



MEIGS COUNTY FINANCIAL CONDITION

MEIGS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MEIGS COUNTY
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REPORT OF INDEPENDENT ACCOUNTANTS

Meigs County
100 East Second Street
Pomeroy, Ohio 45769

To Board of County Commissioners:

We have audited the accompanying general purpose financial statements of Meigs County, Ohio, (the County) as of and for the year ended December 31, 1999. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Meigs Industries, Inc. the County's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for Meigs Industries, Inc., is based upon the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide 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 Meigs County, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund type and discretely presented component unit for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

August 11, 2000

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MEIGS COUNTY, OHIO
Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Unit
December 31, 1999

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Cash and Cash Equivalents	\$250,243	\$2,769,524	\$39,399	\$2,536
Cash and Cash Equivalents in Segregated Accounts	1,132	13,241	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	24,689	0	0
Accrued Interest	36,549	0	0	0
Due from Other Funds	50,085	12,947	0	0
Due from Other Funds - Taxes	897,166	1,153,650	0	0
Due from Other Governments	216,854	690,226	0	0
Materials and Supplies				
Inventory	9,235	141,556	0	0
Notes Receivable	0	38,475	0	0
Prepaid Items	5,796	12,486	0	0
Fixed Assets, (Net where applicable of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$1,467,060	\$4,856,794	\$39,399	\$2,536

See accompanying notes to the general purpose financial statements.

<i>PROPRIETARY FUND TYPE</i>	<i>FIDUCIARY FUND TYPES</i>	<i>ACCOUNT GROUPS</i>		Totals (Memorandum Only)	<i>COMPONENT UNIT</i>
		General Fixed Assets	General Long-Term Obligations		
Internal Service	Trust and Agency			Primary Government	Meigs Industries
\$58,695	\$714,091	\$0	\$0	\$3,834,488	\$0
0	358,535	0	0	372,908	25,186
0	10,844,688	0	0	10,844,688	0
0	0	0	0	24,689	23,470
0	0	0	0	36,549	0
0	0	0	0	63,032	0
0	0	0	0	2,050,816	0
0	486,906	0	0	1,393,986	0
0	0	0	0	150,791	0
0	0	0	0	38,475	0
0	0	0	0	18,282	2,804
0	0	9,885,063	0	9,885,063	41,030
0	0	0	39,399	39,399	0
0	0	0	1,564,831	1,564,831	0
<u>\$58,695</u>	<u>\$12,404,220</u>	<u>\$9,885,063</u>	<u>\$1,604,230</u>	<u>\$30,317,997</u>	<u>\$92,490</u>

MEIGS COUNTY, OHIO
Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Unit
December 31, 1999

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities:				
Accounts Payable	\$77,810	\$406,941	\$0	\$3,018
Contracts Payable	15,394	376,661	0	0
Accrued Wages and Benefits	65,367	165,340	0	0
Compensated Absences Payable	3,777	21,243	0	0
Due to Other Funds	0	10,092	0	0
Due to Other Funds - Taxes	0	0	0	0
Due to Other Governments	26,752	3,390	0	4,503
Deferred Revenue	897,166	1,208,048	0	0
Undistributed Monies	0	0	0	0
Deposits Held and Due to Others	0	0	0	0
Accrued Interest Payable	0	8	0	845
Notes Payable	19,799	2,470	0	102,253
Insurance Claims Payable	0	34,256	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	1,106,065	2,228,449	0	110,619
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	18,552	34,946	0	0
Reserved for Inventory	9,235	141,556	0	0
Unreserved:				
Undesignated	333,208	2,451,843	39,399	(108,083)
Total Fund Equity and Other Credits	360,995	2,628,345	39,399	(108,083)
Total Liabilities, Fund Equity and Other Credits	\$1,467,060	\$4,856,794	\$39,399	\$2,536

See accompanying notes to the general purpose financial statements.

<i>PROPRIETARY FUND TYPE</i>	<i>FIDUCIARY FUND TYPES</i>	<i>ACCOUNT GROUPS</i>		Totals (Memorandum Only)	<i>COMPONENT UNIT</i>
		General Fixed Assets	General Long-Term Obligations	Primary Government	
Internal Service	Trust and Agency				Meigs Industries
\$0	\$0	\$0	\$0	\$487,769	\$5,429
0	0	0	0	392,055	0
0	0	0	0	230,707	0
0	0	0	543,295	568,315	0
0	52,940	0	0	63,032	0
0	2,050,816	0	0	2,050,816	0
0	9,998,699	0	252,938	10,286,282	0
0	0	0	0	2,105,214	0
0	288,788	0	0	288,788	0
0	5,081	0	0	5,081	0
0	0	0	0	853	0
0	0	0	0	124,522	0
184,551	0	0	0	218,807	0
0	0	0	27,997	27,997	0
0	0	0	780,000	780,000	0
<u>184,551</u>	<u>12,396,324</u>	<u>0</u>	<u>1,604,230</u>	<u>17,630,238</u>	<u>5,429</u>
0	0	9,885,063	0	9,885,063	0
0	0	0	0	0	27,720
(125,856)	0	0	0	(125,856)	59,341
0	0	0	0	53,498	0
0	0	0	0	150,791	0
0	7,896	0	0	2,724,263	0
<u>(125,856)</u>	<u>7,896</u>	<u>9,885,063</u>	<u>0</u>	<u>12,687,759</u>	<u>87,061</u>
<u>\$58,695</u>	<u>\$12,404,220</u>	<u>\$9,885,063</u>	<u>\$1,604,230</u>	<u>\$30,317,997</u>	<u>\$92,490</u>

MEIGS COUNTY, OHIO
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 1999

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$2,143,174	\$1,230,355	\$0
Charges for Services	505,345	489,499	0
Licenses and Permits	3,425	120	0
Fines and Forfeitures	78,666	47,821	0
Intergovernmental	394,240	10,779,682	0
Interest Earnings	241,667	7,276	0
Other	118,501	84,382	119,356
<i>Total Revenues</i>	3,485,018	12,639,135	119,356
Expenditures:			
<i>Current:</i>			
General Government:			
Legislative and Executive	1,277,152	162,151	0
Judicial	392,086	150,307	0
Public Safety	761,565	789,584	0
Public Works	49,888	4,177,036	0
Health	151,043	161,600	0
Human Services	104,753	7,436,640	0
Economic Development and Assistance	0	18,041	0
Other	597,698	0	0
Capital Outlay	0	0	0
<i>Debt Service:</i>			
Principal Retirement	22,268	901	65,000
Interest and Fiscal Charges	6,585	1,406	55,933
<i>Total Expenditures</i>	3,363,038	12,897,666	120,933
Excess of Revenues Over (Under) Expenditures	121,980	(258,531)	(1,577)
Other Financing Sources(Uses):			
Operating Transfers - In	100,000	679,098	0
Inception of Capital Lease	42,992	0	0
Operating Transfers - Out	(247,138)	(620,384)	0
<i>Total Other Financing Sources (Uses)</i>	(104,146)	58,714	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	17,834	(199,817)	(1,577)
Fund Balances (Deficit) at Beginning of Year	342,816	2,848,101	40,976
Increase (Decrease) in Reserve for Inventory	345	(19,939)	0
Fund Balances (Deficit) at End of Year	\$360,995	\$2,628,345	\$39,399

See accompanying notes to the general purpose financial statements.

