



**FINANCIAL CONDITION  
NOBLE COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 1999**



**NOBLE COUNTY  
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STATE OF OHIO  
OFFICE OF THE AUDITOR

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## REPORT OF INDEPENDENT ACCOUNTANTS

Noble County  
200 Courthouse Square  
Caldwell, Ohio 43724

To the Board of County Commissioners:

We have audited the accompanying general purpose financial statements of Noble 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 the 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 Noble County, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 to the general purpose financial statements, the Noble County Water Authority no longer meets Governmental Accounting Standards Board Statement No. 14 criteria for inclusion in the County's financial statements as a component unit.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 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", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

July 24, 2000

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Noble County, Ohio  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 December 31, 1999

	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Agency
<b>Assets and Other Debits:</b>					
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$617,683	\$2,656,179	\$76,916	\$0	\$1,512,999
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	71,136
Investments	0	13,920	0	17,173	0
Receivables:					
Taxes	0	0	0	0	8,027,731
Sales Tax	143,239	0	0	0	0
Accounts	55,110	1,343	0	0	0
Interfund	29,776	0	0	0	0
Accrued Interest	676	224	11	0	218
Due from Other Funds	452,550	769,963	185,680	0	0
Due from Other Governments	25,733	329,047	0	0	121,093
Materials and Supplies	12,430	70,492	0	0	0
Prepaid Items	9,471	21,779	0	0	0
Fixed Assets	0	0	0	0	0
Other Debit:					
Amount Available in Debt Service for Retirement of General Obligation Bonds	0	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0	0
<b>Total Assets and Other Debit</b>	<b><u>\$1,346,668</u></b>	<b><u>\$3,862,947</u></b>	<b><u>\$262,607</u></b>	<b><u>\$17,173</u></b>	<b><u>\$9,733,177</u></b>
<b>Liabilities, Fund Equity and Other Credits:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$37,415	\$64,517	\$0	\$250	\$0
Contracts Payable	430	50,588	0	0	0
Accrued Wages and Benefits	39,049	65,463	0	0	0
Compensated Absences Payable	3,771	4,001	0	0	0
Interfund Payable	0	29,776	0	0	0
Due to Other Funds	0	5,721	0	0	1,402,472
Due to Other Governments	10,351	29,111	0	0	6,937,898
Deferred Revenue	446,829	823,961	185,680	0	0
Undistributed Monies	0	0	0	0	1,262,695
Due to Others	0	0	0	0	130,112
Taxes Refund Payable	0	0	0	0	0
General Obligation Bonds Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b><u>537,845</u></b>	<b><u>1,073,138</u></b>	<b><u>185,680</u></b>	<b><u>250</u></b>	<b><u>9,733,177</u></b>
<b>Fund Equity and Other Credits:</b>					
Investment in General Fixed Assets	0	0	0	0	0
Fund Balance:					
Reserved for Encumbrances	21,845	143,004	0	5	0
Reserved for Inventory	12,430	70,492	0	0	0
Reserved for Claimants	4,078	0	0	0	0
Unreserved, Undesignated	770,470	2,576,313	76,927	16,918	0
<b>Total Fund Equity and Other Credits</b>	<b><u>808,823</u></b>	<b><u>2,789,809</u></b>	<b><u>76,927</u></b>	<b><u>16,923</u></b>	<b><u>0</u></b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b><u>\$1,346,668</u></b>	<b><u>\$3,862,947</u></b>	<b><u>\$262,607</u></b>	<b><u>\$17,173</u></b>	<b><u>\$9,733,177</u></b>

See accompanying notes to the general purpose financial statements



Account Groups		
General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)
\$0	\$0	\$4,863,777
0	0	71,136
0	0	31,093
0	0	8,027,731
0	0	143,239
0	0	56,453
0	0	29,776
0	0	1,129
0	0	1,408,193
0	0	475,873
0	0	82,922
0	0	31,250
7,465,014	0	7,465,014
0	76,927	76,927
0	2,044,595	2,044,595
<u>\$7,465,014</u>	<u>\$2,121,522</u>	<u>\$24,809,108</u>
\$0	\$0	\$102,182
0	0	51,018
0	0	104,512
0	254,223	261,995
0	0	29,776
0	0	1,408,193
0	89,912	7,067,272
0	0	1,456,470
0	0	1,262,695
0	0	130,112
0	177,387	177,387
0	1,600,000	1,600,000
0	2,121,522	13,651,612
7,465,014	0	7,465,014
0	0	164,854
0	0	82,922
0	0	4,078
0	0	3,440,628
<u>7,465,014</u>	<u>0</u>	<u>11,157,496</u>
<u>\$7,465,014</u>	<u>\$2,121,522</u>	<u>\$24,809,108</u>

Noble County, Ohio  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Governmental Fund Types  
 For the Year Ended December 31, 1999

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Revenues:</b>					
Taxes	\$442,864	\$742,179	\$172,316	\$0	\$1,357,359
Sales Tax	769,419	0	0	0	769,419
Charges for Services	521,622	395,231	0	0	916,853
Licenses and Permits	1,354	0	0	0	1,354
Fines and Forfeitures	49,149	12,469	0	0	61,618
Intergovernmental	437,306	3,795,435	19,173	853,420	5,105,334
Interest	192,083	42,447	6,508	2,106	243,144
Rent	8,550	0	0	0	8,550
Other	143,782	253,573	0	0	397,355
<b>Total Revenues</b>	<b>2,566,129</b>	<b>5,241,334</b>	<b>197,997</b>	<b>855,526</b>	<b>8,860,986</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>General Government:</b>					
Legislative and Executive	1,151,990	142,694	0	0	1,294,684
Judicial	299,330	4,184	0	0	303,514
Public Safety	921,468	156,394	0	0	1,077,862
Public Works	1,129	2,305,128	0	0	2,306,257
Health	25,152	579,221	0	0	604,373
Human Services	82,929	1,971,762	0	0	2,054,691
Economic Development and Assistance	0	276,799	0	0	276,799
Other	6,064	136,500	0	0	142,564
Capital Outlay	0	0	0	768,064	768,064
Refund of Property Taxes	17,659	37,407	4,063	0	59,129
<b>Debt Service:</b>					
Principal Retirement	0	0	100,000	0	100,000
Interest and Fiscal Charges	0	0	90,180	0	90,180
<b>Total Expenditures</b>	<b>2,505,721</b>	<b>5,610,089</b>	<b>194,243</b>	<b>768,064</b>	<b>9,078,117</b>
Excess of Revenues Over (Under) Expenditures	60,408	(368,755)	3,754	87,462	(217,131)
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	0	120,420	0	1,543	121,963
Operating Transfers Out	(121,963)	0	0	0	(121,963)
<b>Total Other Financing Sources (Uses)</b>	<b>(121,963)</b>	<b>120,420</b>	<b>0</b>	<b>1,543</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(61,555)	(248,335)	3,754	89,005	(217,131)
Fund Balances (Deficit) at Beginning of Year Restated (Note 3)	866,062	3,039,259	73,173	(72,082)	3,906,412
Increase (Decrease) in Reserve for Inventory	4,316	(1,115)	0	0	3,201
<b>Fund Balances at End of Year</b>	<b>\$808,823</b>	<b>\$2,789,809</b>	<b>\$76,927</b>	<b>\$16,923</b>	<b>\$3,692,482</b>

