



**DARKE COUNTY
FINANCIAL CONDITION**

DARKE COUNTY

SINGLE AUDIT

JANUARY 1, 1999 THROUGH DECEMBER 31, 1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**DARKE COUNTY
FINANCIAL CONDITION**

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REPORT OF INDEPENDENT ACCOUNTANTS

County Commissioners
County Auditor
County Treasurer
Darke County
504 South Broadway Street
Greenville, Ohio 45331

We have audited the accompanying general-purpose financial statements of Darke County, Ohio (the County) as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 28, 2000

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**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1999**

| | Government Fund Types | | | | Proprietary Fund Types | | Fiduciary Fund Type |
|-------------------------------------------------------------------|-----------------------|----------------------|-----------------|---------------------|------------------------|---------------------|------------------------|
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise | Internal Service | Agency |
| Assets and Other Debits | | | | | | | |
| Assets: | | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 2,419,805 | \$ 8,601,506 | \$ 1,936 | \$ 536,717 | \$ 403,587 | \$ 763 | \$ 2,665,511 |
| Cash and Cash Equivalents in Segregated Accounts | 31,131 | 65,530 | 0 | 0 | 0 | 777,472 | 209,072 |
| Investments in Segregated Accounts | 0 | 70,161 | 0 | 0 | 0 | 0 | 20,000 |
| Receivables: | | | | | | | |
| Taxes | 2,904,820 | 1,826,171 | 0 | 0 | 0 | 0 | 26,974,394 |
| Accounts | 32,741 | 32,694 | 2,838 | 0 | 34,100 | 27,179 | 0 |
| Special Assessments | 0 | 4,784 | 0 | 1,791 | 0 | 0 | 10,016 |
| Accrued Interest | 158,414 | 42,597 | 0 | 0 | 0 | 0 | 0 |
| Due from Other Governments | 36,298 | 420,965 | 0 | 0 | 0 | 0 | 1,266,513 |
| Material and Supplies Inventory | 53,417 | 137,437 | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 70,492 | 15 | 0 | 0 | 0 | 0 | 0 |
| Fixed Assets (Net, where applicable, of Accumulated Depreciation) | 0 | 0 | 0 | 0 | 56,212 | 0 | 0 |
| Other Debits: | | | | | | | |
| Amount Available in General Obligation Bond Retirement Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount to be Provided from General Government Resources | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Assets and Other Debits | \$ 5,707,118 | \$ 11,201,860 | \$ 4,774 | \$ 538,508 | \$ 493,899 | \$ 805,414 | \$ 31,145,506 |
| Liabilities, Fund Equity and Other Credits | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable | \$ 150,089 | \$ 334,773 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Contracts Payable | 0 | 37,505 | 0 | 0 | 0 | 0 | 0 |
| Accrued Wages | 156,347 | 244,824 | 0 | 0 | 2,616 | 0 | 0 |
| Compensated Absences Payable | 33,728 | 51,856 | 0 | 0 | 2,655 | 0 | 0 |
| Intergovernmental Payable | 241,753 | 382,284 | 0 | 0 | 4,022 | 0 | 0 |
| Due to Other Governments | 0 | 0 | 0 | 0 | 0 | 0 | 26,984,410 |
| Deferred Revenue | 2,227,369 | 1,893,864 | 0 | 1,791 | 0 | 0 | 0 |
| Undistributed Monies | 159 | 0 | 0 | 0 | 0 | 0 | 4,161,096 |
| Deposits Held and Due to Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Claims Payable | 0 | 0 | 0 | 0 | 0 | 260,151 | 0 |
| General Obligations Payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 2,809,445 | 2,945,106 | 0 | 1,791 | 9,293 | 260,151 | 31,145,506 |
| Fund Equity and Other Credits: | | | | | | | |
| Investment in General Fixed Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contributed Capital | 0 | 0 | 0 | 0 | 46,038 | 0 | 0 |
| Retained Earnings: | | | | | | | |
| Unreserved | 0 | 0 | 0 | 0 | 438,568 | 545,263 | 0 |
| Fund Balance: | | | | | | | |
| Reserved for Encumbrances | 45,528 | 377,609 | 0 | 0 | 0 | 0 | 0 |
| Reserved for Inventory | 53,417 | 137,437 | 0 | 0 | 0 | 0 | 0 |
| Reserved for Unclaimed Monies | 26,150 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unreserved | 2,772,578 | 7,741,708 | 4,774 | 536,717 | 0 | 0 | 0 |
| Total Fund Equity and Other Credits | 2,897,673 | 8,256,754 | 4,774 | 536,717 | 484,606 | 545,263 | 0 |
| Total Liabilities, Fund Equity and Other Credits | 5,707,118 | 11,201,860 | 4,774 | 538,508 | 493,899 | 805,414 | 31,145,506 |

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

**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1999**

| | <u>Account Groups</u> | | <u>Total Primary Government (Memorandum Only)</u> | <u>Component Units</u> | <u>Total Reporting Entity (Memorandum Only)</u> |
|---------------------------------------------------------|-------------------------------------|----------------------------------------------|-----------------------------------------------------------|----------------------------|-------------------------------------------------------------|
| | <u>General Fixed Assets</u> | <u>General Long-Term Obligations</u> | | | |
| Assets and Other Debits | | | | | |
| Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 0 | \$ 0 | \$ 14,629,825 | \$ 0 | \$ 14,629,825 |
| Cash and Cash Equivalents in | | | | | |
| Segregated Accounts | 0 | 0 | 1,083,205 | 87,731 | 1,170,936 |
| Investments in Segregated Accounts | 0 | 0 | 90,161 | 205,209 | 295,370 |
| Receivables: | | | | | |
| Taxes | 0 | 0 | 31,705,385 | 0 | 31,705,385 |
| Accounts | 0 | 0 | 129,552 | 21,627 | 151,179 |
| Special Assessments | 0 | 0 | 16,591 | 0 | 16,591 |
| Accrued Interest | 0 | 0 | 201,011 | 0 | 201,011 |
| Due from Other Governments | 0 | 0 | 1,723,776 | 0 | 1,723,776 |
| Material and Supplies Inventory | 0 | 0 | 190,854 | 0 | 190,854 |
| Prepaid Items | 0 | 0 | 70,507 | 0 | 70,507 |
| Fixed Assets (Net, where applicable, of | | | | | |
| Accumulated Depreciation) | 14,469,860 | 0 | 14,526,072 | 76,788 | 14,602,860 |
| Other Debits: | | | | | |
| Amount Available in General Obligation Bond | | | | | |
| Retirement Fund | 0 | 1,936 | 1,936 | 0 | 1,936 |
| Amount to be Provided from | | | | | |
| General Government Resources | 0 | 1,431,280 | 1,431,280 | 0 | 1,431,280 |
| Total Assets and Other Debits | \$ 14,469,860 | \$ 1,433,216 | \$ 65,800,155 | \$ 391,355 | \$ 66,191,510 |
| Liabilities, Fund Equity and Other Credits | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 484,862 | \$ 3,213 | 488,075 |
| Contracts Payable | 0 | 0 | 37,505 | 0 | 37,505 |
| Accrued Wages | 0 | 0 | 403,787 | 0 | 403,787 |
| Compensated Absences Payable | 0 | 973,216 | 1,061,455 | 0 | 1,061,455 |
| Intergovernmental Payable | 0 | 0 | 628,059 | 0 | 628,059 |
| Due to Other Funds | 0 | 0 | 0 | 0 | 0 |
| Due to Other Governments | 0 | 0 | 26,984,410 | 0 | 26,984,410 |
| Deferred Revenue | 0 | 0 | 4,123,024 | 0 | 4,123,024 |
| Undistributed Monies | 0 | 0 | 4,161,255 | 0 | 4,161,255 |
| Deposits Held and Due to Others | 0 | 0 | 0 | 0 | 0 |
| Claims Payable | 0 | 0 | 260,151 | 0 | 260,151 |
| General Obligations Payable | 0 | 460,000 | 460,000 | 0 | 460,000 |
| Total Liabilities | 0 | 1,433,216 | 38,604,508 | 3,213 | 38,607,721 |
| Fund Equity and Other Credits: | | | | | |
| Investment in General Fixed Assets | 14,469,860 | 0 | 14,469,860 | 0 | 14,469,860 |
| Contributed Capital | 0 | 0 | 46,038 | 0 | 46,038 |
| Retained Earnings: | | | | | |
| Unreserved | 0 | 0 | 983,831 | 388,142 | 1,371,973 |
| Fund Balance: | | | | | |
| Reserved for Encumbrances | 0 | 0 | 423,137 | 0 | 423,137 |
| Reserved for Inventory | 0 | 0 | 190,854 | 0 | 190,854 |
| Reserved for Unclaimed Monies | 0 | 0 | 26,150 | 0 | 26,150 |
| Unreserved | 0 | 0 | 11,055,777 | 0 | 11,055,777 |
| Total Fund Equity and Other Credits | 14,469,860 | 0 | 27,195,647 | 388,142 | 27,583,789 |
| Total Liabilities, Fund Equity and Other Credits | \$ 14,469,860 | \$ 1,433,216 | \$ 65,800,155 | \$ 391,355 | \$ 66,191,510 |