	<i>FIDUCIARY FUND TYPE</i>	Totals (Memorandum Only)
Capital Projects	Expendable Trust	Primary Government
\$9,116	\$0	\$3,382,645
0	0	994,844
0	0	3,545
0	0	126,487
0	0	11,173,922
0	0	248,943
0	2,105	324,344
<u>9,116</u>	<u>2,105</u>	<u>16,254,730</u>
0	0	1,439,303
0	0	542,393
0	331	1,551,480
0	0	4,226,924
0	0	312,643
0	3,159	7,544,552
0	0	18,041
0	0	597,698
30,380	0	30,380
0	0	88,169
5,587	0	69,511
<u>35,967</u>	<u>3,490</u>	<u>16,421,094</u>
(26,851)	(1,385)	(166,364)
88,424	0	867,522
0	0	42,992
0	0	(867,522)
<u>88,424</u>	<u>0</u>	<u>42,992</u>
61,573	(1,385)	(123,372)
(169,656)	9,281	3,071,518
0	0	(19,594)
<u>(\$108,083)</u>	<u>\$7,896</u>	<u>\$2,928,552</u>

MEIGS COUNTY, OHIO
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 1999

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$2,028,885	\$2,124,371	\$95,486
Charges for Services	492,438	518,840	26,402
Licenses and Permits	3,410	3,425	15
Fines and Forfeitures	68,800	70,588	1,788
Intergovernmental	399,484	438,422	38,938
Interest Earnings	379,000	342,822	(36,178)
Other	78,182	115,996	37,814
<i>Total Revenues</i>	<u>3,450,199</u>	<u>3,614,464</u>	<u>164,265</u>
Expenditures:			
<i>Current:</i>			
General Government:			
Legislative and Executive	1,260,668	1,266,945	(6,277)
Judicial	418,950	415,889	3,061
Public Safety	791,611	790,643	968
Public Works	50,199	50,199	0
Health	162,713	150,204	12,509
Human Services	105,862	104,679	1,183
Conservation and Recreation	0	0	0
Economic Development and Assistance	0	0	0
Other	602,972	597,698	5,274
Capital Outlay	0	0	0
<i>Debt Service:</i>			
Principal Retirement	100,995	100,995	0
Interest and Fiscal Charges	5,061	5,061	0
<i>Total Expenditures</i>	<u>3,499,031</u>	<u>3,482,313</u>	<u>16,718</u>
Excess of Revenues Over (Under) Expenditures	(48,832)	132,151	180,983
Other Financing Sources (Uses):			
Proceeds of Notes	0	0	0
Advances - In	55,048	4,650	(50,398)
Advances - Out	(5,700)	(5,700)	0
Operating Transfers - In	50,000	100,000	50,000
Operating Transfers - Out	(248,012)	(247,138)	874
<i>Total Other Financing Sources (Uses)</i>	<u>(148,664)</u>	<u>(148,188)</u>	<u>476</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(197,496)	(16,037)	181,459
Fund Balances (Deficit) at Beginning of Year	210,641	210,641	0
Prior Year Encumbrances Apporpriated	31,139	31,139	0
Fund Balances (Deficit) at End of Year	<u>\$44,284</u>	<u>\$225,743</u>	<u>\$181,459</u>

See accompanying notes to the general purpose financial statements.

GOVERNMENTAL FUND TYPES

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,131,105	\$1,230,355	\$99,250	\$0	\$0	\$0
408,448	557,039	148,591	0	0	0
0	120	120	0	0	0
30,834	46,249	15,415	0	0	0
11,084,354	10,609,335	(475,019)	0	0	0
6,000	7,276	1,276	0	0	0
48,832	87,664	38,832	119,356	119,356	0
<u>12,709,573</u>	<u>12,538,038</u>	<u>(171,535)</u>	<u>119,356</u>	<u>119,356</u>	<u>0</u>
182,057	161,532	20,525	0	0	0
217,629	155,200	62,429	0	0	0
1,148,684	970,648	178,036	0	0	0
4,130,768	3,903,360	227,408	0	0	0
218,068	159,913	58,155	0	0	0
8,007,285	7,389,941	617,344	0	0	0
500	0	500	0	0	0
19,843	17,583	2,260	0	0	0
0	0	0	0	0	0
1,000	0	1,000	0	0	0
237,292	237,292	0	65,000	65,000	0
3,917	3,375	542	55,933	55,933	0
<u>14,167,043</u>	<u>12,998,844</u>	<u>1,168,199</u>	<u>120,933</u>	<u>120,933</u>	<u>0</u>
(1,457,470)	(460,806)	996,664	(1,577)	(1,577)	0
0	0	0	0	0	0
4,000	5,700	1,700	0	0	0
(130,650)	(4,650)	126,000	0	0	0
10,564	679,098	668,534	0	0	0
(639,744)	(620,384)	19,360	0	0	0
<u>(755,830)</u>	<u>59,764</u>	<u>815,594</u>	<u>0</u>	<u>0</u>	<u>0</u>
(2,213,300)	(401,042)	1,812,258	(1,577)	(1,577)	0
2,976,647	2,976,647	0	40,976	40,976	0
64,708	64,708	0	0	0	0
<u>\$828,055</u>	<u>\$2,640,313</u>	<u>\$1,812,258</u>	<u>\$39,399</u>	<u>\$39,399</u>	<u>\$0</u>

continued

MEIGS COUNTY, OHIO
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 1999

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$9,116	\$9,116	\$0
Charges for Services	0	0	0
Licenses and Permits	0	0	0
Fines and Forfeitures	0	0	0
Intergovernmental	0	0	0
Interest Earnings	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>9,116</u>	<u>9,116</u>	<u>0</u>
Expenditures:			
<i>Current:</i>			
General Government:			
Legislative and Executive	0	0	0
Judicial	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health	0	0	0
Human Services	0	0	0
Conservation and Recreation	0	0	0
Economic Development and Assistance	0	0	0
Other	0	0	0
Capital Outlay	54,966	54,118	848
<i>Debt Service:</i>			
Principal Retirement	39,993	39,993	0
Interest and Fiscal Charges	5,343	5,343	0
<i>Total Expenditures</i>	<u>100,302</u>	<u>99,454</u>	<u>848</u>
Excess of Revenues Over (Under) Expenditures	(91,186)	(90,338)	848
Other Financing Sources (Uses):			
Proceeds of Notes	30,951	0	(30,951)
Advances - In	0	0	0
Advances - Out	0	0	0
Operating Transfers - In	36,221	88,424	52,203
Operating Transfers - Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>67,172</u>	<u>88,424</u>	<u>21,252</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(24,014)	(1,914)	22,100
Fund Balances (Deficit) at Beginning of Year	4,191	4,191	0
Prior Year Encumbrances Appropriated	259	259	0
Fund Balances (Deficit) at End of Year	<u>(\$19,564)</u>	<u>\$2,536</u>	<u>\$22,100</u>

See accompanying notes to the general purpose financial statements.