See accompanying notes to the general purpose financial statements

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

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$425,145	\$425,205	\$60
Sales Tax	730,000	769,419	39,419
Charges for Services	407,024	487,839	80,815
Licenses and Permits	1,210	1,354	144
Fines and Forfeitures	44,000	49,149	5,149
Intergovernmental	375,125	403,397	28,272
Interest	175,000	191,058	16,058
Rent	7,500	8,550	1,050
All Other Revenue	100,416	130,920	30,504
Total Revenues	<u>2,265,420</u>	<u>2,466,891</u>	<u>201,471</u>
<u>Expenditures:</u>			
Current:			
General Government:			
Legislative and Executive	1,306,464	1,161,689	144,775
Judicial	331,832	298,399	33,433
Public Safety	964,080	919,257	44,823
Public Works	1,000	996	4
Health	15,533	15,520	13
Human Services	102,396	83,682	18,714
Economic Development and Assistance	0	0	0
Other	78,534	8,201	70,333
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	<u>2,799,839</u>	<u>2,487,744</u>	<u>312,095</u>
Excess of Revenues Over (Under) Expenditures	<u>(534,419)</u>	<u>(20,853)</u>	<u>513,566</u>
<u>Other Financing Sources (Uses):</u>			
Advances In	73,144	76,504	3,360
Advances Out	(15,000)	(29,776)	(14,776)
Operating Transfers In	0	0	0
Operating Transfers Out	(121,963)	(121,963)	0
Total Other Financing Sources (Uses)	<u>(63,819)</u>	<u>(75,235)</u>	<u>(11,416)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(598,238)</u>	<u>(96,088)</u>	<u>502,150</u>
Fund Balances at Beginning of Year	662,855	662,855	0
Prior Year Encumbrances Appropriated	<u>2,901</u>	<u>2,901</u>	<u>0</u>
Fund Balances at End of Year	<u>\$67,518</u>	<u>\$569,668</u>	<u>\$502,150</u>

See accompanying notes to the general purpose financial statements.

(continued)

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

	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$703,317	\$704,772	\$1,455
Sales Tax	0	0	0
Charges for Services	431,803	393,900	(37,903)
Licenses and Permits	0	0	0
Fines and Forfeitures	10,640	12,469	1,829
Intergovernmental	4,693,867	4,331,284	(362,583)
Interest	16,780	40,639	23,859
Rent	0	0	0
All Other Revenue	65,042	253,603	188,561
Total Revenues	<u>5,921,449</u>	<u>5,736,667</u>	<u>(184,782)</u>
<u>Expenditures:</u>			
Current:			
General Government:			
Legislative and Executive	327,293	154,211	173,082
Judicial	97,738	4,184	93,554
Public Safety	195,347	160,519	34,828
Public Works	2,873,618	2,341,167	532,451
Health	740,677	593,729	146,948
Human Services	2,288,705	1,968,527	320,178
Economic Development and Assistance	579,152	316,615	262,537
Other	156,682	136,500	20,182
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	<u>7,259,212</u>	<u>5,675,452</u>	<u>1,583,760</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,337,763)</u>	<u>61,215</u>	<u>1,398,978</u>
<u>Other Financing Sources (Uses):</u>			
Advances In	0	29,776	29,776
Advances Out	0	(3,360)	(3,360)
Operating Transfers In	94,525	120,420	25,895
Operating Transfers Out	(12,478)	0	12,478
Total Other Financing Sources (Uses)	<u>82,047</u>	<u>146,836</u>	<u>64,789</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(1,255,716)</u>	<u>208,051</u>	<u>1,463,767</u>
Fund Balances at Beginning of Year	2,229,195	2,229,195	0
Prior Year Encumbrances Appropriated	<u>33,137</u>	<u>33,137</u>	<u>0</u>
Fund Balances at End of Year	<u>\$1,006,616</u>	<u>\$2,470,383</u>	<u>\$1,463,767</u>

See accompanying notes to the general purpose financial statements.

Debt Service Fund			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$168,765	\$168,253	(\$512)	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
19,065	19,173	108	1,768,288	962,487	(805,801)
0	6,466	6,466	1,241	2,772	1,531
0	0	0	0	0	0
0	0	0	0	0	0
<u>187,830</u>	<u>193,892</u>	<u>6,062</u>	<u>1,769,529</u>	<u>965,259</u>	<u>(804,270)</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,487,373	767,257	720,116
100,000	100,000	0	86,418	86,418	0
90,180	90,180	0	0	0	0
<u>190,180</u>	<u>190,180</u>	<u>0</u>	<u>1,573,791</u>	<u>853,675</u>	<u>720,116</u>
(2,350)	3,712	6,062	195,738	111,584	(84,154)
0	0	0	0	0	0
0	0	0	0	(73,144)	(73,144)
0	0	0	1,543	1,543	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,543</u>	<u>(71,601)</u>	<u>(73,144)</u>
(2,350)	3,712	6,062	197,281	39,983	(157,298)
73,004	73,004	0	(102,105)	(102,105)	0
0	0	0	78,956	78,956	0
<u>\$70,654</u>	<u>\$76,716</u>	<u>\$6,062</u>	<u>\$174,132</u>	<u>\$16,834</u>	<u>(\$157,298)</u>