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

**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>Government Fund Types</u> | | | | <u>Total (Memorandum Only)</u> |
|---------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|-------------------------|-----------------------------|----------------------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | |
| Revenues: | | | | | |
| Property and Other Taxes | \$ 2,023,138 | \$ 1,632,278 | \$ 0 | \$ 0 | \$ 3,655,416 |
| Permissive Sales Tax | 3,956,546 | 0 | 0 | 0 | 3,956,546 |
| Intergovernmental | 1,053,042 | 9,019,823 | 0 | 394,545 | 10,467,410 |
| Charges for Services | 1,268,117 | 3,059,150 | 0 | 7,847 | 4,335,114 |
| Licenses and Permits | 4,835 | 0 | 0 | 0 | 4,835 |
| Fines and Forfeitures | 357,242 | 69,916 | 0 | 0 | 427,158 |
| Special Assessments | 0 | 145,383 | 0 | 0 | 145,383 |
| Interest | 740,705 | 159,358 | 0 | 0 | 900,063 |
| Other | 141,519 | 365,428 | 24,902 | 0 | 531,849 |
| Total Revenues | <u>9,545,144</u> | <u>14,451,336</u> | <u>24,902</u> | <u>402,392</u> | <u>24,423,774</u> |
| Expenditures: | | | | | |
| General Government: | | | | | |
| Legislative and Executive | 3,824,642 | 347,540 | 0 | 0 | 4,172,182 |
| Judicial | 1,151,116 | 243,336 | 0 | 0 | 1,394,452 |
| Public Safety | 2,767,878 | 344,776 | 0 | 0 | 3,112,654 |
| Public Works | 308,623 | 4,037,030 | 0 | 0 | 4,345,653 |
| Health | 90,311 | 3,330,732 | 0 | 0 | 3,421,043 |
| Human Services | 1,212,188 | 6,375,743 | 0 | 0 | 7,587,931 |
| Economic Development and Assistance | 119,392 | 20,857 | 0 | 0 | 140,249 |
| Miscellaneous | 11,086 | 0 | 0 | 0 | 11,086 |
| Capital Outlay | 0 | 2,303 | 0 | 601,203 | 603,506 |
| Debt Service: | | | | | |
| Principal Retirement | 0 | 0 | 40,000 | 0 | 40,000 |
| Interest and Fiscal Charges | 0 | 0 | 30,365 | 0 | 30,365 |
| Total Expenditures | <u>9,485,236</u> | <u>14,702,317</u> | <u>70,365</u> | <u>601,203</u> | <u>24,859,121</u> |
| Excess of Revenues Over/ (Under) Expenditures | <u>59,908</u> | <u>(250,981)</u> | <u>(45,463)</u> | <u>(198,811)</u> | <u>(435,347)</u> |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfers In | 0 | 191,740 | 29,223 | 26,359 | 247,322 |
| Operating Transfers Out | (117,011) | (147,740) | 0 | (131) | (264,882) |
| Other Financing Sources | 113,852 | 609,359 | 0 | 0 | 723,211 |
| Other Financing Uses | (353,379) | (5,155) | 0 | 0 | (358,534) |
| Total Other Financing Sources (Uses) | <u>(356,538)</u> | <u>648,204</u> | <u>29,223</u> | <u>26,228</u> | <u>347,117</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (296,630) | 397,223 | (16,240) | (172,583) | (88,230) |
| Fund Balance at Beginning of Year | 3,200,852 | 7,871,847 | 21,014 | 709,300 | 11,803,013 |
| Unexpended Prior Year Encumbrances | (6,549) | (12,316) | 0 | 0 | (18,865) |
| Fund Balance at End of Year | <u>\$2,897,673</u> | <u>\$8,256,754</u> | <u>\$4,774</u> | <u>\$536,717</u> | <u>\$11,695,918</u> |

**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

| | General Fund | | | Special Revenue Fund | | |
|---------------------------------------------------------------------------------------------------------|--------------------|--------------------|----------------------------------------|----------------------|--------------------|----------------------------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Property and Other Taxes | \$ 1,907,200 | \$ 1,992,547 | \$ 85,347 | \$ 1,604,400 | \$ 1,663,953 | \$ 59,553 |
| Permissive Sales Tax | 3,500,000 | 3,956,546 | 456,546 | 0 | 0 | 0 |
| Charges for Services | 1,273,065 | 1,262,513 | (10,552) | 3,071,342 | 3,035,294 | (36,048) |
| Licenses and Permits | 5,160 | 4,835 | (325) | 0 | 0 | 0 |
| Fines and Forfeitures | 318,406 | 357,242 | 38,836 | 67,294 | 69,916 | 2,622 |
| Intergovernmental | 1,029,800 | 1,070,321 | 40,521 | 8,116,072 | 8,976,937 | 860,865 |
| Special Assessments | 0 | 0 | 0 | 159,378 | 147,941 | (11,437) |
| Interest | 406,417 | 717,728 | 311,311 | 128,690 | 154,760 | 26,070 |
| Other | 77,170 | 153,742 | 76,572 | 495,255 | 369,338 | (125,917) |
| Total Revenues | <u>8,517,218</u> | <u>9,515,474</u> | <u>998,256</u> | <u>13,642,431</u> | <u>14,418,139</u> | <u>775,708</u> |
| Expenditures: | | | | | | |
| General Government: | | | | | | |
| Legislative and Executive | 3,913,334 | 3,671,866 | 241,468 | 549,461 | 386,419 | 163,042 |
| Judicial | 1,362,587 | 1,172,556 | 190,031 | 667,113 | 242,164 | 424,949 |
| Public Safety | 2,939,543 | 2,730,104 | 209,439 | 546,346 | 387,757 | 158,589 |
| Public Works | 607,213 | 340,759 | 266,454 | 5,794,870 | 3,946,344 | 1,848,526 |
| Health | 96,764 | 89,725 | 7,039 | 4,232,179 | 3,541,834 | 690,345 |
| Human Services | 1,372,880 | 1,213,022 | 159,858 | 7,868,131 | 6,387,531 | 1,480,600 |
| Economic Development and Assistance | 139,596 | 132,530 | 7,066 | 50,000 | 24,857 | 25,143 |
| Miscellaneous | 61,264 | 55,239 | 6,025 | 8,000 | 0 | 8,000 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service: | | | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>10,493,181</u> | <u>9,405,801</u> | <u>1,087,380</u> | <u>19,716,100</u> | <u>14,916,906</u> | <u>4,799,194</u> |
| Excess of Revenues Over/ (Under) Expenditures | <u>(1,975,963)</u> | <u>109,673</u> | <u>2,085,636</u> | <u>(6,073,669)</u> | <u>(498,767)</u> | <u>5,574,902</u> |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | 0 | 0 | 0 | 147,274 | 191,740 | 44,466 |
| Operating Transfers Out | (281,725) | (117,011) | 164,714 | 0 | (147,740) | (147,740) |
| Other Financing Sources | 80,500 | 113,852 | 33,352 | 2,894,113 | 611,962 | (2,282,151) |
| Other Financing Uses | (352,119) | (347,597) | 4,522 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>(553,344)</u> | <u>(350,756)</u> | <u>202,588</u> | <u>3,041,387</u> | <u>655,962</u> | <u>(2,385,425)</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | <u>(2,529,307)</u> | <u>(241,083)</u> | <u>2,288,224</u> | <u>(3,032,282)</u> | <u>157,195</u> | <u>3,189,477</u> |
| Fund Balance at Beginning of Year | 2,388,555 | 2,388,555 | 0 | 7,661,530 | 7,661,530 | 0 |
| Unexpended Prior Year Encumbrances | 68,242 | 68,242 | 0 | 5,112 | 5,112 | 0 |
| Fund Balance at End of Year | <u>(\$72,510)</u> | <u>\$2,215,714</u> | <u>\$2,288,224</u> | <u>\$4,634,360</u> | <u>\$7,823,837</u> | <u>\$3,189,477</u> |