Totals (Memorandum Only)

Expendable Trust Funds			Primary Government		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$3,169,106	\$3,363,842	\$194,736
0	0	0	900,886	1,075,879	174,993
0	0	0	3,410	3,545	135
0	0	0	99,634	116,837	17,203
0	0	0	11,483,838	11,047,757	(436,081)
0	0	0	385,000	350,098	(34,902)
0	7,340	7,340	246,370	330,356	83,986
<u>0</u>	<u>7,340</u>	<u>7,340</u>	<u>16,288,244</u>	<u>16,288,314</u>	<u>70</u>
0	0	0	1,442,725	1,428,477	14,248
0	0	0	636,579	571,089	65,490
509	331	178	1,940,804	1,761,622	179,182
0	0	0	4,180,967	3,953,559	227,408
0	0	0	380,781	310,117	70,664
7,196	3,280	3,916	8,120,343	7,497,900	622,443
0	0	0	500	0	500
0	0	0	19,843	17,583	2,260
54,048	25,008	29,040	657,020	622,706	34,314
0	0	0	55,966	54,118	1,848
0	0	0	443,280	443,280	0
0	0	0	70,254	69,712	542
<u>61,753</u>	<u>28,619</u>	<u>33,134</u>	<u>17,949,062</u>	<u>16,730,163</u>	<u>1,218,899</u>
(61,753)	(21,279)	40,474	(1,660,818)	(441,849)	1,218,969
0	0	0	30,951	0	(30,951)
0	0	0	59,048	10,350	(48,698)
0	0	0	(136,350)	(10,350)	126,000
0	0	0	96,785	867,522	770,737
0	0	0	(887,756)	(867,522)	20,234
<u>0</u>	<u>0</u>	<u>0</u>	<u>(837,322)</u>	<u>0</u>	<u>837,322</u>
(61,753)	(21,279)	40,474	(2,498,140)	(441,849)	2,056,291
63,414	63,414	0	3,295,869	3,295,869	0
0	0	0	96,106	96,106	0
<u>\$1,661</u>	<u>\$42,135</u>	<u>\$40,474</u>	<u>\$893,835</u>	<u>\$2,950,126</u>	<u>\$2,056,291</u>

MEIGS COUNTY, OHIO
Combined Statement of Revenues, Expenses
and Changes in Fund Equity
Proprietary Fund Type and Discretely Presented Component Unit
For the Year Ended December 31, 1999

	PROPRIETARY FUND TYPE	Totals (Memorandum Only)	COMPONENT UNIT	Totals (Memorandum Only)
	Internal Service	Primary Government	Meigs Industries	Reporting Entity
Operating Revenues:				
Charges for Services	\$807,250	\$807,250	\$280,399	\$1,087,649
Program Income	0	0	82,060	82,060
Total Operating Revenues	807,250	807,250	362,459	1,169,709
Operating Expenses:				
Personal Services	0	0	324,199	324,199
Contract Services	0	0	7,286	7,286
Materials and Supplies	0	0	27,553	27,553
Insurance Claims	990,040	990,040	0	990,040
Other Expenses	0	0	12,367	12,367
Total Operating Expenses	990,040	990,040	371,405	1,361,445
Net Income (Loss)	(182,790)	(182,790)	(8,946)	(191,736)
Retained Earnings at Beginning of Year	56,934	56,934	68,287	125,221
Retained Earnings at End of Year	(125,856)	(125,856)	59,341	(66,515)
Contributed Capital at End of Year	0	0	27,720	27,720
Total Fund Equity at End of Year	(\$125,856)	(\$125,856)	\$87,061	(\$38,795)

See accompanying notes to the general purpose financial statements.

MEIGS COUNTY, OHIO
Combined Statement of Cash Flows
Proprietary Fund Type and Discretely Presented Component Unit
For the Year Ended December 31, 1999

	PROPRIETARY FUND TYPE	Totals (Memorandum Only)	COMPONENT UNIT	Totals (Memorandum Only)
	Internal Service	Primary Government	Meigs Industries	Reporting Entity
Cash Flows from Operating Activities:				
Cash Receipts From Customers	\$807,250	\$807,250	\$302,390	\$1,109,640
Cash Receipts From Program Income	0	0	82,060	82,060
Cash Payments to Employees	0	0	(324,199)	(324,199)
Cash Payments to Contractors for Services	0	0	(9,121)	(9,121)
Cash Payments to Suppliers for Goods and Services	0	0	(28,875)	(28,875)
Cash Payments for Insurance Claims	(911,676)	(911,676)	0	(911,676)
Other Operating Expenses	0	0	(12,367)	(12,367)
<i>Net Cash from Operating Activities</i>	<u>(104,426)</u>	<u>(104,426)</u>	<u>9,888</u>	<u>(94,538)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(104,426)	(104,426)	9,888	(94,538)
Cash and Cash Equivalents at Beginning of Year	<u>163,121</u>	<u>163,121</u>	<u>15,298</u>	<u>178,419</u>
Cash and Cash Equivalents at End of Year	<u><u>\$58,695</u></u>	<u><u>\$58,695</u></u>	<u><u>\$25,186</u></u>	<u><u>\$83,881</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:				
Operating Income (Loss)	(\$182,790)	(\$182,790)	(\$8,946)	(\$191,736)
 Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	0	0	21,991	21,991
(Increase) Decrease in Prepaid Items	0	0	(1,835)	(1,835)
Increase (Decrease) in Accounts Payable	0	0	(1,322)	(1,322)
Increase (Decrease) in Insurance Claims Payable	78,364	78,364	0	78,364
Net Cash from Operating Activities	<u><u>(\$104,426)</u></u>	<u><u>(\$104,426)</u></u>	<u><u>\$9,888</u></u>	<u><u>(\$94,538)</u></u>

See accompanying notes to the general purpose financial statements.

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MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 1 - DESCRIPTION OF MEIGS COUNTY

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

The judicial branch of the County includes one County Court Judge, one Common Pleas Court Judge, and one Juvenile and Probate Court Judge.

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

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County and whose corporate powers the County holds. For Meigs County this includes the Board of Mental Retardation and Developmental Disabilities, Emergency Management Agency, Park District, Emergency Medical Services, Children Services Board, and all other departments and activities that are directly operated by the elected County officials.