(continued)

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

	Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$1,297,227	\$1,298,230	\$1,003
Sales Tax	730,000	769,419	39,419
Charges for Services	838,827	881,739	42,912
Licenses and Permits	1,210	1,354	144
Fines and Forfeitures	54,640	61,618	6,978
Intergovernmental	6,856,345	5,716,341	(1,140,004)
Interest	193,021	240,935	47,914
Rent	7,500	8,550	1,050
All Other Revenue	165,458	384,523	219,065
Total Revenues	<u>10,144,228</u>	<u>9,362,709</u>	<u>(781,519)</u>
<u>Expenditures:</u>			
Current:			
General Government:			
Legislative and Executive	1,633,757	1,315,900	317,857
Judicial	429,570	302,583	126,987
Public Safety	1,159,427	1,079,776	79,651
Public Works	2,874,618	2,342,163	532,455
Health	756,210	609,249	146,961
Human Services	2,391,101	2,052,209	338,892
Economic Development and Assistance	579,152	316,615	262,537
Other	235,216	144,701	90,515
Capital Outlay	1,487,373	767,257	720,116
Debt Service:			
Principal Retirement	186,418	186,418	0
Interest and Fiscal Charges	90,180	90,180	0
Total Expenditures	<u>11,823,022</u>	<u>9,207,051</u>	<u>2,615,971</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,678,794)</u>	<u>155,658</u>	<u>1,834,452</u>
<u>Other Financing Sources (Uses):</u>			
Advances In	73,144	106,280	33,136
Advances Out	(15,000)	(106,280)	(91,280)
Operating Transfers In	96,068	121,963	25,895
Operating Transfers Out	(134,441)	(121,963)	12,478
Total Other Financing Sources (Uses)	<u>19,771</u>	<u>0</u>	<u>(19,771)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(1,659,023)</u>	<u>155,658</u>	<u>1,814,681</u>
Fund Balances at Beginning of Year	2,862,949	2,862,949	0
Prior Year Encumbrances Appropriated	<u>114,994</u>	<u>114,994</u>	<u>0</u>
Fund Balances at End of Year	<u>\$1,318,920</u>	<u>\$3,133,601</u>	<u>\$1,814,681</u>

See accompanying notes to the general purpose financial statements.

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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

Noble County, Ohio (The County), was created March 11, 1851. The County was the last County formed in the State of Ohio and is comprised of fifteen townships. The County is governed by a board of three Commissioners elected by the voters of the County. An elected County Auditor serves as chief fiscal officer. In addition, there are seven other elected officials, each of whom is independent as set forth in Ohio Law. These officials are the Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff and Treasurer. Also elected, to oversee the district's justice system, are a County Court Judge, and Common Pleas Judge who also serves as judge for the Probate and Juvenile Courts.

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

A. Reporting Entity:

The County utilizes Governmental Accounting Standards Board Statement 14 for determining the reporting entity.

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Noble County this includes the Children's Service Board, the Board of Mental Retardation and Developmental Disabilities, and Human Services Department, Fair Housing Board, Noble County Regional Planning Commission, Committee on Aging, and the Emergency Planning and Right-to-Know, and all departments and activities that are directly operated by the elected County Officials.

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

The following potential component units have been excluded from the County's financial statements because the County is not financially accountable for these organizations nor are these entities for which the County approves the budget, the issuance of debt, or the levying of taxes:

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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Noble Counseling Center  
Noble County Agricultural Society  
Noble County Historical Society  
Noble County Rural Water Association  
Noble-Guernsey Joint Vocational School  
Noble County Council on Aging Senior Center  
Noble County Law Library  
Noble County Fair Board  
Noble County Drug & Alcoholism Council Inc.

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations nor are they fiscally dependent on the County. Accordingly, the activity of the following districts and agencies will be presented as agency funds within the County's financial statements.

Noble County Health Department is governed by a nine member Board of Health which oversees the operation of the Health District. The Board is elected by a District Advisory Council comprised of township trustees, county commissioners and mayors of participating municipalities. The Board adopts its own budget which is approved by the County Budget Commission, hires and fires its own staff, and operates autonomously from the County. The Board has sole budgetary authority, and controls surpluses and deficits. The County is not legally obligated for the Health District's debt.

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

Noble County Family and Children's First Council is to account for State and Federal grant revenue and expenditures of the Noble County Family and Children's First Council. The Noble County Department of Human Services serves as administrating agent and the County Auditor serves as fiscal agent.

Local Emergency Planning Committee (LEPC) of Noble County is a single county district. The State Emergency Response Commission designates Emergency Planning Districts within the state. The committee members are recommended by the County Commission for approval by the State Emergency Response Commission. The LEPC receives operating resources in the form of grants from the State. The activities of the LEPC are accounted for as a special revenue fund of the County. The County has no ability to impose its will on the organization. No benefit or burden exists.

The County is associated with certain organizations which are defined as Jointly Governed Organizations, Related Organizations or Shared Risk Pools. These organizations are presented in Notes 18, 19 and 20 to the general purpose financial statements. These organizations are:



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South East Ohio Joint Solid Waste Management District

Mental Health and Recovery Services Board

Muskingum, Guernsey, Noble, Perry, and Morgan County Cluster

Guernsey, Monroe, Noble Community Action Corporation (GMN)

Buckeye Hills-Hocking Valley Regional Development District

County Employees Health Insurance Program

Southeast Ohio Juvenile Rehabilitation District (SOJRD)

Noble County Metropolitan Housing Authority

Noble County Airport Authority

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

Buckeye Joint-County Self Insurance Council

**B. 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. 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 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 are accounted for through governmental funds. The following are the County's governmental fund types:

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

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

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

Capital Projects Funds These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Type:

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

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.

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

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

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

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.

Basis of accounting refers to when revenues and expenditures 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. "Available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the County is sixty days after year end.

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In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: earnings on investments, sales tax (see Note 8), federal and state grants and subventions, and charges for current services. Major revenue sources not susceptible to accrual include licenses, permits, fines and forfeitures, 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. 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 on expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred.

Principal and interest on general long-term obligations 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, are not recognized in the governmental funds.

**B. Budgetary Process:**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, legally are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each fund, program, and department. Budgetary modifications may only be made by resolution of the County Commissioners. Short term advances do not have to be budgeted.

