existence of the Commission is not dependent on the County's continued participation and no equity interest exists.

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
*December 31, 2001*

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**NOTE 20 - RELATED ORGANIZATION**

The Washington County Public Library is statutorily created as a separate and distinct political subdivision of the State governed by a board of trustees consisting of seven members. The Washington County Commissioners appoint three members. The County made no contributions to the Public Library. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the County for operational subsidies. Although the County does serve as the taxing authority of the Library, this is strictly a ministerial function. Once the board of trustees has determined that a levy is necessary, its amount, and its duration, the County must place the levy before the voters. The Library may issue debt or the County may provide facilities for the Library through the issuance of debt if the voters agree.

**NOTE 21 - INSURANCE PURCHASING POOLS**

A. Buckeye Joint-County Self-Insurance Council

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

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

In the event of losses, the first \$250 to \$2,500 of any valid claim, depending on type of loss, will be paid by the member. The next payment, with a maximum pay out ranging from \$100,000 to \$1,000,000 per occurrence, will come from the self-insurance pool based on the member's percentage of contribution. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments. Washington County does not have any ongoing financial interest or responsibility. The agreement between the counties and the Council indicates that a voluntary withdrawal or termination by any county shall constitute a forfeiture of any pro rate share of the Council reserve fund. Current calculation of this potential residual interest is, therefore, not possible. During 2001, Washington County paid \$155,147 to the Council for insurance coverage.

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

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

**Washington County, Ohio**  
*Notes to the General Purpose Financial Statements*  
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A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the President and Treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than member of the group executive committee in any year and each elected member shall be a County Commissioner.

**NOTE 22 - FOOD STAMPS**

The County's Department of Human Services (Welfare) distributes, through contracting issuance centers, federal food stamps to entitled recipients within Washington County. The receipt and issuance of these stamps have the characteristics of a federal grant. However, the Department of Human Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. The County's Department of Human Services had on hand for distribution approximately \$6,690 of federal food stamps at December 31, 2001.

**NOTE 23 - RELATED PARTY TRANSACTIONS**

Wasco, Inc., a discretely presented component unit of Washington County, received contributions from the County for facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of its program. These contributions are reflected as operating revenues and operating expenses at cost or fair market value, as applicable, in the General Purpose Financial Statements in the amount of \$303,825. Additional habilitative services provided directly to the component unit's clients by the County amounted to \$992,996.

**NOTE 24 - CONTINGENT LIABILITIES**

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

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



**WASHINGTON COUNTY, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

| <u>FEDERAL GRANTOR/<br/>GRANTOR/PASS-THROUGH AGENCY<br/>Program Title</u> | <u>FEDERAL<br/>CFDA<br/>NUMBER</u> | <u>PASS-THROUGH<br/>GRANTOR'S<br/>NUMBER</u> | <u>EXPENDITURES</u> |
|---|------------------------------------|--|---------------------|
| <b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>                        |                                    |  |                     |
| Passed through Ohio Department of Development:                            |                                    |  |                     |
| Community Development Block Grants:                                       |                                    |  |                     |
| Community Housing Improvement   | 14.228                             | B-C-00-077-1                                 | \$ 64,875           |
| Small Cities - Formula Allocation Program                                 | 14.228                             | B-F-99-077-1                                 | 77,714              |
| Small Cities - Formula Allocation Program                                 | 14.228                             | B-F-00-077-1                                 | 11,908              |
| Total #14.228   |                                    |  | <u>154,497</u>      |
| Community Housing Improvement (HOME)                                      | 14.239                             | B-C-00-077-2                                 | <u>105,587</u>      |
| <b>Total Department of Housing and Urban Development</b>                  |                                    |  | <u>260,084</u>      |
| <b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>                     |                                    |  |                     |
| Retired and Senior Volunteer Program                                      | 94.002                             | 440N002/20                                   | <u>60,633</u>       |
| <b>DEPARTMENT OF EDUCATION</b>  |                                    |  |                     |
| Passed through Ohio Department of Education:                              |                                    |  |                     |
| Indicators of Success   | 84.173                             | 066274-PG-SC-2001P                           | 2,435               |
| Pre-school Disabilities Grant   | 84.173                             | 066274-PG-S1-989D                            | 9,685               |
| Total #84.173   |                                    |  | <u>12,120</u>       |
| Inovative Education Program Strategies                                    | 84.298                             | 066274-C2-S1-2002                            | <u>766</u>          |
| <b>Total Department of Education</b>                                      |                                    |  | <u>12,886</u>       |
| <b>DEPARTMENT OF JUSTICE</b>  |                                    |  |                     |
| Public Safety Partnership and Community:                                  |                                    |  |                     |
| Policing Grants (COPS More)   | 16.710                             | n/a  | <u>22,703</u>       |
| Passed through the Office of Criminal Justice Services:                   |                                    |  |                     |
| Law Enforcement Block Grant   | 16.592                             | n/a  | <u>2,377</u>        |
| Passed through the Ohio Attorney General:                                 |                                    |  |                     |
| Crime Victims Assistance  | 16.582                             | n/a  | 25,848              |
| Juvenile Crime Victims Assistance   | 16.582                             | n/a  | 19,254              |
| Subtotal  |                                    |  | <u>45,102</u>       |
| <b>Total Department of Justice</b>  |                                    |  | <u>70,182</u>       |
| <b>DEPARTMENT OF AGRICULTURE</b>  |                                    |  |                     |
| Passed through the Ohio Department of Education:                          |                                    |  |                     |
| Child Nutrition Cluster:  |                                    |  |                     |
| National School Lunch Program   | 10.555                             | n/a  | 51,328              |
| National School Breakfast Program   | 10.553                             | n/a  | <u>10,496</u>       |
| <b>Total Department of Agriculture</b>                                    |                                    |  | <u>61,824</u>       |
| <b>DEPARTMENT OF TRANSPORTATION</b>                                       |                                    |  |                     |
| Passed through Ohio Department of Transportation:                         |                                    |  |                     |
| Section 18 Operating Assistance Grant                                     | 20.509                             | RPT-4084-02-0011                             | 107,989             |
| Highway Planning and Construction   | 20.521                             | 10513  | 250,000             |
| <b>Total Department of Transportation</b>                                 |                                    |  | <u>357,989</u>      |