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

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 1 - DESCRIPTION OF MEIGS COUNTY (Continued)

Discretely Presented Component Unit: The component unit column in the combined financial statements includes the financial data of Meigs Industries, Inc. for the year ended December 31, 1999. It is reported in a separate column to emphasize that it is legally separate from the County. The component unit is a non-profit corporation whose governing body is elected by its members; however, it is considered financially accountable to the County due to the County's legal obligation to provide financial support toward its operation. Complete financial statements of the individual component unit can be obtained from the administrative offices of Meigs Industries, Inc., 1310 Carleton Street, Syracuse, Ohio 45779.

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

, *Meigs County Health District*

, *Meigs County Soil and Water Conservation District*

NOTE 2 - JOINTLY GOVERNED ORGANIZATIONS

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

The degree of control exercised by any participating government is limited to its representation on the Board. The governing board is composed of at least one County Commissioner from each of the participating counties. The governing board annually elects officers which include a President, Vice-President, Second Vice-President and two governing board members. The expenditures and investments 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. Meigs County does not have any ongoing financial interest or responsibility in the organization.

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 2 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

Gallia-Jackson-Meigs Counties Alcohol, Drug Addiction and Mental Health Services (ADAMH) Board:

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

All of the Board's revenue is from state and federal grants awarded to the multi-county board. Gallia County serves as the fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 1999, the County made no contributions to the Board.

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

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

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 2 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

Basis of Presentation

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

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

The County uses the following fund types and account groups:

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

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

, General Fund: This fund accounts for all financial resources not accounted for in another fund. The major sources of revenue are sales and use tax, property tax, state and local government fund receipts, and investment earnings. The General Fund is the operating fund of the County.

, Special Revenue Funds: These funds are used to account for specific governmental revenues (other than major capital projects) requiring separate accounting because of the legal or regulatory provisions or administrative actions.

, Debt Service Funds: These funds are used to account for the accumulation of resources for, and the payment of, principal and interest on debt with governmental commitment reported in the County's General Long-Term Obligations Account Group.

, Capital Projects Funds: These funds are used to account for the acquisition or construction of major facilities and capital improvements (other than those financed by proprietary funds and trust funds).

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

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

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

, Expendable Trust Funds: These funds are used to account for trusts or bequests of the County whereby, the resources of the trust, including principal and earnings, may be expended. These funds are accounted for in essentially the same manner as governmental funds.

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

Agency Funds: These funds are custodial in nature (assets equal liabilities) and do not purport to present the financial position or results of operations of the related entities.

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

General Fixed Assets Account Group: This group is used to account for all fixed assets of the County other than those accounted for in the proprietary funds. General fixed assets include land, land improvements, buildings, structures and improvements, and furniture, fixtures, and equipment owned by the County.

General Long-Term Obligations Account Group: This account group is used to account for all long-term obligations of the County except that accounted for in the proprietary funds.

Summary of Significant Accounting Policies

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

Basis of Accounting

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

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

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

Budgetary Accounting and Control

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

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

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

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

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

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

Cash and Cash Equivalents

The County Treasurer invests all active and inactive County funds. Active County funds are invested in interest bearing accounts with local commercial banks. Inactive funds are invested in certificates of deposit. The County pools its cash for investment purposes to capture the highest rate of return. All interest earned on investments is allocated to the General Fund with the exception of several other qualifying funds as prescribed by Ohio laws. Qualified funds receive interest based upon their average monthly balance. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating contracts such as certificates of deposit are reported at cost.

Material and Supplies Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 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/expense is reported in the year in which services are consumed.

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

Fixed Assets and Depreciation

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

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

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

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

Capitalization of Interest

It is the County's policy to capitalize net interest costs on funds borrowed to finance proprietary fund construction projects until substantial completion of the project. During 1999, there were no proprietary fund net interest costs to capitalize.

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

Long-Term Liabilities

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

Interfund Transactions

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

Intergovernmental Revenues

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

Compensated Absences

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

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

Fund Equity

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

NOTE 4 - RECONCILIATION OF BUDGET BASIS TO GAAP BASIS

A reconciliation of the results of operations for the year ended December 31, 1999 on the budget basis to the GAAP basis follows:

Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types				
Description	General	Special Revenue	Debt Service	Capital Projects
Budget Basis	(\$16,037)	(\$401,042)	(\$1,577)	(\$1,914)
Revenues -				
Increase (Decrease) from:				
Taxes	18,803	0	0	0
Charges for Services	(13,495)	(67,540)	0	0
Fines and Forfeitures	8,078	1,572	0	0
Intergovernmental	(44,182)	170,347	0	0
Interest Earnings	(101,155)	0	0	0
Other Revenues	2,505	(3,282)	0	0
Expenditures -				
Increase (Decrease) from:				
Legislative and Executive	(10,207)	(619)	0	0
Judicial	23,803	4,893	0	0
Public Safety	29,078	181,064	0	0
Public Works	311	(273,676)	0	0
Health	(839)	(1,687)	0	0
Human Services	(74)	(46,699)	0	0

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Economic Development	0	(458)	0	0
Capital Outlay	0	0	0	23,738
Debt Service:				
Principal	78,727	236,391	0	39,993
Interest	(1,524)	1,969	0	(244)
Other Sources (Uses)	44,042	(1,050)	0	0
GAAP Basis	<u>\$17,834</u>	<u>(\$199,817)</u>	<u>(\$1,577)</u>	<u>\$61,573</u>

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the 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;

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS (Continued)

4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers acceptances and commercial paper notes for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS (Continued)

The amounts available for deposit and investment are as follows:

* Cash and Cash Equivalents (carrying amounts):	
- Pooled	\$3,834,488
- Segregated	372,908
- Component Unit	25,186
* Reconciling items (net) to arrive at bank balances of deposits	566,791
	<hr/>
Total available for deposit and investment (Bank balance of deposits/carrying amount of investments)	\$4,799,373
	<hr/> <hr/>

Any depository that receives a County deposit or investment is required to pledge, to the investing authority as collateral, eligible securities of aggregate market value that, when added to the portion of the deposit insured by the Federal Deposit Insurance Corporation (FDIC), equals or exceeds the amount of County funds deposited.

A public depository may, at its option, pledge a single pool of eligible securities to secure the repayment of all public monies held by depository. The pool of securities so pledged must have a current fair value at least equal to 110% of all public monies on deposit with the depository including the amount covered by federal insurance.

GASB Statement No. 9 requires the County to report cash flows for its proprietary fund and component unit. For purposes of the Statement of Cash Flows, the County defines cash and cash equivalents in the proprietary fund and component unit as demand deposit accounts and all highly liquid investments with an original maturity of three months or less.

The Governmental Accounting Standards Board (GASB Statement No. 3) has established credit risk categories for deposits and investments as follows:

Category 1: Investments that are insured or registered, or securities held by the County or its agent in the County's name;

Deposits that are insured or collateralized with securities held by the County or its agent in the County's name.