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.

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Estimated Resources:

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the 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 December 31 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, program, department, and object levels. 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 County Commissioners. Several supplemental appropriation resolutions were legally enacted by the County Commissioners during the year. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds.

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 re-appropriated.

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C. Cash and Cash Equivalents:

To improve cash management, cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

During 1999, investments were limited to STAR Ohio and a Certificate of Deposit.

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 deposits are reported at cost.

The County has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 1999.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest income earned in 1999 totaled \$243,144. Interest revenue credited to the General Fund during 1999 totaled \$192,083, which includes \$145,983 assigned from other county funds.

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

For presentation on the Combined Balance Sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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.

Using this criteria, the County has elected to not record child support arrearages within the Special Revenue and Agency fund types. 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. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

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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. A current asset for the prepaid amount is recorded at the time of the purchase, and an expenditure is reported in the year in which services are consumed.

G. Interfund Assets and Liabilities:

Amounts owed to a particular fund by another fund for goods or services rendered, and amounts to be distributed by agency funds to other funds of the County, are classified as "Due from Other Funds/Due to Other Funds" on the Combined Balance Sheet. The agency funds receive all tax collections (including the County's portion) within the County and then distribute them to the political subdivisions. Therefore, receivables for the County's portion of property taxes and outstanding court costs were reported as "Due from Other Funds" in the governmental fund types. Their corresponding payables were reported as "Due to Other Funds" in the agency funds.

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

H. Property, Plant, and Equipment:

1. General Fixed Assets Account Group

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

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

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

2. Valuation

County fixed asset values initially were determined at December 31, 1997, assigning original acquisition costs when such information was available. In cases when original costs were not practicably determinable, estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated.

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I. Compensated Absences:

GASB Statement No. 16, "Accounting for Compensated Absences" specifies the methods used to accrue liabilities for leave benefits. Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the County's termination policy.

For governmental funds, the County records a liability for accumulated, unused vacation and compensatory time when earned for all employees exceeding their probation period. The County records a liability for accumulated, unused sick leave for employees after ten years of service. 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.

J. Intergovernmental Revenues:

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis 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.

K. 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, taxes refund payable, and long-term pension obligations are reported as a liability in the General Long-term Obligation Account Group to the extent that they will not be paid with current expendable available financial resources. Bonds are recognized as a liability of the General Long-term Obligations Account Group until due.

Under Ohio Law, a debt service retirement fund may 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 appropriate 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, a portion of the County's Debt Service Fund has been shown in the appropriate fund and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

L. Reserves of Fund Equity:

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriations for expenditures. 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 claimants. By law, unclaimed monies are not available for appropriation until five years have elapsed.

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M. Interfund Transactions:

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

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

N. Total Columns on General Purpose Financial Statements:

Total Columns on the general purpose financial statements are captioned "(Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations 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.

**NOTE 3 - RESTATEMENT OF PRIOR YEAR FUND EQUITY**

In prior years, the County's only debt service fund, the Jail Bond Retirement Fund, was combined with the Jail Construction Capital Projects Fund. For the year ended December 31, 1999, this Jail Bond Retirement Fund will be shown as a debt service fund on a budgetary basis and on a GAAP basis. Also, the Bond Retirement Debt Service Fund's beginning balance will be increased by \$7,264 due to a correction of an error in posting accrued interest payable for general obligation bonds that are shown in the general long-term obligation account group. The result of these adjustments are summarized as follows:

	<u>Previously Stated Balance December 31, 1998</u>	<u>Adjustments</u>	<u>Restated Balance at January 1, 1999</u>
Debt Service Fund Type	\$0	\$73,173	\$73,173
Capital Projects Fund Type	(6,173)	(65,909)	(72,082)

The above adjustments resulted in a change in the excess of revenues under expenditures in the Capital Projects Fund of \$7,264, for the year ended December 31, 1998.

For the year ended December 31, 1998, the Noble Water Authority was reflected as a component unit on the County's financial statements. During 1999, the Noble Water Authority commenced operations and assumed responsibility for a loan for planning and construction that in previous years the County had guaranteed. Pursuant to the criteria set forth in GASB Statement No. 14, the Noble Water Authority is no longer reflected as a component unit on the County's financial statements. This change has resulted in the entire amount of retained earnings as of January 1, 1999, in the amount of \$108,725, being eliminated from the County's financial statements.

**NOTE 4 - 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 transactions on a basis of cash receipts, disbursements, appropriations, and encumbrances.



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The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types, is 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 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 (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Principal and interest payments on debt obligations are reported in debt service funds on the budgetary statement (budget basis) rather than in the funds receiving the proceeds (GAAP basis).

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	(\$61,555)	(\$248,335)	\$3,754	\$89,005
Net Adjustment for Revenue Accruals	(99,238)	495,333	(4,105)	109,733
Advances – In	76,504	29,776	0	0
Net Adjustment for Expenditure Accruals	37,092	103,646	4,063	1,062
Debt Principal Retirement	0	0	0	(86,418)
Prepaid Items	9,471	21,779	0	0
Advances –Out	(29,776)	(3,360)	0	(73,144)
Encumbrances	<u>(28,586)</u>	<u>(190,788)</u>	<u>0</u>	<u>(255)</u>
Budget Basis	<u>(\$96,088)</u>	<u>\$208,051</u>	<u>\$3,712</u>	<u>\$39,983</u>

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**NOTE 5 - ACCOUNTABILITY AND COMPLIANCE**

A. Fund Deficits:

The Senior Citizens Special Revenue Fund had a deficit fund balance in the amount of \$19,109. This deficit is the result of the recognition of liabilities in accordance with Generally Accepted Accounting Principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Legal Compliance

The following accounts had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41, Revised Code:

	<u>Excess</u>
<u>General Fund</u>	
General Government-Legislative and Executive	
Board of Elections	
Fringe Benefits	\$48
General Government-Judicial	
County Court	
Fringe Benefits	92
Materials and Supplies	482
Public Safety	
Sheriff	
Fringe Benefits	3,432
Disaster Service	
Fringe Benefits	39
<u>Special Revenue Fund</u>	
Public Assistance	
Fringe Benefits	7,115

The County will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or 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 issuance's of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio;
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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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Cash on Hand:

At year end, the County has \$107,727 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", "Cash and Cash Equivalents in Segregated Accounts", and "Investments".

