



*VINTON COUNTY, OHIO*

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**SINGLE AUDIT**

**For the Year Ended December 31, 2011**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS







# Dave Yost • Auditor of State

Board of County Commissioners  
Vinton County  
100 East Main Street  
McArthur, Ohio 45651

We have reviewed the *Independent Auditor's Report* of Vinton County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 23, 2012

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**VINTON COUNTY, OHIO**  
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**For the Year Ended December 31, 2011**

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## Independent Auditor's Report

County Commissioners  
Vinton County, Ohio  
100 East Main Street  
McArthur, Ohio 45651

We have audited the accompanying financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Vinton County, Ohio, (the County) as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did audit the financial statements of Vinton Industries, Inc., a discretely presented component unit.

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

Ohio Administrative Code § 117-2-03 (B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2011, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Motor Vehicle Gasoline Tax Fund, and Job and Family Services Fund thereof for the year then ended in conformity with the accounting basis Note 2 describes.

As described in Note 18, during 2011 the County adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Vinton County, Ohio  
Independent Auditor's Report

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Government's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, governmental activities and long-term debt. The federal awards expenditure schedule (the Schedule) is required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. These tables and the Schedule provide additional information, but are not part of the basic financial statements. However these tables and the Schedule are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables and the schedule were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.

July 17, 2012



**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

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As management of Vinton County (the County), we offer readers this narrative overview and analysis of the financial activities of the County as a whole for the year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

### **Financial Highlights**

Key financial highlights for 2011 are as follows:

- Net assets of governmental activities increased \$380,356.
- General cash receipts accounted for \$5,585,425 in receipts or 33 percent of all cash receipts. Program specific cash receipts in the form of charges for services, grants and contributions accounted for \$11,463,265 or 67 percent of total cash receipts of \$17,048,690.
- The County had \$16,668,334 in cash disbursements related to governmental activities; \$11,463,265 of these cash disbursements were offset by program specific charges for services, grants and contributions. General cash receipts (primarily grants, entitlements, and property taxes) of \$5,585,425 were adequate to provide for these programs.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the County's cash basis of accounting.

### **Report Components**

The *Statement of Net Assets-Cash Basis* and *Statement of Activities-Cash Basis* provide information about the activities of the whole County, presenting an aggregate view of the County's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed and what remains for future spending on a cash basis. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of Vinton County, the General Fund, Motor Vehicle Gasoline Tax Fund, and the Job and Family Services Fund are the most significant funds and have been presented as major funds.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the County as a way to segregate money whose use is restricted to a particular specific purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the basic financial statements.

### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The County has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the County's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

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As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

### **Reporting the County as a Whole**

#### ***Statement of Net Assets and Statement of Activities***

The statement of net assets-cash basis and the statement of activities-cash basis reflect how the County did financially during 2011, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the County at year end. The statement of activities-cash basis compares cash disbursements with program cash receipts for each governmental program. Program cash receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the County's general receipts.

These statements report the County's cash position and the changes in cash position. Keeping in mind the limitations of cash basis accounting, you can think of these changes as one way to measure the County's financial health. Over time, increases or decreases in the County's cash position is one indicator of whether the County's financial health is improving or deteriorating. When evaluating the County's financial condition, you should also consider other non-financial factors as well as such as the County's property tax base, the condition of the County's capital assets and infrastructure, the extent of the County's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets-cash basis and the statement of activities-cash basis, the County has one type of activity; governmental.

### **Reporting the County's Most Significant Funds**

#### **Fund Financial Statements**

Fund financial statements provide detailed information about the County's major funds – not the County as a whole. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General Fund, the Job and Family Services Fund and the Motor Vehicle Gasoline Tax Fund.

*Governmental Funds:* Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be spent in the near future to finance various County programs. Since the County is reporting on the cash basis of accounting, there are no differences in the net assets and fund cash balances or changes in net assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross cash receipts and cash disbursements on the fund financial statements to the statement of activities due to transfers and advances netted on the statement of activities. See Note 2 to the basic financial statements.

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

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*Fiduciary Funds:* Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. The County's only fiduciary funds are agency funds and a private purpose trust fund.

Agency funds are custodial in nature and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs.

**The County as a Whole**

Recall that the Statement of Net Assets provides the perspective of the County as a whole. Table 1 provides a summary of the County's net assets for 2011 as compared to 2010:

Table 1  
 Net Assets – Cash Basis  
 Governmental Activities

	2011	2010*
<i>Assets</i>		
Equity in Pooled Cash and Cash Equivalents	\$4,100,283	\$3,719,927
<i>Total Assets</i>	4,100,283	3,719,927
 <i>Net Assets</i>		
Restricted	3,727,465	3,415,132
Unrestricted	372,818	304,795
<i>Total Net Assets</i>	\$4,100,283	\$3,719,927

\* As restated, see Note 18 for additional information.