(continued)

**WASHINGTON COUNTY, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

| <u>FEDERAL GRANTOR/<br/>GRANTOR/PASS-THROUGH AGENCY<br/>Program Title</u>                | <u>FEDERAL<br/>CFDA<br/>NUMBER</u> | <u>PASS-THROUGH<br/>GRANTOR'S<br/>NUMBER</u> | <u>EXPENDITURES</u> |
|--|------------------------------------|--|---------------------|
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>  |                                    |  |                     |
| Passed through the Ohio Department of Mental Retardation and Developmental Disabilities: |                                    |  |                     |
| Title XX-Social Services Block Grant   | 93.667                             | n/a  | 45,194              |
| Title XIX-Medical Assistance Program   | 93.778                             | n/a  | 840,121             |
| Passed through the Ohio Department of Alcohol and Drug Addiction Services:               |                                    |  |                     |
| Title XIX-Medical Assistance Program   | 93.778                             | n/a  | 128,687             |
| Substance Abuse Prevention & Treatment Block Grant                                       | 93.959                             | n/a  | 199,102             |
| Women's Setaside   | 93.959                             | n/a  | 26,052              |
| Total #93.959  |                                    |  | <u>225,154</u>      |
| Passed through the Ohio Department of Mental Health:                                     |                                    |  |                     |
| Title XX-Social Services Block Grant   | 93.667                             | n/a  | 42,160              |
| Title XIX-Medical Assistance Program   | 93.778                             | n/a  | 822,897             |
| Community Plan   | 93.958                             | n/a  | 73,236              |
| Passed through the Ohio Department of Human Services:                                    |                                    |  |                     |
| Consolidated Knowledge Development & Application Prog.                                   | 93.230                             | n/a  | 48,234              |
| Passed through the Ohio Department of Health:  |                                    |  |                     |
| Tobacco Prevention Project   | 93.283                             | n/a  | 23                  |
| Health Alert Network   | 93.283                             | n/a  | 56,835              |
| Total #93.283  |                                    |  | <u>56,858</u>       |
| Maternal and Child Health Block Grant - Dental Sealant Grant                             | 93.994                             | n/a  | <u>27,083</u>       |
| <b>Total Department of Health and Human Services</b>                                     |                                    |  | <u>2,309,624</u>    |
| <b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>   |                                    |  |                     |
| Passed through the Ohio Department of Public Safety:                                     |                                    |  |                     |
| State and Local Assistance Program   | 83.552                             | n/a  | <u>9,696</u>        |
| <b>Total Federal Emergency Management Agency</b>   |                                    |  | <u>9,696</u>        |
| <b>DEPARTMENT OF LABOR</b>   |                                    |  |                     |
| Passed through the Ohio Department of Jobs and Family Services:                          |                                    |  |                     |
| Workforce Investment Act - Adult   | 17.258                             | n/a  | 366,546             |
| Workforce Investment Act - Youth   | 17.259                             | n/a  | 381,653             |
| Workforce Investment Act - Dislocated  | 17.260                             | n/a  | 180,157             |
| <b>Total Department of Labor</b>   |                                    |  | <u>928,356</u>      |
| <b>TOTAL</b>   |                                    |  | <u>\$ 4,071,274</u> |