Deposits:

At year-end, the carrying amount of the County's deposits was \$1,229,311 and the bank balance, including the payroll account of \$64,170, was \$1,820,413. Of the bank balance:

1. \$297,289 was covered by federal depository insurance;
2. \$1,523,124 was considered uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

GASB Statement No. 3 entitled "Deposits With Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements" requires the County's investments to be categorized to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the County or the County's agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held 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. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Market Value</u>
Certificate of Deposit		\$13,920		\$13,920
Star Ohio				<u>3,615,048</u>
Total				<u>\$3,628,968</u>

The classification of "Cash and Cash Equivalents" and "Investments" on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with original maturities of three months or less. A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$4,934,913	\$31,093
Cash on Hand	(107,727)	
Investments:		
Star Ohio	<u>(3,597,875)</u>	<u>3,597,875</u>
GASB Statement 3	<u>\$1,229,311</u>	<u>\$3,628,968</u>

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**NOTE 7 - PROPERTY TAXES**

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

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

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

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

The full tax rate for all County operations for the year ended December 31, 1999, was \$14.25 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based were as follows:

Real Property	\$112,072,240
Public Utility Personal Property	37,818,010
Tangible Personal Property	<u>13,807,840</u>
Total Assessed Value	<u>\$163,698,090</u>

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

In 1967, in accordance with Section 5739.02 of the Revised Code, counties were authorized to levy an excise tax of 0.5% to 1-1/2%. The tax must be levied pursuant to a resolution of the County Commissioners and a copy of the resolution of the County Commissioners sent to the Tax Commissioner not later than 60 days prior to the effective date of the tax. The Tax Commissioner shall within forty-five days after the end of each month certify to the Director of Budget and Management the amount of the proceeds of such tax or taxes paid to the Treasurer of State during that month to be returned to the County. The Director then provides for payment to the County Treasurer on or before the twentieth day of the month in which the certification is made. Effective November 1970, the County Commissioners adopted by resolution a 0.5% permissive sales tax as allowed by Section 5739.02 and 5741.02, Revised Code. In February 1985, an additional 0.5% was adopted and in 1994 an additional 0.5% was adopted. Proceeds of the tax are credited to the General Fund. Amounts held by the State at year-end that are to be received within the available period are accrued as revenue. Sales and use tax revenue in 1999 amounted to \$769,419.

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 1999 consisted of taxes, accounts (billings for user charged services outstanding court costs), interfund, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenues. 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.

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

A summary of the principal items of intergovernmental receivable follows:

<u>General Fund</u>	<u>Amount</u>
Local Government	\$15,000
Local Government Revenue Assistance	4,421
Sheriff's Salary Reimbursement	1,316
Defense of Indigents	4,316
Estate Tax Fees	<u>680</u>
Total General Fund	<u>25,733</u>
 <u>Special Revenue Funds:</u>	
Emergency Management Performance Grant	4,438
Subsidy Grant	3,901
Motor Vehicle License Tax – MVGT	40,692
Gas Tax – MVGT	113,063
ODNR Litter Fund	8,235
PA Reconciliation	143,640
Inclusion Facilitator-Schools – MR/DD	14,985
C.A.F.S. – MR/DD	<u>93</u>
Total Special Revenue	<u>329,047</u>
 <u>Agency Funds:</u>	
Local Government Revenue Assistance	2,947
Gasoline Excise Tax	61,348
Motor Vehicle License Tax – Undivided Tax	11,323
Library and Local Government Support	<u>45,475</u>
Total Agency Funds	<u>121,093</u>
 Grand Total	 <u>\$475,873</u>

**NOTE 10 - FIXED ASSETS**

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

	<u>Balance</u> <u>01/01/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/99</u>
Land	\$137,217	\$0	\$0	\$137,217
Buildings	4,079,994	125,482	0	4,205,476
Machinery and Equipment	1,989,349	135,509	0	2,124,858
Furniture and Fixtures	50,516	1,193	0	51,709
Vehicles	<u>857,268</u>	<u>97,986</u>	<u>9,500</u>	<u>945,754</u>
 Total	 <u>\$7,114,344</u>	 <u>\$360,170</u>	 <u>\$9,500</u>	 <u>\$7,465,014</u>

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

**NOTE 11 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. During 1999, the County contracted with the Buckeye Joint-County Self-Insurance Council (a shared risk pool, see Note 20) for liability, auto, and crime insurance. This jointly governed organization is a cost-sharing pool.

Coverage provided by the program is as follows:

<u>BASIC CONTRIBUTION</u>	<u>ANNUAL-AGGREGATE</u>	<u>DEDUCTIBLE</u>
General Liability	\$1,000,000 / \$2,000,000	\$ 1,000
Public Official Liability	\$1,000,000 / \$2,000,000	1,000
Law Enforcement	\$1,000,000 / \$2,000,000	1,000
Auto Liability	\$1,000,000 per occurrence	0.00
Pollution Liability	\$ 10,000	1,000
All Risk Blanket Property	Building & Content per schedule	500
Flood (no coverage for Zone A)	Included	2,500
Earthquake	Included	25,000
Electronic Data Processing Equipment	\$ 175,000	500
Blanket Bond	\$ 250,000	0
Elected Officials Bond	Per. Bond schedule	0
Money & Securities Inc. food stamps	\$ 500,000	500
Boiler & Machinery	Included	500
Inland Marine	Per Schedule activity	100
Auto Comprehensive	Per Schedule activity	100
Auto Collision	Per Schedule activity	250
Nurse Liability	\$1,000,000	1,000
EMT/EM-A / Parned	\$1,000,000 / \$2,000,000	1,000

Settled claims have not exceeded coverage in any of the last three years.

There has not been a significant reduction in coverage from the prior year.

For 1999, the County participated in the County Commissioners Association of Ohio Workers Compensation Group Rating Plan (Plan), an insurance purchasing pool (See Note 20). The plan is intended to achieve lower workers compensation rates while establishing safer 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 participants in the Plan. Each participant pays its workers compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plans executive committee annually calculates the total savings, which accrued to the Plan through its information. This saving is then compared to the overall savings percentage of the Plan. The Plans executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Counties that can meet the Plans selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation. A savings of approximately \$2,655 was realized on the annual premium cost.