Category 2: Investments that are uninsured and unregistered, with securities held by the counter-party's trust department or agent in the County's name;

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 5 - CASH, DEPOSITS AND INVESTMENTS (Continued)

Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Category 3: Investments that are uninsured and unregistered, with securities held by the counter-party or its trust department or agent but not in the County's name;

Deposits that are uncollateralized or collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the County's name.

Based on this criteria, the County deposits and investments at December 31, 1999 are classified as follows:

	1	Category 2	3	Bank Balance	Carrying Amount
<u>Deposits:</u>					
Demand Deposits	\$658,476	\$0	\$605,711	\$1,264,187	\$697,396
Certificates of Deposit	50,372	0	3,459,628	3,510,000	3,510,000
Component Unit	25,186	0	0	25,186	25,186
Total Deposits	<u>\$734,034</u>	<u>\$0</u>	<u>\$4,065,339</u>	<u>\$4,799,373</u>	<u>\$4,232,582</u>

The classification of cash and cash equivalents on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". For the County, there are no differences between the classification of cash and cash equivalents on the combined balance sheet and the classification of deposits in GASB Statement No. 3.

NOTE 6 - INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivables and payables balances as of December 31, 1999 are as follows:

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

	Due From Other Funds	Due From Other Funds - Taxes	Due to Other Funds	Due to Other Funds - Taxes
<u>General Fund</u>	\$50,085	\$897,166	\$0	\$0
<u>Special Revenue Funds:</u>				
Community Development Block Grant	\$0	\$0	\$1,100	\$0
Certificate of Title Administration	7,943	0	0	0
County Court Computerization	1,451	0	0	0
Board of Mental Retardation	0	585,717	0	0
Early Intervention Program	0	0	700	0
Victims Assistance	0	0	4,000	0
County Court Sanction Cost Reimbursement	3,553	0	0	0
Child Support Enforcement	0	0	292	0
Sheriff Litter Grant	0	0	1,000	0
Youth Services Grant	0	0	3,000	0
Emergency Medical Services	0	483,529	0	0
Tuberculosis	0	84,404	0	0
<u>Total Special Revenue Funds</u>	<u>\$12,947</u>	<u>\$1,153,650</u>	<u>\$10,092</u>	<u>\$0</u>
<u>Expendable Trust Funds:</u>				
Unclaimed Monies	\$0	\$0	\$31,076	\$0
<u>Agency Funds:</u>				
Agency Tax	\$0	\$0	\$0	\$2,050,816
County Court Agency	0	0	21,025	0
County Sheriff Agency	0	0	839	0
<u>Total Agency Funds</u>	<u>\$0</u>	<u>\$0</u>	<u>\$21,864</u>	<u>\$2,050,816</u>
<u>Total - All Funds</u>	<u>\$63,032</u>	<u>\$2,050,816</u>	<u>\$63,032</u>	<u>\$2,050,816</u>

NOTE 7 - FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 1999 follows:

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Land and Improvements	\$350,736	\$0	\$0	\$350,736
Building, Structures and Improvements	4,221,857	0	0	4,221,857
Improvements Other than Buildings	335,796	37,735	0	373,531
Furniture, Fixtures, and Equipment	4,834,624	286,506	182,191	4,938,939
Totals	\$9,743,013	\$324,241	\$182,191	\$9,885,063

At December 31, 1999, fixed assets include \$42,992 of equipment under capitalized leases.

NOTE 8 - NOTES PAYABLE

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

Purpose/ Description	Interest Rate	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
<i>General Fund:</i>					
Sheriff's Department	4.55%	\$100,000	\$0	\$100,000	\$0
Prisoner's Phone Equipment	15.00%	20,794	0	995	19,799
<i>Total General Fund</i>		<u>\$120,794</u>	<u>\$0</u>	<u>\$100,995</u>	<u>\$19,799</u>
<i>Special Revenue Funds:</i>					
Engineers Equipment (1998)	4.00%	\$135,600	\$0	\$135,600	\$0
Engineers Equipment (1997)	4.89%	90,000	0	90,000	0
County Court Computer System	5.85%	12,931	0	10,981	1,950
Road Paving Equipment	4.00%	1,231	0	711	520
<i>Total Special Revenue Funds</i>		<u>\$239,762</u>	<u>\$0</u>	<u>\$237,292</u>	<u>\$2,470</u>
<i>Capital Project Funds:</i>					
Auditor's Computer Equipment	5.10%	\$32,722	\$0	\$13,211	\$19,511
Sheriff's Cruisers	5.19%	47,739	0	21,489	26,250
Prosecutor's Office Building	5.50%	61,785	0	5,293	56,492
<i>Total Capital Project Funds</i>		<u>\$142,246</u>	<u>\$0</u>	<u>\$39,993</u>	<u>\$102,253</u>

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 8 - NOTES PAYABLE (Continued)

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

NOTE 9 - LONG-TERM DEBT AND OTHER OBLIGATIONS

The following is a summary of long-term bond obligations of the County as of December 31, 1999:

General Obligation Bonds Payable From Governmental Fund Revenue:

Purpose/ Description	Interest Rate	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
Human Services Building	7.20%	\$845,000	\$0	\$65,000	\$780,000
Totals		<u>\$845,000</u>	<u>\$0</u>	<u>\$65,000</u>	<u>\$780,000</u>

The annual requirements to amortize long-term bond obligations outstanding as of December 31, 1999 are as follows:

For Year Ending December 31	Human Services Building
2000	\$117,162
2001	113,230
2002	109,102
2003	104,942
2004	100,717
2005-2009	438,458
2010-2011	143,975
Totals	1,127,586
Less: Amount Representing Interest	347,586
Total Long- Term Obligations	<u>\$780,000</u>

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

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

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Obligations	Balance January 1, 1999	Additions	Reductions	Balance December 31, 1999
Compensated Absences	\$516,826	\$26,469	\$0	\$543,295
Due to Other Governments	289,175	0	36,237	252,938
Capital Leases	7,180	42,992	22,175	27,997
Totals	\$813,181	\$69,461	\$58,412	\$824,230

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

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

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

The County's future minimum lease payments under lease obligations which have been capitalized as of December 31, 1999 are as follows:

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

Year Ended December 31	Capital Lease Payments
2000	\$14,995
2001	14,995
Total Minimum Lease Payments	29,990
Less: Amount Representing Interest	(1,993)
Present Value of Net Minimum Lease Payments	\$27,997

NOTE 10 - PENSION OBLIGATIONS

A. Public Employees Retirement System (PERS)

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

Funding Policy: Plan members, other than those engaged in law enforcement, are required to contribute 8.5% of their annual covered salary to fund pension obligations and the County is required to contribute 13.55%. For law enforcement employees, the employee contribution is 9% and the employer contribution is 16.7%. 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 \$795,980, \$742,824, and \$682,952, respectively; 69.3% has been contributed for 1999 and 100% for years 1998 and 1997. Of the 1999 amount, \$244,414 was unpaid at December 31, 1999 and is recorded as a liability within the respective funds.