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

**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

| | Debt Service Fund | | | Capital Projects Fund | | |
|---------------------------------------------------------------------------------------------------------|-------------------|----------------|----------------------------------|-----------------------|------------------|----------------------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Property and Other Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Permissive Sales Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 8,853 | 8,265 | (588) |
| Licenses and Permits | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 1,200 | 0 | (1,200) |
| Special Assessments | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 41,888 | 26,980 | (14,908) | 0 | 0 | 0 |
| Total Revenues | 41,888 | 26,980 | (14,908) | 10,053 | 8,265 | (1,788) |
| Expenditures: | | | | | | |
| General Government: | | | | | | |
| Legislative and Executive | 0 | 0 | 0 | 0 | 0 | 0 |
| Judicial | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Safety | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Works | 0 | 0 | 0 | 0 | 0 | 0 |
| Health | 0 | 0 | 0 | 0 | 0 | 0 |
| Human Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Economic Development and Assistance | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 681,022 | 210,997 | 470,025 |
| Debt Service: | | | | | | |
| Principal Retirement | 40,000 | 40,000 | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 31,028 | 30,365 | 663 | 0 | 0 | 0 |
| Total Expenditures | 71,028 | 70,365 | 663 | 681,022 | 210,997 | 470,025 |
| Excess of Revenues Over/ (Under) Expenditures | (29,140) | (43,385) | (14,245) | (670,969) | (202,732) | 468,237 |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | 19,365 | 29,223 | 9,858 | 0 | 26,359 | 26,359 |
| Operating Transfers Out | 0 | 0 | 0 | (131) | (131) | 0 |
| Other Financing Sources | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Financing Uses | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 19,365 | 29,223 | 9,858 | (131) | 26,228 | 26,359 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (9,775) | (14,162) | (4,387) | (671,100) | (176,504) | 494,596 |
| Fund Balance at Beginning of Year | 16,098 | 16,098 | 0 | 708,381 | 708,381 | 0 |
| Unexpended Prior Year Encumbrances | 0 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance at End of Year | \$6,323 | \$1,936 | (\$4,387) | \$37,281 | \$531,877 | \$494,596 |

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

**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

| | <u>Totals (Memorandum Only)</u> | | |
|---------------------------------------------------------------------------------------------------------|---------------------------------|---------------------|-------------------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
| Revenues: | | | |
| Property and Other Taxes | \$ 3,511,600 | \$ 3,656,500 | \$ 144,900 |
| Permissive Sales Tax | 3,500,000 | 3,956,546 | 456,546 |
| Charges for Services | 4,353,260 | 4,306,072 | (47,188) |
| Licenses and Permits | 5,160 | 4,835 | (325) |
| Fines and Forfeitures | 385,700 | 427,158 | 41,458 |
| Intergovernmental | 9,147,072 | 10,047,258 | 900,186 |
| Special Assessments | 159,378 | 147,941 | (11,437) |
| Interest | 535,107 | 872,488 | 337,381 |
| Other | 614,313 | 550,060 | (64,253) |
| Total Revenues | <u>22,211,590</u> | <u>23,968,858</u> | <u>1,757,268</u> |
| Expenditures: | | | |
| General Government: | | | |
| Legislative and Executive | 4,462,795 | 4,058,285 | 404,510 |
| Judicial | 2,029,700 | 1,414,720 | 614,980 |
| Public Safety | 3,485,889 | 3,117,861 | 368,028 |
| Public Works | 6,402,083 | 4,287,103 | 2,114,980 |
| Health | 4,328,943 | 3,631,559 | 697,384 |
| Human Services | 9,241,011 | 7,600,553 | 1,640,458 |
| Economic Development and Assistance | 189,596 | 157,387 | 32,209 |
| Miscellaneous | 69,264 | 55,239 | 14,025 |
| Capital Outlay | 681,022 | 210,997 | 470,025 |
| Debt Service: | | | |
| Principal Retirement | 40,000 | 40,000 | 0 |
| Interest and Fiscal Charges | 31,028 | 30,365 | 663 |
| Total Expenditures | <u>30,961,331</u> | <u>24,604,069</u> | <u>6,357,262</u> |
| Excess of Revenues Over/ (Under) Expenditures | <u>(8,749,741)</u> | <u>(635,211)</u> | <u>8,114,530</u> |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In | 166,639 | 247,322 | 80,683 |
| Operating Transfers Out | (281,856) | (264,882) | 16,974 |
| Other Financing Sources | 2,974,613 | 725,814 | (2,248,799) |
| Other Financing Uses | (352,119) | (347,597) | 4,522 |
| Total Other Financing Sources (Uses) | <u>2,507,277</u> | <u>360,657</u> | <u>(2,146,620)</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | <u>(6,242,464)</u> | <u>(274,554)</u> | <u>5,967,910</u> |
| Fund Balance at Beginning of Year | 10,774,564 | 10,774,564 | 0 |
| Unexpended Prior Year Encumbrances | 73,354 | 73,354 | 0 |
| Fund Balance at End of Year | <u>\$4,605,454</u> | <u>\$10,573,364</u> | <u>\$5,967,910</u> |

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

**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>Primary Government</u> | | <u>Total Primary Government</u> | <u>Component Units</u> | <u>Total Reporting Entity (Memorandum Only)</u> |
|------------------------------------------|-------------------------------|-----------------------------|-----------------------------------------|----------------------------|-------------------------------------------------------------|
| | <u>Enterprise</u> | <u>Internal Service</u> | | | |
| Operating Revenues: | | | | | |
| Charges for Services | \$ 229,354 | \$ 1,785,745 | \$ 2,015,099 | \$ 161,214 | \$ 2,176,313 |
| Other Operating Revenues | 11,030 | 106,023 | 117,053 | 108,726 | 225,779 |
| Total Operating Revenues | <u>240,384</u> | <u>1,891,768</u> | <u>2,132,152</u> | <u>269,940</u> | <u>2,402,092</u> |
| Operating Expenses: | | | | | |
| Personal Services | 95,509 | 0 | 95,509 | 145,779 | 241,288 |
| Contractual Services | 147,374 | 0 | 147,374 | 6,089 | 153,463 |
| Materials and Supplies | 4,295 | 0 | 4,295 | 22,662 | 26,957 |
| Other | 0 | 0 | 0 | 56,798 | 56,798 |
| Management/General Expenses | 0 | 0 | 0 | 7,109 | 7,109 |
| Claims | 0 | 1,685,446 | 1,685,446 | 0 | 1,685,446 |
| Depreciation | 7,202 | 0 | 7,202 | 15,180 | 22,382 |
| Total Operating Expenses | <u>254,380</u> | <u>1,685,446</u> | <u>1,939,826</u> | <u>253,617</u> | <u>2,193,443</u> |
| Operating Income (Loss) | (13,996) | 206,322 | 192,326 | 16,323 | 208,649 |
| Non-Operating Revenue (Expenses) | | | | | |
| Other Revenue | 0 | 0 | 0 | 8,513 | 8,513 |
| Other Expenses | 0 | 0 | 0 | (16,580) | (16,580) |
| Interest | 0 | 0 | 0 | 11,369 | 11,369 |
| Total Non-Operating Revenue (Expenses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>3,302</u> | <u>3,302</u> |
| Income (Loss) Before Operating Transfer: | (13,996) | 206,322 | 192,326 | 19,625 | 211,951 |
| Operating Transfers - In | <u>17,560</u> | <u>0</u> | <u>17,560</u> | <u>0</u> | <u>17,560</u> |
| Net Income (Loss) | 3,564 | 206,322 | 209,886 | 19,625 | 229,511 |
| Retained Earnings at Beginning of Year | <u>435,004</u> | <u>338,941</u> | <u>773,945</u> | <u>368,517</u> | <u>1,142,462</u> |
| Retained Earnings at End of Year | <u>\$438,568</u> | <u>\$545,263</u> | <u>\$983,831</u> | <u>\$388,142</u> | <u>\$1,371,973</u> |