The County pays all elected official bonds by State statute.

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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**NOTE 12 - DEFINED BENEFIT PENSION PLAN**

All County full-time employees 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 benefits 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 coverage is 9 percent and the employer contribution is 12.5 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's required contributions to PERS for the years ended December 31 1999, 1998, and 1997 were \$294,318, \$264,101, and \$212,730, respectively. The full amount has been contributed for 1998 and 1997. Seventy-nine percent has been contributed for 1999 with the remainder being reported in the General Long Term Obligation Account Group.

**NOTE 13 - POSTEMPLOYMENT BENEFITS - PERS**

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. 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. The law enforcement employer rate for 1999 was 16.70 percent and 4.2 percent was used to fund health care.

Benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care, and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 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 \$129,287.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health coverage.



**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

**NOTE 14 - OTHER EMPLOYER BENEFITS**

Compensated Absences:

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. Accumulated, unused vacation time accumulated, unused sick leave, and compensatory time is paid to a terminated employee at varying rates depending on length of service and department policy. The amount of accumulated vacation and sick leave of employees paid from governmental funds has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the General Long-Term Obligations Account Group. As of December 31, 1999, the liability for compensated absences was \$261,995 for the entire County.

**NOTE 15 - CONTRACTUAL COMMITMENTS**

As of December 31, 1999, the County had contractual purchase commitments for the following projects:

<u>Project</u>	<u>Fund</u>	<u>Purchase Commitments</u>	<u>Amounts Paid as of 12/31/99</u>	<u>Amounts Remaining on Contracts</u>
New Construction	Real Estate Assessment	\$10,000	\$0	\$10,000
New Construction	Real Estate Assessment	<u>10,000</u>	<u>9,800</u>	<u>200</u>
Totals		<u>\$20,000</u>	<u>\$9,800</u>	<u>\$10,200</u>

**NOTE 16 - LONG-TERM DEBT**

Changes in the County's long-term obligations during 1999 consisted of the following:

General Long-Term Obligations:

	<u>Outstanding 01/01/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/99</u>
General Obligation Bonds 1996 – 3.95% to 7.08%	\$1,700,000	\$0	\$100,000	\$1,600,000
Compensated Absences	238,608	179,057	163,442	254,223
Pension Obligation	81,113	89,912	81,113	89,912
Tax Refund	<u>236,516</u>	<u>0</u>	<u>59,129</u>	<u>177,387</u>
Total Long-Term Obligations	<u>2,256,237</u>	<u>268,969</u>	<u>403,684</u>	<u>2,121,522</u>
<u>Capital Projects Fund Obligation</u>				
OWDA Loans Payable	<u>86,418</u>	<u>0</u>	<u>86,418</u>	<u>0</u>
Total All Long-Term Obligations	<u>\$2,342,655</u>	<u>\$268,969</u>	<u>\$490,102</u>	<u>\$2,121,522</u>

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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The County's general obligation bonds were issued in the amount of \$2,000,000 for the purpose of constructing a jail facility. The debt is being retired through the Jail Bond Retirement Debt Service Fund by a levy passed May 1996.

Annual debt service requirements to retire general obligation bonds, including interest of \$768,180, are as follows:

<u>Year Ending December 31</u>	<u>Jail Construction Fund</u>
2000	\$ 185,780
2001	181,280
2002	176,630
2003	171,880
2004	167,030
2005-2009	757,850
2010-2014	620,650
2015	<u>107,080</u>
Total	<u><u>\$2,368,180</u></u>

The tax refund of \$177,387 is a long-term obligation for a repayment of taxes to Texas Eastern Transmission Corporation, a public utility company, for tax years 1991-1996. The Noble County Auditor will deduct the repayment of taxes over ten tax settlements. Principal requirements to retire the tax refund outstanding at December 31, 1999 are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2000	\$59,129
2001	59,129
2002	<u>59,129</u>
Total	<u><u>\$177,387</u></u>

The County will pay compensated absences and pension obligations out of the fund from which employees salaries are paid.

Prior to 1999, the County reflected a loan in the OWDA Capital Projects Fund. The OWDA Loan was retired in 1999 by the Noble County Water Authority. During 1999, the Noble County Water Authority became operational and ended the County's liability for repayment of the OWDA Loan.

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

**NOTE 17 - INTERFUND TRANSACTIONS**

Due from other funds and due to other funds at December 31, 1999, consist of the following individual balances:

<u>Due From/Due to Other Funds</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	<u>\$452,550</u>	<u>\$0</u>
Special Revenue Funds:		
Mental Health	68,745	0
Ambulance Service	122,274	0
Mental Retardation	285,068	0
Senior Citizens	51,627	0
Cooperative Extension	128,469	0
Health – GAAP	113,780	0
Public Assistance	0	708
Child Support Enforcement	<u>0</u>	<u>5,013</u>
Total Special Revenue Funds:	\$769,963	5,721
Debt Service Fund:		
Jail Bond Retirement	<u>185,680</u>	<u>0</u>
Agency Funds:		
Property Tax	<u>0</u>	<u>1,402,472</u>
Total Agency Funds	0	1,402,472
Total Due From/Due To Other Funds	<u>\$1,408,193</u>	<u>\$1,408,193</u>
 <u>Interfund Receivables/Payables</u>		
General Fund	<u>\$29,776</u>	<u>\$0</u>
Special Revenue Funds:		
Noble County EMA	0	3,157
Senior Citizens	0	19,119
Litter Control	<u>0</u>	<u>7,500</u>
Total Special Revenue Funds	<u>0</u>	<u>29,776</u>
Total All Funds	<u>\$29,776</u>	<u>\$29,776</u>

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS**

A. South East Ohio Joint Solid Waste Management District

The County is a member of the South East Ohio Joint Solid Waste Management District, which is a jointly governed organization involving Noble, Muskingum, Guernsey, Morgan, Monroe and Washington counties. The purpose of the District is to plan and implement comprehensive and environmentally sound solid waste management facilities and provide for the establishment of waste minimization, waste reduction, and recycling programs. The District was created in 1989, as required by the Ohio Revised Code.