B. State Teachers Retirement System (STRS)

Plan Description: Certified teachers employed by the school for the mentally retarded contribute to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries.

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 10 - PENSION OBLIGATIONS (Continued)

Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

Funding Policy: Plan members are required to contribute 9.3% of their annual covered salary and the employer is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The County's required contributions to STRS for the years ended December 31, 1999, 1998, and 1997 were \$40,102, \$32,660, and \$38,475, respectively; 93.2% has been contributed for 1999 and 100% for years 1998 and 1997. Of the 1999 amount, \$2,742 was unpaid at December 31, 1999 and is recorded as a liability within the respective funds.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Public Employees Retirement System: The Public Employees Retirement System of Ohio (the System) provides postretirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the System is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care for 1999. The law enforcement employer rate for 1999 was 16.7% of covered payroll and 4.2% was used to fund health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

OPEB are financed through employer contributions and investments earnings there on. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9.8 billion. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

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% 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 care coverage.

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

The Ohio Revised Code grants authority to the State Teachers Retirement System to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from State Teachers Retirement System funds shall be included in the employer contribution rate, currently 14% of covered payroll. The State Teachers Retirement Board currently allocates employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2,783 billion at June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 1999, will be 8% of covered payroll.

For the year ended June 30, 1999, the net health care costs paid by the State Teachers Retirement System were \$249,929,000. There were 95,796 eligible benefit recipients.

NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The County's vehicles and general liability are covered by the Buckeye Joint-County Self-Insurance Council, a joint self-insurance pool. As discussed in Note 2, the Buckeye Joint-County Self-Insurance Council is a jointly governed organization comprised of ten counties in southeastern Ohio. At December 31, 1999 the County maintained the following insurance coverage through the joint self-insurance pool:

Type of Coverage	Annual Aggregate	Deductible
Buildings - replacement cost	\$11,859,800	\$500
Contents - replacement cost	1,349,697	500
Extra Expenses	1,000,000	500
Electronic Data Processing Equipment	500,000	500
Contractor's Equipment	1,114,670	100
Earthquake Damage	10,000,000	25,000

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Boiler and Machinery	13,209,497	500
Auto Physical Damage - on named autos	Actual Cash Value	0
Crime Insurance - Food Stamp Program & Other Monies and Securities	500,000	0
Crime Insurance - Potential Employee Dishonesty	250,000	0
General Liability	1,000,000	0
Automobile Liability	1,000,000	100 to 250
Law Enforcement Liability	1,000,000 / 2,000,000	0
Blanket Employee Bond	250,000	0

The County participates in the worker's compensation program provided by the State of Ohio. The County belongs to a pool with 60 other counties (County Commissioners Association of Ohio) for a worker's compensation group rating program. A savings of \$16,490 was realized on the annual premium cost in 1999.

The County has established two separate limited risk health, dental, and vision insurance programs for its employees. The following third party administrators are used to service claims for the respective County offices: Business Administrators and Consultants, Inc. (BAC), services all claims submitted by employees of the Engineer's Department and Medical Claims Services, Inc. (MCS), services all claims submitted by all other employees of the County, except the employees of the Board of Mental Retardation. Excess coverage insurance policies cover individual claims in excess of \$15,000 for BAC; and individual claims in excess of \$30,000 and aggregate claims in excess of \$902,812 for MCS. A liability for unpaid claims costs of \$34,256 and \$184,551 has been accrued in the Special Revenue Funds and Internal Service Fund, respectively, as a liability based on estimates provided by the each of the third party administrators of claims that have been reported, as well as, those incurred but not yet reported.

Interfund premiums are based on the insured funds' claims experience. Changes in the Internal Service Fund's claims liability during 1998 and 1999 are:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1998	\$143,857	\$804,754	\$842,424	\$106,187
1999	106,187	879,020	800,656	184,551

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 12 - RISK MANAGEMENT (Continued)

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

NOTE 13 - DEFERRED COMPENSATION

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

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

NOTE 14 - ENCUMBRANCES

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

NOTE 15 - PROPERTY TAX REVENUE

Property taxes include amounts levied against real, public utility, and tangible personal (business) property. Taxes collected on real property (other than public utility) in 1999 are levied on assessed values as of January 1, 1998, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent reevaluation was completed in 1998. Real property taxes are payable annually or semi-annually. The first payment is due March 8, 1999, with the remainder payable by July 9, 1999.

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 15 - PROPERTY TAX REVENUE (Continued)

Taxes collected from tangible personal property (other than public utility) in 1999 are levied on assessed values during and at the close of the most recent fiscal year of the taxpayer ended on or before March 31, 1999, and at the rates determined in 1998. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20, 1999. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30, 1999; if paid semiannually, the first payment is due April 30, 1999, with the remainder payable by September 20, 1999.

Public utility-real, and public utility-tangible personal property taxes collected in 1999 are levied in 1998 on assessed values determined as of December 31, 1997 (second year preceding the tax collection year), the lien date. Public utility taxes are assessed on 35% of true value (which is, in general, net book value) for real property and 88% of true value for tangible personal property. Public utility property taxes are payable on the same dates as real property taxes described above.

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

"Due from Other Funds - Taxes" represent delinquent taxes outstanding and current real, public utility, and tangible personal property taxes which were measurable and unpaid as of December 31, 1999. Although total property tax collections for the next ensuing fiscal year are measurable, the amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 1999 operations. Therefore, "Due from Other Funds - Taxes" is offset by a credit to "Deferred Revenue."

The full tax rate for all County operations for the year ended December 31, 1999, was \$14.10 per \$1,000 of assessed value. The assessed value by classification upon which 1999 revenues were derived follows:

	Assessed Values
Real Property	\$169,300,800
Tangible Personal Property	24,714,690
Public Utility Property	48,412,360
Total	\$242,427,850

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 16 - PERMISSIVE SALES AND USE TAX

On February 1, 1987, the County Commissioners adopted a resolution, pursuant to Sections 5739.02 and 5741.02, Ohio Revised Code, that imposes a tax of one (1%) percent on all retail sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw a warrant payable to the County.

The revenues generated from this sales tax are credited entirely to the County's General Fund. Amounts that have been collected by the State and that are received within the available period are accrued as revenue. In 1999, this sales and use tax generated a total of \$1,194,289 in revenue.