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

**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

| | Enterprise Fund | | | Internal Service Fund | | |
|-----------------------------------------------------------------------------------------------------|-----------------|-----------|----------------------------------------|-----------------------|-----------|----------------------------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Property and Other Taxes | \$ 0 | \$ 594 | \$ 594 | \$ 0 | \$ 0 | \$ 0 |
| Charges for Services | 230,654 | 210,506 | (20,148) | 1,489,827 | 1,489,827 | 0 |
| Other | 0 | 0 | 0 | 310,173 | 106,023 | (204,150) |
| Total Revenues | 230,654 | 211,100 | (19,554) | 1,800,000 | 1,595,850 | (204,150) |
| Expenses: | | | | | | |
| Personal Services | 70,212 | 65,154 | 5,058 | 0 | 0 | 0 |
| Contractual Services | 570,124 | 164,401 | 405,723 | 0 | 0 | 0 |
| Materials and Supplies | 4,295 | 4,295 | 0 | 0 | 0 | 0 |
| Management and General | 27,050 | 27,050 | 0 | 0 | 0 | 0 |
| Claims | 0 | 0 | 0 | 1,800,000 | 1,595,940 | 204,060 |
| Total Expenses | 671,681 | 260,900 | 410,781 | 1,800,000 | 1,595,940 | 204,060 |
| Excess of Revenues Over/ (Under) Expenditures | (441,027) | (49,800) | 391,227 | 0 | (90) | (90) |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | 7,540 | 17,560 | 10,020 | 0 | 0 | 0 |
| Other Financing Sources | 8,000 | 10,436 | 2,436 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 15,540 | 27,996 | 12,456 | 0 | 0 | 0 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses | (425,487) | (21,804) | 403,683 | 0 | (90) | (90) |
| Fund Equity at Beginning of Year | 422,536 | 422,536 | 0 | 787 | 787 | 0 |
| Unexpended Prior Year Encumbrances | 562 | 562 | 0 | 0 | 0 | 0 |
| Fund Equity at End of Year | (\$2,389) | \$401,294 | \$403,683 | \$787 | \$697 | (\$90) |

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

**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

| | Totals (Memorandum Only) | | |
|-----------------------------------------------------------------------------------------------------|---------------------------------|----------------------|--------------------------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
| Revenues: | | | |
| Property and Other Taxes | \$ 0 | \$ 594 | \$ 594 |
| Charges for Services | 1,720,481 | 1,700,333 | (20,148) |
| Other | 310,173 | 106,023 | (204,150) |
| Total Revenues | <u>2,030,654</u> | <u>1,806,950</u> | <u>(223,704)</u> |
| Expenses: | | | |
| Personal Services | 70,212 | 65,154 | 5,058 |
| Contractual Services | 570,124 | 164,401 | 405,723 |
| Materials and Supplies | 4,295 | 4,295 | 0 |
| Management and General | 27,050 | 27,050 | 0 |
| Claims | 1,800,000 | 1,595,940 | 204,060 |
| Total Expenses | <u>2,471,681</u> | <u>1,856,840</u> | <u>614,841</u> |
| Excess of Revenues Over/ (Under) Expenditures | <u>(441,027)</u> | <u>(49,890)</u> | <u>391,137</u> |
| Other Financing Sources (Uses): | | | |
| Operating Transfers In | 7,540 | 17,560 | 10,020 |
| Other Financing Sources | 8,000 | 10,436 | 2,436 |
| Total Other Financing Sources (Uses) | <u>15,540</u> | <u>27,996</u> | <u>12,456</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses | <u>(425,487)</u> | <u>(21,894)</u> | <u>403,593</u> |
| Fund Equity at Beginning of Year | 423,323 | 423,323 | 0 |
| Unexpended Prior Year Encumbrances | 562 | 562 | 0 |
| Fund Equity at End of Year | <u>(\$1,602)</u> | <u>\$401,991</u> | <u>\$403,593</u> |

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

**DARKE COUNTY
FINANCIAL CONDITION**

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>Primary Government</u> | | <u>Total</u> | | <u>Total</u> |
|-----------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------|---------------------------|------------------------|-------------------------------------------|
| | <u>Enterprise</u> | <u>Internal Service</u> | <u>Primary Government</u> | <u>Component Units</u> | <u>Reporting Entity (Memorandum Only)</u> |
| <u>Increase (Decrease) in Cash and Cash Equivalents:</u> | | | | | |
| Cash Flows from Operating Activities: | | | | | |
| Cash Received from Customers and Support | \$ 210,506 | \$ 0 | \$ 210,506 | \$ 168,141 | \$ 378,647 |
| Other Operating Receipts | 11,030 | 106,023 | 117,053 | 71,329 | 188,382 |
| Cash Received / (Paid) from Quasi-External Transactions with Other Funds | 0 | 1,785,745 | 1,785,745 | (11,739) | 1,774,006 |
| Cash Paid for Employee Services and Benefits | (92,204) | | (92,204) | (137,129) | (229,333) |
| Cash Payments for Employee Medical Claims | 0 | (1,595,875) | (1,595,875) | (773) | (1,596,648) |
| Cash Paid to Suppliers | (150,797) | | (150,797) | (58,326) | (209,123) |
| Net Cash Provided by (Used in) Operating Activities | <u>(21,465)</u> | <u>295,893</u> | <u>274,428</u> | <u>31,503</u> | <u>305,931</u> |
| Cash Flows from Noncapital Financing Activities | | | | | |
| Operating Transfers - In | 17,560 | 0 | 17,560 | 0 | 17,560 |
| Net Cash Provided by Noncapital Financing Activities | <u>17,560</u> | <u>0</u> | <u>17,560</u> | <u>0</u> | <u>17,560</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Acquisition and Construction of Capital Assets | (16,311) | 0 | (16,311) | (14,938) | (31,249) |
| Net Cash Used in Capital and Related Financing Activities | <u>(16,311)</u> | <u>0</u> | <u>(16,311)</u> | <u>(14,938)</u> | <u>(31,249)</u> |
| Cash Flows from Investing Activities: | | | | | |
| Purchase of Investments | 0 | 0 | 0 | (9,213) | (9,213) |
| Interest | 0 | 0 | 0 | 11,368 | 11,368 |
| Net Cash Provided by Investing Activities | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,155</u> | <u>2,155</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (20,216) | 295,893 | 275,677 | 18,720 | 294,397 |
| Cash and Cash Equivalents at Beginning of Year | <u>423,803</u> | <u>482,342</u> | <u>906,145</u> | <u>69,011</u> | <u>975,156</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 403,587</u> | <u>\$ 778,235</u> | <u>\$ 1,181,822</u> | <u>\$ 87,731</u> | <u>\$ 1,269,553</u> |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</u> | | | | | |
| Operating Income (Loss) | \$ (13,996) | \$ 206,322 | \$ 192,326 | \$ 16,323 | \$ 208,649 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | | |
| Depreciation | 7,202 | 0 | 7,202 | 15,180 | 22,382 |
| Changes in Assets and Liabilities: | | | | | |
| (Increase) Decrease in Accounts Receivable | (18,292) | 44,386 | 26,094 | 0 | 26,094 |
| (Increase) Decrease in Special Assessments Receivable | 1,032 | 0 | 1,032 | 0 | 1,032 |
| (Increase) Decrease in Prepaid Items | 789 | 0 | 789 | 0 | 789 |
| Increase (Decrease) in Claims Payable | 0 | 45,185 | 45,185 | 0 | 45,185 |
| Increase (Decrease) in Accrued Wages and Benefits | 1,837 | 0 | 1,837 | 0 | 1,837 |
| Increase (Decrease) in Compensated Absences Payable | (1,005) | 0 | (1,005) | 0 | (1,005) |
| Increase (Decrease) in Due to Other Governments | 968 | 0 | 968 | 0 | 968 |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ (21,465)</u> | <u>\$ 295,893</u> | <u>\$ 274,428</u> | <u>\$ 31,503</u> | <u>\$ 305,931</u> |

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

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**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

Darke County, Ohio (The County), was created in 1809 when it detached from Miami County but was not organized until 1817. The County is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, two County Court Judges, and a joint Probate/Juvenile Court Judge.

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

A. Reporting Entity

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

(1) Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Darke County, this includes the Children's Services Board, the Board of Mental Retardation and Developmental Disabilities, the Child Support Enforcement Agency, the Community Corrections Planning Board, County Home, the Darke County Veterans Services, and all departments and activities that are directly operated by the elected County officials.

(2) Component Units

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

Discretely Presented Component Units

The component unit column in the combined financial statements identifies the financial data of The Darke County Visitors Bureau, Inc. and Wayne Industries. This information is reported separately to emphasize that it is legally separate from the County. Condensed financial information for the component units is presented in Note 16.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

Wayne Industries Wayne Industries is a legally separate, not-for-profit corporation, served by a board appointed by the Darke County Board of MRDD. The workshop, under contractual agreement with the Darke County Board of Mental Retardation and Developmental Disabilities, provides sheltered employment for mentally retarded or handicapped individuals in Darke County. The Darke County Board of MRDD provides the workshop with personnel necessary for the operation of the habilitation services to the clients, land and buildings for the operation of the center, maintenance and repair of the buildings and professional staff to supervise and train clients of Wayne Industries. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the retarded and handicapped adults of Darke County, the workshop is a component unit of Darke County. Separately issued financial statements may be obtained from Wayne Industries at 5844 Jaysville-St Johns Road, Greenville, Ohio 45331.