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

B. Mental Health and Recovery Services Board:

The Mental Health and Recovery Services Board is a jointly governed organization. Participants are Noble, Muskingum, Coshocton, Guernsey, Perry and Morgan Counties. The Board has the responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The Board is managed by a seventeen member board of trustees; three appointed by the Muskingum County Commissioners, seven appointed by the Commissioners of the other participating counties, three by the Director of State Department of Alcohol and Drug Addiction, and four appointed by the Director of the State Department of Mental Health. The Board exercises total control, including budgeting, appropriating, contracting, and designating management.

During 1999, Noble County contributed \$61,257 in tax levy revenue money through a .70 mill levy. The remaining revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Muskingum County serves as fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation and no equity interest exists. The Board has no outstanding debt.

C. Muskingum, Guernsey, Noble, Perry and Morgan County Cluster

Muskingum, Guernsey, Noble, Perry and Morgan County Cluster provides services to multi-need youth in Noble, Muskingum, Guernsey, Perry and Morgan Counties. Members of the Cluster include the Muskingum County Health Department, Zanesville City Health Department, Muskingum County Board of Mental Retardation and Developmental Disabilities, the regional office of the Department of Youth Services, the Muskingum County Juvenile Court, the Muskingum, Guernsey, Noble, Perry and Morgan County Mental Health Boards, the Muskingum County Mental Health Board, the Muskingum County Department of Human Services. The operation of the Cluster is controlled by an advisory committee which consists of a representative from each agency. The continued existence of the Authority is not dependent on the County's continued participation and no equity interest exists. The Cluster has no outstanding debt.

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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D. Guernsey-Monroe-Noble Community Action Corporation (GMN)

The Guernsey-Monroe-Noble Community Action Corporation is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Guernsey, Monroe and Noble counties. The agency is governed by an eighteen member board which consists of three commissioners from each county, three business owners from each county, and three low income individuals elected by each county. The three business owners are nominated by other local business owners and the three low income individuals are nominated by local town council meetings. The agency received federal and state monies which are applied for and received by, and in the name of, the Board of Directors. Continued existence of the Community Action Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the agency. The agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. During 1999, \$539,308, in JTPA monies was received on behalf of the residents of Noble County.

E. Buckeye Hills - Hocking Valley Regional Developmental District

The Buckeye Hills - Hocking Valley Regional Development District serves as regional council of governments which is a jointly governed organization created to foster a cooperative effort in regional planning, programming, and the implementing of regional plans and programs. The District is governed by a fifteen member board of directors. The District serves Noble, Athens, Hocking, Meigs, Monroe, Morgan, Perry and Washington Counties. Each participating county appoints one member to the board of directors, the City of Marietta and the City of Athens each appoint one member and the remaining members are private citizens nominated and approved by their respective organizations. The board has total control over budgeting, personnel and all other financial matters. The District receives grant monies directly. The District is not dependent on the County's continued participation and no equity interest exists. The District has no outstanding debt.

F. County Employees Health Insurance Program

The County Employees Health Insurance Program is administered by the Buckeye Joint-County Self-Insurance Council. Participating employers consists of The County Commissioners Association of Ohio, Gallia County Engineers, Monroe County, Noble County, Pike County, and Washington County. The Benefit committee is composed of one designated representative from each participating Employer who is a member of the Buckeye Joint-County Self Insurance Council. The cost of the Plan for eligible employees and their dependents is funded by contributions made by covered employees and their Employer to the Buckeye Health Benefit Trust (Anthem). COBRA participants are responsible for paying the entire cost of their coverage.

G. Southeast Ohio Juvenile Rehabilitation District (SOJRD)

The Southeast Ohio Juvenile Rehabilitation District is a jointly governed organization among Noble, Belmont, Harrison, Guernsey, Jefferson and Monroe Counties. SOJRD was formed to operate a regional juvenile rehabilitation facility for the use of member counties, and to house and treat adjudicated non-violent felony offenders. The facility is operated and managed by SOJRD. The participating entities created a Judicial Rehabilitation Board, the members of which are made up of the juvenile judges of each participating county who determine the policy.

A Board of Trustees has been created whose members are appointed by the juvenile judges of which Belmont and Jefferson Counties have three appointees, Guernsey County has two appointees, and Harrison, Monroe and Noble Counties each have one appointee. The facility is located on property now owned by Belmont County. Policies, procedures and the operating budget are approved by the Judicial Rehabilitation Board. The Board is not dependent upon Noble County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Board.

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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**NOTE 19 - RELATED ORGANIZATIONS**

A. Noble County Metropolitan Housing Authority

The Noble County Metropolitan Housing Authority is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to State statutes. The Authority is operated by a five member board. Two members are appointed by the largest municipality in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority.

B. Noble County Airport Authority

The Noble County Airport Authority was created in 1967. The Authority leases property from the State of Ohio, on which an airport is operated. The Authority is governed by a five-member Board. The original Board was appointed by the Noble County Commissioners, and the Commissioners approve members to fill vacancies upon recommendation of the current Authority Board. The Authority derives its revenues from hanger rental, state and federal grants received directly by the Authority, interest, and a minimal contribution from the County. The County is not financially accountable for the Authority; the County cannot impose its will on the Authority; and no financial benefit/burden relationship exists between the County and the Authority.

**NOTE 20 - SHARED RISK POOLS**

A. County Commissioners Association of Ohio Worker's Compensation Group Rating Plan

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

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

B. Buckeye Joint-County Self-Insurance Council

The Buckeye Joint-County Self-Insurance Council is a jointly governed organization that serves Noble, Hocking, Jackson, Lawrence, Meigs, Monroe, Morgan, Pike, Vinton and Washington Counties, and was formed as an Ohio nonprofit corporation for the purpose of establishing an insurance pool to obtain general liability, law enforcement, professional and fleet insurance. Member counties provide operating resources to the corporation based on actuarially determined rates.

**NOBLE COUNTY, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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The degree of control exercised by any participating government is limited to its representation on the Board. The Governing Board annually elects officers which include a President, Vice President, Second Vice President and two Governing Board members. The expenditures and investment of funds by the officers must be approved by the Governing Board unless specific limits have been set by the Governing Board to permit otherwise.