NOTE 17 - INTERFUND TRANSFERS

A summary of operating transfers by fund type follows:

Fund Type/Fund	Transfer In	Transfer Out
General	\$100,000	\$247,138
Special Revenue Funds		
Salisbury Flood	753	
98-99 Victims of Crime Grant	12,000	
Public Assistance	594,827	
Litter Control	12,000	
Auto License and Gas	1,000	
Sheriff's Law Enforcement Block Grant	1,808	
Sheriff's Dare Grant	10,300	
Emergency Medical Service	600	
Emergency Management/Emergency Services	9,360	600
Children Services	36,450	285,771
Certificate of Title Administration	0	50,000
MRDD	0	20,000
Misdemeanor Court Sanction Cost Reimbursement	0	50,000
Child Support Enforcement	0	204,653
Special Emergency Planning	0	9,360
Total Special Revenue Fund	679,098	620,384
Capital Projects Fund		
Sheriff's Cruisers	21,777	0

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Auditor/Treasurer Computer Debt	15,647	0
MRDD Capital	20,000	0
Auditor/Treasurer Computer Acquisition	31,000	0
Total Capital Projects Fund	88,424	0
Total All Funds	\$867,522	\$867,522

NOTE 18 - INTERGOVERNMENTAL REVENUE

The following is a summary of major intergovernmental revenues:

General Fund:

Local Government Distributions and Reimbursements	\$254,078	
State Property Tax Reimbursements	109,929	
Other Grants and Reimbursements	30,233	
<i>Total General Fund</i>	<i>\$394,240</i>	

Special Revenue Funds:

Community Development Block Grants	\$1,132,877	
Mental Retardation Grants	1,105,708	
Early Intervention Program Grants	72,977	
Emergency Management Grants	340,983	
Abstinence Education Grants	56,549	
Major Crimes Task Force Grants	141,670	
Public Assistance Grants	3,432,490	
Child Support Enforcement Incentives	499,597	
Litter Control Grants	66,294	
Auto, License & Gas Taxes	2,777,819	
Ohio Public Works Commission Grants	254,526	
Youth Services Grants	50,000	
Juvenile Court Grants	79,859	
Court Security Grant	78,000	
Emergency Medical Services Grants	49,513	
Children Services Grants	336,227	
Common Pleas Court Grants	86,368	
Other Grants & Reimbursements	218,225	
<i>Total Special Revenue Funds</i>	<i>\$10,779,682</i>	

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 19 - FEDERAL FOOD STAMPS

The County's Department of Human Services distributes, through contracting issuance centers, federal food stamps to entitled recipients within Meigs County. The receipt and issuance of these stamps have the characteristics of a federal grant. However, the Department of Human Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. The County's Department of Human Services had the following food stamp activity during 1999:

Beginning Inventory at January 1, 1999	\$1,015,671
Received during 1999 for Distribution	1,812,000
Issued during 1999 to Entitled Recipients	(2,781,779)
Ending Inventory at December 31, 1999	\$45,892

NOTE 20 - CONTINGENCIES

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

Additionally, there are currently no material claims or lawsuits pending against the County with the County Prosecutor.

NOTE 21 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

The following funds had a deficit in fund balance as of December 31, 1999:

<u>Special Revenue Funds:</u>	
Victims Assistance	\$2,954
Sheriff Litter	472
<u>Capital Project Funds:</u>	
Mental Retardation and Developmental Disabilities Capital	3,396
Building Acquisition	56,992
Auditor/Treasurer Computer Acquisition	19,411
Sheriff Cruisers Acquisition	28,284
<u>Internal Service Fund:</u>	
Employee Health Benefit Self-Insurance	125,856

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 21 - ACCOUNTABILITY AND COMPLIANCE (Continued)

The deficit fund balances in the Victims Assistance and Sheriff Litter Funds are the result of intergovernmental revenue and transfers which had not been received at year end and was not available to finance current period expenditures. These deficits will be eliminated through future intergovernmental revenue and transfers.

The deficit fund balance in the MR/DD Capital Fund is the result of transfers that had not yet been received from the General Fund. Transfers are made as cash is needed, not as expenditures are accrued. This deficit will be eliminated through future transfers.

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

The deficit fund balance in the Employee Health Benefits Self-Insurance Fund is the result of the application of generally accepted accounting principles. This deficit does not exist on the cash basis and will be eliminated through future charges for services and transfers.

NOTE 22 - SUBSEQUENT EVENT

On January 31, 2000, the County cancelled its vehicle and general liability insurance coverage with the Buckeye Joint-County Self-Insurance Council. The County then contracted with a common carrier, Allied Municipal Insurance, for its vehicle and general liability insurance. Due to this sudden change, there is a period where the County is insured by both of these organizations and there has been a dispute over who would be liable for claims arising during this period. This change in coverage has led to the possibility of disputes over potential legal claims as to whether Buckeye Joint-County Self-Insurance Council or Allied Municipal Insurance will be responsible for the claims. This situation leads to the potential that both insurers will deny coverage for the claims. In this case, the liability will rest with the County and they will be responsible for defending against the claim and paying any possible judgement. At this time, the County is unaware of any claims for which they are responsible.

NOTE 23 - COMPONENT UNIT DISCLOSURES

Organization

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

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 23 - COMPONENT UNIT DISCLOSURES (Continued)

Basis of Accounting

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Prepaid Items

Prepaid items represent payments made during 1999 for insurance coverage which will extend beyond December 31, 1999.

Fixed Assets

Fixed asset values are determined at original acquisition costs when purchased. At December 31, 1999, the Organization had machinery and equipment valued at \$41,030, which is net of accumulated depreciation.

Accounts Payable

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

Contributed Capital

Contributed capital is not subject to repayment and primarily represents assets contributed to the Organization by the MR/DD. These assets are recorded at their estimated fair market value on the date contributed. Depreciation on all contributed assets is included in the determination of net income and closed to contributed capital. During 1999, the Organization had no change in contributed capital amount.

Retained Earnings

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

MEIGS COUNTY, OHIO
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

NOTE 23 - COMPONENT UNIT DISCLOSURES (Continued)

Program Income

During 1999, the Organization contracted with and received \$82,060 in program income from the MR/DD for services provided to MR/DD clients.

These services provided for MR/DD is based on an annual contract between the Organization and MR/DD, which for 1999, was in the amount of \$82,060 plus reimbursable expenses relating to the position of marketing director.