The Darke County Visitors Bureau, Inc. The Darke County Visitors Bureau, Inc. is a legally separate not-for-profit corporation served by a board appointed by the Darke County Board of Commissioners. The corporation was established for the purpose of the promotion of business and tourism within Darke County. The Darke County Auditor distributes bed tax funds to The Darke County Visitors Bureau, Inc. Based on the significant resources provided by the County and upon the ability of the County to impose its will upon The Darke County Visitors Bureau, Inc., the entity is reflected as a component unit of the County. Separately issued financial statements can be obtained from The Darke County Visitors Bureau, Inc. at 622 South Broadway, Greenville, Ohio 45331.

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. Accordingly, the activity of the following districts and agencies are presented as agency funds within the County's financial statements:

- Darke County General Health District
- Darke County Emergency Management Agency
- Darke County Soil Conservation District
- Darke County Law Library
- Darke County Park District

The County is associated with certain organizations which are defined as Joint Ventures, Jointly Governed Organizations, and Insurance Purchasing Pools. One Joint Venture is presented in Note 17, five Jointly Governed Organizations are presented in Note 18, and two Insurance Purchasing Pools are presented in Note 19 of the general purpose financial statements.

B. Basis of Presentation - Fund Accounting

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

A fund is 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.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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 proprietary funds) 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 major capital projects) that are legally restricted to expenditure for specified purposes.

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

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

Proprietary Fund Types

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

Enterprise Funds These funds are 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.

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Fund Types

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

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

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group 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 funds.

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 funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Darke County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989, to the proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the County's accounting policies are described below. Separate information for the discretely presented component unit can be found in Note 16.

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.

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

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Measurement Focus and Basis of Accounting (Continued)

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. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The available period for the County is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: state-levied locally shared taxes (including gasoline tax), interest, sales tax, federal and state grants and entitlements, and charges for current services. Major revenue sources not susceptible to accrual include fines and forfeitures and licenses and permits which are not considered measurable until received.

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Principal and interest on general and special assessment long-term debt are recorded as fund liabilities when due, and costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

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. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners. Budgetary information has not been presented for the discretely presented component unit because it is not included in the entity for which the "appropriated budget" is adopted nor does the entity maintain separate budgetary records.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Budgetary Process (Continued)

Tax Budget

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

Estimated Resources

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

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 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.

Budgeted Level of Expenditures/Expenses

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation resolution. Expenditures/expenses plus encumbrances may not legally exceed appropriations at the level of appropriation. Commissioners appropriations are made to fund, department and object level (i.e., General Fund - Commissioners - salaries, supplies, equipment, contract repairs, travel expenses, maintenance, other expenses.)

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Budgetary Process (Continued)

Encumbrances

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

Lapsing of Appropriations

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.

C. Cash and Cash Equivalents

Cash balances of the County's funds, except cash in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. Individual fund integrity is maintained through County records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, funds included within the Treasurer's cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents.

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

Cash and cash equivalents that are held separately within departments of the County and not held with the County Treasurer are recorded on the balance sheet as "Cash and Cash Equivalents in Segregated Accounts."

Investments that are held separately and not held with the County Treasurer are recorded on the balance sheet as "Investments in Segregated Accounts."

Following Ohio statutes, the County has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund, the Auto License and Gas Tax Special Revenue Fund, and the Common Pleas Special Revenue Fund amounted to \$717,728, \$151,070, and \$3,690, respectively.

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 receivables, collectibility.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Receivables and Payables (Continued)

Using this criteria, the County has elected to not record child support arrearages within the Special Revenue and Agency fund types and Court receivables within the Agency fund type. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

E. Inventory of Supplies

Inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased. Reported supplies inventory is equally offset by a fund balance reserve in the governmental fund types which indicates that it does not constitute available expendable financial 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, 1999, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

G. 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.

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.

H. Fixed Assets

The fixed asset values were initially determined at December 31, 1994 assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated fixed assets are capitalized at fair market value on the date donated.

General Fixed Assets

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

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

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (Continued)

Enterprise Fund Fixed Assets

Property, plant, and equipment reflected in the proprietary funds are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year.

Depreciation is provided on a straight-line basis over the following estimated useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|-------------------------|------------------------|
| Machinery and Equipment | 10-20 years |
| Sewer Lines | 25 years |

I. Contributed Capital

Contributed capital represents donations by private sources, resources from other funds, grants restricted for capital construction, and assets whose construction was financed by special assessments. These assets are recorded at their fair market value on the date contributed and are not subject to repayment.

J. Compensated Absences

The County follows the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued 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.

The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The County records a liability for accumulated unused sick leave for all employees, except employees of the MRDD Department, after 4 years of current service with the County. For employees of the MRDD Department, the County records a liability for accumulated unused sick leave after 10 years of current service with the County. For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Intergovernmental Revenues

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

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Intergovernmental Revenues (Continued)

Grants and entitlements received for proprietary fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

L. Accrued Liabilities and Long-Term Debt

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences 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. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Under Ohio law, a debt retirement fund must be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the capital projects and enterprise funds, and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund.

To comply with GAAP reporting requirements, the County's debt retirement fund has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

M. Reserves of Fund Balance

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

N. Short-term Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet.

O. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expense in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All remaining interfund transfers are reported as operating transfers.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Total (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 component units are 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 the component unit have no additional caption.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis). Material encumbrances are disclosed in the notes for the proprietary funds (GAAP basis).
4. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. State statute requires short-term note debt to be repaid from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

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:

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (Continued)

**Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses**

| | All Governmental Fund Types | | | |
|----------------------|-----------------------------|--------------------|-----------------|---------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| | GAAP Basis | (\$296,630) | (\$397,223) | (\$16,240) |
| Adjustments: | | | | |
| Revenue Accruals | (29,670) | 33,197 | 2,078 | (394,127) |
| Expenditure Accruals | 79,435 | 214,589 | 0 | 390,206 |
| Other Sources (Uses) | 5,782 | (7,758) | 0 | 0 |
| Budget Basis | (\$241,083) | \$157,195 | (\$14,162) | (\$176,504) |

**Net Income (Loss)/Excess of Revenues Over
(Under) Expenses and Operating Transfers**

| | Enterprise | Internal Service |
|----------------------|------------|---------------------|
| | GAAP Basis | \$3,564 |
| Adjustments: | | |
| Revenue Accruals | (29,284) | (295,918) |
| Expense Accruals | (13,722) | 89,506 |
| Depreciation | 7,202 | 0 |
| Other Sources/(Uses) | 10,436 | 0 |
| Budget Basis | (\$21,804) | (\$90) |

NOTE 4 - DEPOSITS AND INVESTMENTS

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

Monies held by the County which are not considered active are classified as inactive.

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.

Inactive monies are permitted to 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;

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

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. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investment in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County' 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.

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end, the County had \$7,229 in undeposited cash on hand which is included on the balance sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents".

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

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

At year-end, the carrying amount of the County's deposits was \$15,795,962 and the bank balance was \$15,565,681. Of the bank balance, \$500,000 was covered by federal deposit insurance and \$15,065,681 is covered by pooled or specific collateral and \$0 is uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the County's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

Investments

The County's investments are categorized below 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 in the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

The County's investments were limited to certificates of deposit at year-end.

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. A reconciliation between the classifications of cash and investments on the general purpose financial statements and the classifications per GASB Statement No. 3 is as follows:

| | Primary Government | |
|-------------------------|----------------------|-------------|
| | Cash and Cash | |
| | Equivalents/Deposits | Investments |
| GASB Statement 9 | \$15,713,030 | \$90,161 |
| Cash on Hand | (7,229) | 0 |
| Investments: | | |
| Certificates of Deposit | 90,161 | (90,161) |
| GASB Statement 3 | \$15,795,962 | \$0 |

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Taxes collected on real property (other than public utility property) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last reappraisal was completed in 1993, while the triennial update was completed in 1996. Real property taxes are payable annually or semiannually. If paid annually, the payment is due December 31. If paid semiannually, the first payment is due December 31, with the remainder payable by June 20.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 5 - PROPERTY TAXES (Continued)

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year.

Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to itself its share of the taxes collected. The County records receipt of these taxes in various funds.