In the event of losses, the first \$250 to \$2,500 of any valid claim, depending on type of loss, will be paid by the member. The next payment, with a maximum pay out ranging from \$100,000 to \$1,000,000 per occurrence, will come from the self insurance pool based on the members percentage of contribution. If the aggregate claims paid by the pool exceeds the available resources, the pool may require the members to make additional supplementary payments. Noble County does not have any ongoing financial interest or responsibility. The agreement between the County and the Council indicates that a voluntary withdrawal or termination of the Council shall constitute a forfeiture of any pro rata share of the Council reserve fund. In the event of the termination of the Council, current members shall be paid in an amount that they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is therefore not possible. During 1999, Noble County paid \$66,585 to the Council for coverage.

**NOTE 21 - FOOD STAMPS**

The County's Department of Human Services (Welfare) distributes, through a contracting issuance center, federal food stamps to entitled recipients within Noble County. The receipt and issuance of the stamps have the characteristics of federal grants. However, the Department of Human Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements, as the only economic interest related to these stamps rests with the ultimate recipient. The County's Department of Human Services had on hand for distribution approximately \$18,758 of federal food stamps at December 31, 1999.

**NOTE 22 - CONTINGENT LIABILITIES**

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

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	Disbursements
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Ohio Department of Development:</i>			
Small Cities Community Development Block Grant - Water and Sanitary Sewer Competitive Grant Program	14.228	B-W-97-056-01	500,000
Small Cities Community Development Block Grant - Formula Allocation Program Grant	14.228	B-F-98-056-01	77,030
Small Cities Community Development Block Grant - Formula Allocation Program Grant	14.228	B-F-97-056-01	57,000
Small Cities Community Development Block Grant - Community Housing Improvement Project	14.228	B-C-99-056-01	7,500
Total Community Development Block Grant Program			641,530
Community Housing Improvement Program (CHIP)	14.239	B-C-99-056-02	3,115
Community Housing Improvement Program (CHIP)	14.239	B-C-96-056-02	4,677
Total Community Housing Improvement Program (CHIP)			7,792
Total U.S. Department of Housing and Urban Development			649,322
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Direct Program:</i>			
COPS Universal Grant	16.710	95-CF-WK-5153	22,881
Total U.S. Department of Justice			22,881
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
<i>Passed Through Ohio Emergency Management Agency:</i>			
Disaster Assistance	83.544	DR-1227-OH	162,041
Total Federal Emergency Management Agency			162,041
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Medical Assistant Program:			
Targeted Case Management	93.778	N/A	12,155
Community Alternative Funding Systems	93.778	N/A	516
Total Medical Assistant Program			12,671
Total U.S. Department of Health and Human Services			12,671
<b>Total of Federal Awards Expenditures</b>			<b>\$846,915</b>

*The notes to the schedule of federal awards expenditures is an integral part of this statement.*



**NOBLE COUNTY**  
**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 (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B- FEDERAL EMERGENCY MANAGEMENT AGENCY - DISASTER ASSISTANCE PROGRAM**

Federal monies are commingled with state disaster assistance funds. It is assumed federal monies are expended first.

**NOTE C- MATCHING REQUIREMENTS**

Certain federal programs require that the County contribute non-federal (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

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
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800-441-1389  
Facsimile 740-594-2110

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

Noble County  
200 Courthouse Square  
Caldwell, Ohio 43724

To the Board of County Commissioners:

We have audited the general purpose financial statements of Noble County, Ohio, (the County) as of and for the year ended December 31, 1999, and have issued our report thereon dated July 24, 2000, wherein we noted that the Noble County Water Authority no longer meets Governmental Accounting Standards Board Statement No. 14 criteria for inclusion in the County's financial statements as a component unit. 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 Noble County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 1999-61061-001. We also noted certain immaterial instances of noncompliance that we have reported to management of Noble County in a separate letter dated July 24, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Noble 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 a 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 a material weakness. 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 Noble County in a separate letter dated July 24, 2000.

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

This report is intended for the information and use of the management, Board of 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 24, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Noble County  
200 Courthouse Square  
Caldwell, Ohio 43724

To the Board of County Commissioners:

**Compliance**

We have audited the compliance of Noble County, Ohio, (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1999. Noble County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Noble County's management. Our responsibility is to express an opinion on Noble 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 Noble 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 Noble County's compliance with those requirements.

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

**Internal Control Over Compliance**

The management of Noble 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 Noble 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.

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 management, the Board of 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 24, 2000

**NOBLE COUNTY  
SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133, SECTION .505  
FOR THE YEAR ENDED DECEMBER 31, 1999**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

**NOBLE COUNTY  
SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133, SECTION .505  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(Continued)**

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

Finding Number	1999-61061-001
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**Finding For Recovery**

Ohio Rev. Code Sections 325.08 and 325.18 established the compensation for Roger Smith for services as Noble County Clerk of Common Pleas Court to be paid by the County Treasury. Ohio Rev. Code Section 2303.03 authorized additional compensation for the Clerk of Common Pleas Court for services as the Clerk of the Court of Appeals to be paid from the State Treasury.

The Noble County payroll clerk calculated the gross wages for Roger Smith based on the total County share plus the state paid share for all of 1999 and the first three pay periods of 2000 resulting in an overpayment of four thousand ninety-nine dollars and sixty-two cents (\$4,099.62).

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for monies illegally expended is hereby issued against Roger Smith, Noble County Clerk of Courts, in the amount of four thousand ninety-nine dollars and sixty-two cents (\$4,099.62).

The County Auditor and the Clerk of Common Pleas Court have taken action to correct this error. The finding is being repaid by reducing Roger Smith's bi-monthly pay by \$195.22 for the final twenty-one pay periods in the year 2000. This was instituted starting with the second bi-monthly pay in February 2000.

**3. FINDINGS FOR FEDERAL AWARDS**

None



**NOBLE COUNTY  
 SCHEDULE OF PRIOR AUDIT FINDINGS  
 OMB CIRCULAR A -133 SECTION .315 (b)  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not corrected, partially corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
1998-61061-001	Appropriations in excess of amounts certified by the County Budget Commission	Yes	Corrective Action taken. The County Auditor carefully monitors appropriations and estimated resources and obtains amended certificates when necessary.
1998-61061-002	Leave records were not being maintained at the department level	Yes	Corrective Action taken. The departments now utilize and maintain leave forms with both employee and supervisor signatures for all types of leave.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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## NOBLE COUNTY FINANCIAL CONDITION

### NOBLE 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  
AUGUST 31, 2000