The total amount expended under CFDA # 93.778 - Title XIX - Medical Assistance Program was \$ 1,791,705.  
The total amount expended under CFDA # 93.667 - Title XX - Social Services Block Grant was \$ 87,354.

The accompanying notes are an integral part of this schedule.

**WASHINGTON COUNTY, OHIO  
YEAR ENDED DECEMBER 31, 2001**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - SUBRECIPIENTS**

The County passes-through certain Federal assistance received to other governments or not-for-profit agencies (subrecipients). As described in Note A, the Government records expenditures of Federal awards to subrecipients when paid in cash.

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

**NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on real estate and liens on business equipment. At December 31, 2001, the gross amount of loans outstanding under this program were \$22,600.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

**NOTE E - REISSUANCE**

A reissuance of the 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 was issued on November 26, 2002. This reissuance of this report was caused by the failure to report the Workforce Investment Act (CFDA Nos. 17.258, 17.259, and 17.260) on the County's Schedule of Federal Awards Expenditures as of June 7, 2002.

# SNODGRASS

Certified Public Accountants and Consultants



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

Board of Commissioners  
Washington County  
Marietta, Ohio

We have audited the general purpose financial statements of Washington County, Ohio as of and for the year ended December 31, 2001, and have issued our report thereon dated June 7, 2002. 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. We did not audit the financial statement so Wasco, Inc., the County's only discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts discretely presented for Wasco, Inc., is based solely on the report of the other auditors.

### Compliance

As part of obtaining reasonable assurance about whether Washington County, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Washington County, Ohio in a separate letter dated June 7, 2002.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Washington County, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in

the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Washington County, Ohio in a separate letter dated June 7, 2002.

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



*S. N. Snodgrass, A.C.*

Wheeling, West Virginia  
June 7, 2002



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

Board of Commissioners  
Washington County  
Marietta, Ohio

### Compliance

We have audited the compliance of Washington County, Ohio with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the management of the County. Our responsibility is to express an opinion on Washington County, Ohio's compliance based on our audit.

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

In our opinion, Washington County, Ohio complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001. However, we noted certain immaterial instances of noncompliance, which we have reported to the management of Washington County, Ohio in a separate letter dated June 7, 2021.



Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over compliance, which we have reported to the management of Washington County, Ohio in a separate letter dated June 7, 2002.

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

*J. N. Snodgrass, A.C.*

Wheeling, West Virginia  
November 26, 2002

**WASHINGTON COUNTY, OHIO  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2001**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:

A unqualified opinion has been issued on the financial statements of Washington County, Ohio as of and for the year ended December 31, 2001, dated June 7, 2002.

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Reportable condition(s) identified not considered to be material weaknesses?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Reportable condition(s) identified not considered to be material weaknesses?  Yes  No

An unqualified opinion has been issued on the compliance for major programs of Washington County, Ohio as of and for the year ended December 31, 2001, dated June 7, 2002.

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

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program</u>  |
|--------------------|---|
| 93.778             | U.S. Department of Health & Human Services - Title XIX - Medical Assistance Program |
| 17.258             | U.S. Department of Labor - Workforce Investment Act - Adult                         |
| 17.259             | U.S. Department of Labor - Workforce Investment Act - Youth                         |
| 17.260             | U.S. Department of Labor - Workforce Investment Act - Dislocated                    |

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

Washington County, Ohio qualified as a low-risk auditee for the year ended December 31, 2001.



**Washington County, Ohio**  
**SCHEDULE OF FINDINGS (CONTINUED)**  
**DECEMBER 31, 2001**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

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

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

Findings and Questioned Costs for Federal Awards

We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended December 31, 2001.

**WASHINGTON COUNTY, OHIO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2001**

There were no prior audit findings which required corrective action.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140  
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800-282-0370  
Facsimile 614-466-4490

## WASHINGTON COUNTY FINANCIAL CONDITION

### WASHINGTON COUNTY

#### CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
FEBRUARY 20, 2003