The collection and distribution of taxes for the County and for all subdivisions within the County is accounted for through agency funds of the County. The amount of the County's tax collections which will flow through an agency fund is reported as "Taxes Receivable" on the combined balance sheet in both the agency fund and the governmental fund which will receive the tax distribution.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 1999. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 1999 operations. The receivable and the portion of the tax levies prepaid by year end into the undivided tax agency fund are therefore offset by a credit to deferred revenue.

The full tax rate for all County operations for the year ended December 31, 1999 was \$7.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

| | |
|----------------------------------------|----------------------|
| Agricultural/Residential Real Property | \$486,983,790 |
| Industrial/Commercial Real Property | 85,235,110 |
| Public Utility Real Property | 162,580 |
| Public Utility Personal Property | <u>61,304,730</u> |
| Total Assessed Value | <u>\$633,686,210</u> |

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 6 - PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolution, imposed a 1.0 percent tax on all retail sales, except sales of motor vehicles made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General Fund. Amounts received within the available period are accrued as revenue. Sales and use tax revenue in 1999 amounted to \$3,956,546.

NOTE 7 - RECEIVABLES

Receivables at December 31, 1999, consisted of taxes, interest, special assessments, accounts (billings for user charged services), and intergovernmental receivables arising from grants. All receivables are considered collectible in full.

A summary of intergovernmental receivables follows:

General Fund

| | |
|----------------------------------|---------------|
| Estate Tax Reimbursement | \$11,480 |
| Law Library | 21,815 |
| Advertising for Delinquent Taxes | <u>3,003</u> |
| Total General Fund | <u>36,298</u> |

Special Revenue Funds

| | |
|-----------------------------|----------------|
| Motor Vehicle License Tax | 94,497 |
| Community Corrections Grant | 12,844 |
| COPS Fast Grant | 12,500 |
| MR/DD | 47,850 |
| DARE Grant | 17,515 |
| Gasoline Tax | 235,681 |
| Gasoline Reimbursement | <u>78</u> |
| Total Special Revenue Funds | <u>420,965</u> |

Agency Funds

| | |
|-------------------------------------|--------------------|
| Library and Local Government | 487,279 |
| Local Government | 478,400 |
| Local Government Revenue Assistance | 96,493 |
| Gasoline Tax | 170,503 |
| Motor Vehicle License | <u>33,838</u> |
| Total Agency Funds | <u>1,266,513</u> |
| Total All Funds | <u>\$1,723,776</u> |

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 8 - FIXED ASSETS

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

| | |
|-------------------------------|-----------------|
| Land | \$8,000 |
| Machinery and Equipment | 42,458 |
| Sewer Lines | 45,865 |
| Less accumulated depreciation | <u>(40,111)</u> |
| Net Book Value | <u>\$56,212</u> |

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

| | Balance at December 31, 1998 | Additions | Deletions | Balance at December 31, 1999 |
|----------------------------|------------------------------------|------------------|------------------|------------------------------------|
| Land | \$345,618 | \$0 | \$0 | \$345,618 |
| Buildings | 6,795,296 | 0 | 0 | 6,795,296 |
| Machinery and Equipment | 5,111,850 | 374,359 | 223,552 | 5,262,657 |
| Vehicles | 2,028,649 | 185,688 | 148,698 | 2,065,639 |
| Total General Fixed Assets | <u>\$14,281,413</u> | <u>\$560,047</u> | <u>\$372,250</u> | <u>\$14,469,210</u> |

NOTE 9 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 1999, the County contracted with County Risk Sharing Authority, Inc. (CORSA) for liability, property and crime insurance (See Note 19).

Coverages provided by the insurance pool are as follows:

| | |
|---------------------------------------------|---------------|
| Liability | |
| (A) General, Auto, and Law (per occurrence) | \$1,000,000 |
| (B) Public Official Errors and Omissions | |
| Liability (per occurrence - included above) | 1,000,000 |
| Aggregate | 100,000 |
| Property | 2,509,178,185 |
| Flood and Earthquake | 100,000,000 |
| Boiler and Machinery | 100,000,000 |
| Crime Insurance: | |
| Employees Dishonesty | 1,000,000 |
| Money and Securities within premises | 1,000,000 |
| Money and Securities outside premises | 1,000,000 |
| Money Orders and Counterfeit Currency | 1,000,000 |
| Depositors Forgery | 1,000,000 |

The County pays all elected officials' bonds by statute. Settled claims have not exceeded coverage in the last three years. There has been no material change in this coverage from the prior year.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 9 - RISK MANAGEMENT (Continued)

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation. For 1999, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program (CCAO), a workers' compensation insurance purchasing pool (See Note 19). The intent of the CCAO is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the CCAO. Each participant pays its workers' compensation premium to the State based on the rate for the CCAO rather than its individual rate. In order to allocate the savings derived by formation of the CCAO, and to maximize the number of participants in the CCAO, annually the CCAO's executive committee calculates the total savings which accrued to the CCAO through its formation. This savings is then compared to the overall savings percentage of the CCAO. The CCAO's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the CCAO is limited to counties that can meet the CCAO's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the CCAO. Each year, the County pays an enrollment fee to the CCAO to cover the costs of administering the CCAO.

The County may withdraw from the CCAO 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 CCAO prior to withdrawal, and any participant leaving the CCAO allows representatives of the CCAO to access loss experience for three years following the last year of participation.

The County provides accidental death and dismemberment life insurance benefits for the Sheriff's Department only in the amount of \$10,000. The County has elected to provide employee medical benefits through a self insured program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$0-\$45 deductible for single and \$60-\$242 deductible for families. A third party administrator, Harrington Benefits Service, Inc., reviews all claims which are then paid by the County. The County purchases stop-loss coverage of \$50,000 per employee. The County pays the self-insurance internal service fund \$215-\$260 per month for single employees and \$240-\$482 per employee per month for family plans which represents the entire premium required. This premium is paid by the fund that pays the employee's salary and is based on historic cost information.

The liability for unpaid claims of \$260,151 reported in the fund at December 31, 1999, as estimated by an analysis of claim payments, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims cost be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount in 1998 and 1999 were:

| | <u>Balance at Beginning of Year</u> | <u>Current Year Claims</u> | <u>Claim Payments</u> | <u>Balance at End of Year</u> |
|------|-----------------------------------------|--------------------------------|---------------------------|-----------------------------------|
| 1998 | \$132,074 | \$1,237,696 | \$1,154,804 | \$214,966 |
| 1999 | 214,966 | 1,730,631 | 1,685,446 | \$260,151 |

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 10 - 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 9.35 percent. For law enforcement employees, the employee contribution is 9 percent and the employer contribution is 12.50 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's required contributions to PERS for the years ended December 31, 1999, 1998 and 1997 were \$1,228,971 , \$948,639 and \$882,866, respectively. 73 percent has been contributed for 1999 with the remainder being reported as a liability within the general long-term obligations account group.

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. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the County is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Prior to July 1, 1997, the portion used to fund pension obligations was 12 percent. Beginning July 1, 1998, this amount was decreased to 6 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions for pension obligations to STRS for the years ended December 31, 1999, 1998 and 1997 were \$47,222 , \$31,417, and \$31,757, respectively. The full amount has been contributed for 1999, 1998 and 1997.

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. 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.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 11 - POSTEMPLOYMENT BENEFITS(Continued)

A. Public Employees Retirement System (Continued)

The 1999 employer contribution rate was 13.55 percent of covered payroll for employees not engaged in law enforcement; 4.2 percent was the portion that was used to fund health care for the year 1999. The law enforcement employer rate for 1999 was 16.70 percent and 4.2 percent was used to fund health care.

For 1999, benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The County's actual contributions for 1999 which were used to fund OPEB were \$380,936.

B. State Teachers Retirement System

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

Benefits are funded on a pay-as-you-go basis. All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1997, the board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1997, this allocation was increased to 3.5 percent. For the County, this amount equaled \$11,908 during 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$1,860 million at June 30, 1997. For the year ended June 30, 1997, net health care costs paid by STRS were \$192,077,000. There were 88,718 eligible benefit recipients.