**FINANCIAL CONDITION
MEIGS COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 1999**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Disbursements	Noncash Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE				
<i>Passed through the Ohio Department of Education:</i>				
Food Distribution Program	10.550	N/A	\$	\$4,526
Nutrition Cluster:				
School Breakfast Program	10.553	05-PU-99	4,353	
National School Lunch Program	10.555	04-PU-99	<u>10,013</u>	
Total Nutrition Cluster			14,366	
<i>Direct Program:</i>				
Rural Housing Preservation	10.433	OMB 0348-0004	<u>61,710</u>	
Total U.S. Department of Agriculture			76,076	4,526
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed through the Ohio Department of Development:</i>				
Community Development Block Grants -				
Fiscal Year 1998 Formula Grant	14.228	B-F-98-049-1	188,331	
ARC Salisbury Flood Mitigation	14.228	B-P-98-049-1	35,752	
ARC Dexter Water and Sewer	14.228	B-P-98-049-2	90,536	
Fiscal Year 1996 Microenterprise	14.228	B-M-96-049-1	12,655	
Fiscal Year 1997 Community Housing Improvement	14.228	B-C-97-049-1	200,864	
Fiscal Year 1997 Formula Grant	14.228	B-F-97-049-1	11,088	
Fiscal Year 1997 New Horizon	14.228	B-N-97-049-1	124	
Fiscal Year 1997 Dexter Water and Sewer	14.228	B-W-97-049-1	177,739	
Fiscal Year 1999 Community Housing Improvement	14.228	B-C-99-049-1	<u>22,492</u>	
Total Community Development Block Grants			<u>739,581</u>	
Total U.S. Department of Housing and Urban Development			739,581	
UNITED STATES DEPARTMENT OF JUSTICE				
<i>Passed through the Governor's Office of Criminal Justice Services:</i>				
Crime Victims Assistance -				
Victims Assistance	16.575	N/A	100	
Fiscal Year 1998 Victims of Crime	16.575	99VAGENE197X	4,772	
Fiscal Year 1999 Victims of Crime	16.575	00VAGANE197	38,006	
Fiscal Year 2000 Victims of Crime	16.575	99VAGANE197XX	<u>10,695</u>	
Total Crime Victims Assistance -			53,573	
Major Crimes Task Force				
Fiscal Year 1999 Major Crimes Task Force	16.579	98-DG-A-01-7183	134,648	
Fiscal Year 1998 Major Crimes Task Force	16.579	97-DG-A-01-7183	<u>8,229</u>	
Total Major Crimes Task Force			142,877	
Violence Against Women -				
Fiscal Year 2000 Violence Against Women	16.588	97-WF-VA2-8416	23,549	
Fiscal Year 1999 Violence Against Women	16.588	96-WF-VA2-8416	<u>9,347</u>	
Total Violence Against Women			32,896	
Law Enforcement Block Grant	16.592	98-LE-LEB-3049	<u>8,354</u>	
Total U.S. Department of Justice			237,700	
UNITED STATES DEPARTMENT OF TRANSPORTATION				
<i>Passed through the Ohio Department of Transportation:</i>				
Interagency Hazardous Materials Public Sector Training and Planning	20.703	N/A	<u>2,538</u>	
Total U.S. Department of Transportation			2,538	

**FINANCIAL CONDITION
MEIGS COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 1999
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity's Number	Disbursements	Noncash Disbursements
APPALACHIAN REGIONAL COMMISSION				
<i>Direct Program:</i>				
Fiscal Year 1999 Crafters Grant	23.011	OH-13291	\$17,583	\$
Total Appalachian Regional Commission			17,853	
FEDERAL EMERGENCY MANAGEMENT AGENCY				
<i>Passed through the Ohio Emergency Management Agency:</i>				
Emergency Management - State and Local Assistance	83.534	N/A	15,251	
Disaster Assistance Grant	83.516	DR-1164-OH	135,600	
Public Assistance Grant	83.544	DR-1227-OH	256,836	
Hazard Mitigation Grant	83.548	DR-1164-OH	224,533	
Total Federal Emergency Management Agency			632,220	
UNITED STATES DEPARTMENT OF EDUCATION				
<i>Passed through the Ohio Department of Education:</i>				
Handicapped Act	84.027	6B-SF-99	19,967	
Preschool Grants	84.173	PG-S1-99	10,980	
Substance Abuse Grants -				
Fiscal Year 1999 Substance Abuse Grant	84.186A	DFSDAR-P-99-9862	5,477	
Fiscal Year 1998 Substance Abuse Grant	84.186A	DFSDAR-P-98-9862	20,000	
Total Substance Abuse Grants			25,477	
<i>Passed through the Ohio Department of Health:</i>				
Early Intervention -				
Fiscal Year 2000 Early Intervention	84.181	53-1-03-F-AN-392	62,698	
Fiscal Year 1999 Early Intervention	89.181	53-1-03-F-AN-392	9,837	
Total Early Intervention			72,535	
Total U.S. Department of Education			128,959	
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through the Ohio Department of Health:</i>				
Abstinence Education -				
Abstinence Education	93.235	53300-A	2,999	
Fiscal Year 1999 Abstinence Education	93.235	53-1-03-CS-320	61,904	
Total Abstinence Education			64,903	
<i>Passed through the Ohio Department of Mental Retardation and Developmental Disabilities:</i>				
Title XX	93.667	N/A	30,845	
Title XIX -				
Targeted Case Management	93.714	N/A	10,557	
Waivers	93.714	N/A	14,400	
Total Title XIX			24,957	
Title XIX C.A.F.S.	93.778	N/A	140,835	
Total U.S. Department of Health and Human Services			261,540	
Total Federal Awards Expenditures			\$2,096,197	\$4,526

The notes to the Schedule of Federal Awards Expenditures is an integral part of this statement.

**FINANCIAL CONDITION
MEIGS COUNTY
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the United States Department of Agriculture, is reported in the Schedule at the fair market value of the commodities disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At December 31, 1999, the County had no significant food commodities in inventory.



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

Meigs County
100 East Second Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

We have audited the accompanying financial statements of Meigs County, Ohio, (the County) as of and for the year ended December 31, 1999, and have issued our report thereon dated August 11, 2000. We did not audit the financial statements of Meigs Industries, Inc., the County's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts discretely presented for Meigs Industries, Inc., is based upon the report of the other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 1999-60753-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated August 11, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated August 11, 2000.

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

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

Jim Petro
Auditor of State

August 11, 2000



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

Meigs County
100 East Second Street
Pomeroy, Ohio 45769

To the Board of County Commissioners:

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

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

Jim Petro
Auditor of State

August 11, 2000

**FINANCIAL CONDITION
MEIGS COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE YEAR ENDED DECEMBER 31, 1999**

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

**FINANCIAL CONDITION
MEIGS COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .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 1999-60753-001

Noncompliance Citation

Ohio Revised Code § 9.38 requires that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt.

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

The County Sheriff's Department collected cash receipts that were held for several months before being deposited. One cash bond receipt for \$100, received in June 1999, was not deposited until July 2000. The bond money was not receipted; however, a corresponding disbursement for the receipt was made. The money was found, in an envelope, in a filing cabinet in the Sheriff's Department.

We recommend the Sheriff's Department implement procedures to ensure that monies collected by the Department are deposited within a timely manner. We also recommend that within these procedures, the Department include a daily reconciliation process, to assure that all receipts received for the day are deposited, and the Sheriff should review and approve the daily reconciliation. Indication of such review should be reflected on the reconciliation.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings related to federal awards that were required to be reported herein.



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MEIGS COUNTY FINANCIAL CONDITION

MEIGS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 19, 2000**