NOTE 12 - EMPLOYEE BENEFITS

Deferred Compensation Plans

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

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 13 - LONG-TERM OBLIGATIONS

The changes in the County's long-term obligations for the year consist of the following:

| | Balance at December 31, 1998 | Increases | Decreases | Balance at December 31, 1999 |
|---------------------------------------|------------------------------------|------------|-----------------|------------------------------------|
| <u>Bonds Payable:</u> | | | | |
| Various - 1992 Garst Avenue | \$500,000 | \$0 | \$40,000 | \$460,000 |
| TOTAL - Bonds Payable | <u>500,000</u> | <u>0</u> | <u>40,000</u> | <u>460,000</u> |
| <u>Other Long-Term Obligations:</u> | | | | |
| Compensated Absences Payable | 1,022,374 | 0 | 49,158 | 973,216 |
| TOTAL - Other Long-Term Obligations | <u>1,022,374</u> | <u>0</u> | <u>49,158</u> | <u>973,216</u> |
| TOTAL - General Long-Term Obligations | <u>\$1,522,374</u> | <u>\$0</u> | <u>\$89,158</u> | <u>\$1,433,216</u> |

The Garst Avenue Bond will be paid from the Garst Avenue Bond Retirement Debt Service Fund. Compensated absences will be paid from the fund from which the employees' salaries are paid.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt should not exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The effects of the debt limitations at December 31, 1999 are an overall debt margin of \$15,662,570 and an unvoted debt margin of \$6,005,098. The following is a summary of the County's future annual principal and interest requirements for long-term obligations:

| Year | Bonds Payable |
|-----------|------------------|
| 2000 | \$62,985 |
| 2001 | 65,885 |
| 2002 | 63,485 |
| 2003 | 56,085 |
| 2004-2008 | 266,450 |
| 2009-2011 | <u>129,355</u> |
| Total | <u>\$644,245</u> |

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 14 - SEGMENT INFORMATION

The County's enterprise funds account for the provision of adult daycare, sewer treatment and a solid waste disposal facility. Key financial information as of and for the year ended December 31, 1999, for each enterprise fund is as follows:

| | Stillwater Estates | Adult Daycare | Sewer | Solid Waste | Total |
|----------------------------------------|-----------------------|------------------|----------|----------------|-----------|
| Operating Revenues | \$6,448 | \$20,446 | \$15,549 | \$197,941 | \$240,384 |
| Operating Expenses Before Depreciation | 5,963 | 40,201 | 8,216 | 192,798 | 247,178 |
| Depreciation Expense | 0 | 0 | 1,925 | 5,277 | 7,202 |
| Operating Income (Loss) | 485 | (19,755) | 5,408 | (134) | (13,996) |
| Operating Transfers - In | 0 | 17,560 | 0 | 0 | 17,560 |
| Net Income | 485 | (2,195) | 5,408 | (134) | 3,564 |
| Fixed Asset Additions | 0 | 0 | 0 | 16,311 | 16,311 |
| Net Working Capital | 485 | (1,389) | 35,620 | 395,780 | 430,496 |
| Total Assets | 485 | 1,751 | 73,494 | 418,169 | 493,899 |
| Total Fund Equity | 485 | 1,338 | 73,494 | 409,289 | 484,606 |

NOTE 15 - CONTRIBUTED CAPITAL

During 1999, the MRDD Special Revenue Fund purchased assets for the Adult Daycare Enterprise Fund which were contributed to that fund. The amounts representing contributed capital at December 31, 1999, are as follows:

| | Adult Daycare | Sewer | Solid Waste | Total |
|-----------------------------------------------|------------------|-----------------|----------------|-----------------|
| Value of Fixed Assets Contributed During 1999 | \$0 | \$0 | \$0 | \$0 |
| Contributed Capital January 1, 1999 | 650 | 45,388 | 0 | 46,038 |
| Contributed Capital December 31, 1999 | <u>\$650</u> | <u>\$45,388</u> | <u>\$0</u> | <u>\$46,038</u> |

NOTE 16 - DISCRETELY PRESENTED COMPONENT UNIT

A. Measurement Focus and Basis of Accounting

The financial statements for The Darke County Visitors Bureau, Inc. and Wayne Industries, are prepared in accordance with Governmental Accounting Standards Board Statement No. 29, "The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities" for non-profit corporations. The component units are accounted for like an enterprise fund using the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 16 - DISCRETELY PRESENTED COMPONENT UNIT (Continued)

B. Budgetary Basis of Accounting

Budgetary information for the discretely presented component unit is not presented because it is not included in the entity for which the "appropriated budget" is adopted and does not maintain separate budgetary financial records.

C. Deposits and Investments

Cash and cash equivalents that are held by the component units are classified as "Cash and Cash Equivalents in Segregated Accounts.

At year end, the carrying amount of deposits and the bank balance for The Darke County Visitors Bureau, Inc. was \$51,877, all of which was covered by federal deposit insurance. There are no statutory guidelines regarding the deposit and investments of funds for the not-for-profit corporation. The County is not the fiscal agent for the corporation. The carrying amount of deposits for Wayne Industries was \$35,854 and investments was \$205,209, which was made up of certificates of deposit.

They issue their own checks and have their own account. The Darke County Auditor receives the bed tax funds and distributes them to The Darke County Visitors Bureau, Inc. shortly after received.

D. Segment Information

| | Darke County Visitor's Bureau | Wayne Industries |
|----------------------------|------------------------------------------|-----------------------------|
| Operating Revenue | \$70,078 | \$199,862 |
| Operating Income (Loss) | 23,915 | (7,592) |
| Tax Revenue | 66,730 | 0 |
| Net Income | 12,113 | 7,512 |
| Net Change in Fixed Assets | (868) | (3,835) |
| Net Working Capital | 51,081 | 259,500 |
| Total Assets | 52,331 | 339,024 |
| Equity | 51,530 | 336,612 |

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 17 - JOINT VENTURE

A. Darke County Emergency Management Agency (EMA)

The Darke County Emergency Management Agency (EMA) is a joint venture among Darke County, the City of Greenville, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is composed of the following seven members: one County Commissioner representing the board of county commissioners entering into the agreement; four chief executives representing the municipal corporations and townships entering into the agreement; and two non-elected representatives. The County contributed \$57,125 (50 percent) for the operation of the agency. The EMA is a joint venture since it cannot continue to exist without the financial support of the County.

The County does not have an equity interest in the joint venture. The EMA is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the EMA located at 5185 County Home Road, Greenville, Ohio 45331.

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

A. Tri County Board of Recovery and Mental Health Services (Tri County Mental Health Board)

The Tri County Board of Recovery and Mental Health Services (Tri County Mental Health Board) is a jointly governed organization among Darke, Miami and Shelby counties. The Tri County Mental Health Board provides leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services. The ability to influence operations depends on the County's representation on the Board. The Board of Trustees consists of eighteen members: four members are appointed by the Director of the Ohio Department of Mental Health, four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services and the remaining ten members are appointed by the County Commissioners of Darke, Miami and Shelby counties in the same proportion as the County's population bears to the total population of the three counties combined. During 1999, the County contributed \$291,078 by voted levy for the operations of the organization.

B. Miami Valley Regional Planning Commission (the Commission)

The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami, and Montgomery Counties, the City of Dayton and the City of Huber Heights. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. Payments to the Commission are made from the General Fund. The County contributed \$71,041 for the operation of the Commission during 1999.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. County Caucus

The County Caucus is a jointly governed organization among Darke, Greene, Miami and Montgomery counties. The County Caucus was established to create a comprehensive, coordinated and unified approach to issues of mutual concern that will promote regional economic development and support a regional legislative agenda. All individuals on the Board of County Commissioners of a member county are members of the Caucus. There are no dues or fees associated with the Caucus. Each member county of the Caucus has one vote. The County Caucus, in turn, created a Board of Trustees of the Joint Office of Economic Development (see Note 18 - D.)

D. Joint Office of Economic Development (Joint Office)

The Joint Office of Economic Development (Joint Office) is a jointly governed organization among Darke, Greene, Miami and Montgomery counties. The Joint Office was created by the County Caucus as a special function to promote the economic development agenda of the County Caucus and to undertake a coordinated, cooperative and comprehensive program of economic development within the territory of the counties contributing to its financial support under general policy direction and oversight of a Board of Trustees (the Board). The degree of control exercised by any participating government is limited to its representation on the Board. The Board consists of one delegate from the Board of County Commissioners of each participating county and one non-County Commissioner member of the Board who is the chairperson of the I-70/75 Development Association (the Association). Each County's delegate to the Board has one vote, and the representative from the Association does not have a vote. Payments to the Joint Office are made from the General Fund. The County contributed \$42,188 for the operation of the Joint Office during 1999.

E. West Central Ohio Network (West Con)

The West Central Ohio Network (West Con) is a jointly governed organization among Darke, Miami, Auglaize, Mercer, Logan, Shelby, and Union counties. West Con was created to serve as the administrator and fiscal agent of Supported Living funds for the Boards of Mental Retardation and Developmental Disabilities (MR/DD Boards) of each of the participating counties. The degree of control exercised by any participating government is limited to its representation on the Board of Directors (the Board) of West Con. The Board consists of one delegate, who is the Superintendent, from each of the participating MR/DD Boards. Payments to West Con are limited to the Supported Living funds of each participating county. Darke County did not make any payments during 1999.

NOTE 19- INSURANCE PURCHASING POOLS

A. County Risk Sharing Authority, Inc. (CORSA)

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

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 19- INSURANCE PURCHASING POOLS (Continued)

A. County Risk Sharing Authority, Inc. (CORSA) (Continued)

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

The continued existence of CORSA is dependant upon the County's continued participation; however, the County does not have an equity interest in CORSA. In 1999, the County contributed \$176,615. Complete financial statements can be obtained from the County Risk Sharing Authority, Inc at 175 South Third Street, Suite 500, Columbus, Ohio 43215

B. County Commissioners' Association of Ohio Workers' Compensation Group Rating Program (CCAO)

The County is participating in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners' Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners' Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates; approving the selection of a third party administrator; reviewing and approving proposed third party fees, fees for risk management services, and general management fees; determining ongoing eligibility of each participant; and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of the CCAOSC; the remaining five members are representatives of the participants.

These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member on the group executive committee in any year, and each elected member shall be a County Commissioner.

NOTE 20 - RELATED PARTY TRANSACTIONS

Wayne Industries has entered into a contractual agreement with the Darke County Board of Mental Retardation/Developmental Disabilities (MRDD), whereby the MRDD provides sheltered employment for mentally retarded or handicapped individuals in Darke County. The MRDD provides the workshop with personnel necessary for the operation of the habilitation services to the client, land and buildings for the operation of the center, maintenance and repair of the buildings and professional staff to supervise and train clients of Wayne Industries. During 1999, the fair value of this support was \$37,390.

**DARKE COUNTY
FINANCIAL CONDITION**

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

NOTE 21 - CONTINGENCIES

Litigation

The County is party to legal proceedings. The County is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the County.

Grants

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.

**DARKE COUNTY
FINANCIAL CONDITION**

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

| Federal Grantor/ Pass Through Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Disbursements | Non-Cash Disbursements |
|--------------------------------------------------------------------------------------------|-------------------------------------|---------------------------|------------------|----------------------|------------------|---------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | |
| (Passed through the Ohio Department of Education) | | | | | | |
| Nutrition Cluster: | | | | | | |
| Federal Food Distribution Program | N/A | 10.550 | \$0 | \$3,096 | \$0 | \$3,329 |
| National School Breakfast Program | 05-PU-99 | 10.553 | 5,078 | 0 | 5,078 | 0 |
| | 05-PU-00 | | 1,220 | 0 | 1,220 | 0 |
| Total National School Breakfast Program | | | 6,298 | 0 | 6,298 | 0 |
| National School Lunch Program | 03-PU-99 | 10.555 | 1,560 | 0 | 1,560 | 0 |
| | 04-PU-99 | | 6,411 | 0 | 6,411 | 0 |
| | 03-PU-00 | | 399 | 0 | 399 | 0 |
| | 04-PU-00 | | 1,437 | 0 | 1,437 | 0 |
| Total National School Lunch Program | | | 9,807 | 0 | 9,807 | 0 |
| Total U.S. Department of Agriculture - Nutrition Cluster | | | 16,105 | 3,096 | 16,105 | 3,329 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | | |
| (Passed through the Ohio Department of Development) | | | | | | |
| Community Development Block Grant | B-F-98-018-1 | 14.228 | 151,200 | 0 | 160,848 | 0 |
| Microenterprise Program | B-M-98-018-1 | | 50,000 | 0 | 20,857 | 0 |
| Total Community Development Block Grant Program | | | 201,200 | 0 | 181,705 | 0 |
| Home Investment Partnership Program | B-C-99-018-2 | 14.239 | 0 | 0 | 4,331 | 0 |
| Total U.S. Department of Housing and Urban Development | | | 201,200 | 0 | 186,036 | 0 |
| U.S. DEPARTMENT OF JUSTICE | | | | | | |
| (Direct Receipt) | | | | | | |
| Local Law Enforcement Block Grant | 97LBVX4148 | 16.592 | 13,728 | 0 | 11,763 | 0 |
| Public Safety and Community Policing | 95CFWX3843 | 16.710 | 53,517 | 0 | 50,567 | 0 |
| Total U.S. Department of Justice | | | 67,245 | 0 | 62,330 | 0 |
| U.S. DEPARTMENT OF EDUCATION | | | | | | |
| (Passed through Ohio Department of Education) | | | | | | |
| Special Education Cluster: | | | | | | |
| Title VI-B | 6B-SF-98 | 84.027 | 0 | 0 | 19,152 | 0 |
| | 6B-SF-99 | | 17,324 | 0 | 25,856 | 0 |
| | 6B-SF-00 | | 9,497 | 0 | 0 | 0 |
| Handicap Preshool Grant | PG-S1-99 | 84.173 | 22,714 | 0 | 32,448 | 0 |
| | PG-S1-00 | | 9,743 | 0 | 0 | 0 |
| Total U.S. Department of Education | | | 59,278 | 0 | 77,456 | 0 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | |
| (Passed through Area Agency on Aging) | | | | | | |
| Title III-B | N/A | 93.044 | 3,279 | 0 | 3,279 | 0 |
| (Passed through Ohio Department of Human Services) | | | | | | |
| Title IV-B | N/A | 93.645 | 49,403 | 0 | 49,403 | 0 |
| (Passed through Ohio Department of Mental Retardation) and Developmental Disabilities) | | | | | | |
| Title XX | MR-19-99 | 93.667 | 40,200 | 0 | 40,200 | 0 |
| | MR-19-00 | | 14,963 | 0 | 14,963 | 0 |
| Total Title XX | | | 55,163 | 0 | 55,163 | 0 |
| Medical Assistance Program | 1900010-CY97 | 93.778 | 30,959 | 0 | 30,959 | 0 |
| | 1900010-CY98 | | 125,253 | 0 | 125,253 | 0 |
| | 1900010-CY99 | | 199,301 | 0 | 199,301 | 0 |
| Total Medical Assistance Program | | | 355,513 | 0 | 355,513 | 0 |
| Total U.S. Department of Health and Human Services | | | 463,358 | 0 | 463,358 | 0 |
| Total Federal Programs | | | \$807,186 | \$3,096 | \$805,285 | \$3,329 |

See accompanying notes to the Schedule of Federal Awards Expenditures

**DARKE COUNTY
FINANCIAL CONDITION**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the County's federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS

Federal funds received from the National School Lunch and Breakfast Programs were commingled with state subsidy and local revenue from the sale of meals. It was assumed that federal dollars were expended first.

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at fair market value of commodities received and consumed. At December 31, 1999, the County had no significant food commodities in inventory.

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.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

County Commissioners
County Auditor
County Treasurer
Darke County
504 South Broadway Street
Greenville, Ohio 45331

We have audited the financial statements of Darke County (the County) as of and for the year ended December 31, 1999 and have issued our report thereon dated July 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 the County in a separate letter dated July 28, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated July 28, 2000.

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

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

JIM PETRO
Auditor of State

July 28, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

County Commissioners
County Auditor
County Treasurer
Darke County
504 South Broadway Street
Greenville, Ohio 45331

Compliance

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

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

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

Internal Control Over Compliance

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

Darke County Financial Condition
Report on Compliance With Requirements Applicable to Each Major
Federal Program and Internal Control Over Compliance
In Accordance With OMB Circular A-133
Page 2

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

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



JIM PETRO
Auditor of State

July 28, 2000

**DARKE COUNTY
FINANCIAL CONDITION**

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

FOR THE YEAR ENDED DECEMBER 31, 1999

| |
|----------------------------------------|
| 1. SUMMARY OF AUDITOR'S RESULTS |
|----------------------------------------|

| | | |
|---------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| (d)(1)(i) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material non-compliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(iv) | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(1)(vi) | Are there any reportable findings under § .510? | No |
| (d)(1)(vii) | Major Programs (list): | CFDA #14.228 Community Development Block Grant CFDA #16.710 Public Safety and Community Policing |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$ 300,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee? | Yes |

**DARKE COUNTY
FINANCIAL CONDITION**

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

FOR THE YEAR ENDED DECEMBER 31, 1999

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

| | |
|-----------------------|------|
| Finding Number | None |
|-----------------------|------|

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Title of Finding

| | |
|------------------------------------|------|
| Finding Number | None |
| CFDA Title and Number | N/A |
| Federal Award Number / Year | N/A |
| Federal Agency | N/A |
| Pass-Through Agency | N/A |



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DARKE COUNTY FINANCIAL CONDITION

DARKE 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
SEPTEMBER 21, 2000