The increase in Equity in Pooled Cash and Cash Equivalents is primarily due to the reasons described on page 7.

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
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Table 2 shows the highlights of the County's cash receipts and cash disbursements. These two main components are subtracted to yield the change in net assets.

Cash receipts are further divided into two major components: program cash receipts and general cash receipts. Program cash receipts are defined as charges for services, capital and operating grants, and contributions. General cash receipts include property and sales taxes, unrestricted grants, interest, issuance of loans and notes, payments in lieu of taxes, and miscellaneous receipts.

Table 2  
Change in Net Assets – Cash Basis  
Governmental Activities

	2011	2010*
<i>Cash Receipts</i>		
<i>Program Cash Receipts:</i>		
Charges for Services	\$2,179,633	\$2,137,252
Operating Grants and Contributions	9,208,069	9,691,301
Capital Grants and Contributions	75,563	488,203
<i>Total Program Cash Receipts</i>	<u>11,463,265</u>	<u>12,316,756</u>
<i>General Cash Receipts:</i>		
Property Taxes	2,124,169	1,913,099
Sales Taxes	873,873	905,503
Unrestricted Grants and Entitlements	340,045	417,211
Interest	27,572	38,608
Issuance of Notes	850,498	13,462
Payments in Lieu of Taxes	293,166	297,854
Miscellaneous	1,076,102	1,009,180
<i>Total General Cash Receipts</i>	<u>5,585,425</u>	<u>4,594,917</u>
<i>Total Cash Receipts</i>	<u>17,048,690</u>	<u>16,911,673</u>
<i>Cash Disbursements</i>		
<i>Program Cash Disbursements:</i>		
General Government:		
Legislative and Executive	2,002,239	1,983,565
Judicial	646,991	585,291
Public Safety	1,309,742	1,204,908
Public Works	3,434,237	3,011,566
Health	1,851,637	1,783,098
Human Services	4,937,846	4,777,107
Conservation and Recreation	18,606	20,258
Community and Economic Development	1,789,489	2,188,479
Other	123,165	112,427
Capital Outlay	356,047	920,441
Debt Service:		
Principal Retirement	96,686	114,193
Interest and Fiscal Charges	101,649	106,597
<i>Total Cash Disbursements</i>	<u>16,668,334</u>	<u>16,807,930</u>
<i>Change in Net Assets</i>	380,356	103,743
<i>Net Assets – Beginning of Year*</i>	3,719,927	3,616,184
<i>Net Assets – End of Year</i>	<u>\$4,100,283</u>	<u>\$3,719,927</u>

\* As restated, see Note 18 for additional information.

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

Net assets increased \$380,356 in governmental activities in 2011 as a result of a decrease in disbursements. Program cash receipts were composed of charges for services and operating and capital grants and contributions which were \$11,463,265. Capital grants decreased as a result of monies received in the prior year for Airport and Moonville Rail Trail projects. Operating grants and contributions decreased as a result of a decrease in monies received for the Community Development Home Repair program. Disbursements for human services increased as a direct result of increases in funding for the Job and Family Services program. Capital Outlay disbursements decreased due to reductions in construction projects. Community Development disbursements decreased due to a decrease in intergovernmental receipts. Public Works increased due to increased expenditures within the Motor Vehicle and Gas Tax program.

**Governmental Activities**

Operating grants and contributions made up 54 percent of cash receipts for governmental activities of the County for 2011. Property tax receipts made up 12 percent of the total cash receipts for governmental activities for a total of 66 percent of all cash receipts coming from property taxes and operating grants and contributions.

Human services comprise 30 percent of governmental program cash disbursements.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. In Table 3, the total cost of service column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program cash receipts. Net costs are costs that must be covered by unrestricted State aid or local taxes. The difference in these two columns would represent charges for services and restricted grants, fees, and donations.

Table 3  
 Total Cost of Program Services – Cash Basis  
 Governmental Activities

	2011		2010	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government:				
Legislative and Executive	\$2,002,239	\$1,178,650	\$1,983,565	\$1,236,875
Judicial	646,991	343,741	585,291	123,415
Public Safety	1,309,742	604,582	1,204,908	583,618
Public Works	3,434,237	731,866	3,011,566	523,545
Health	1,851,637	419,596	1,783,098	322,774
Human Services	4,937,846	1,164,805	4,777,107	915,574
Conservation and Recreation	18,606	4,113	20,258	3,522
Community and Economic Development	1,789,489	395,600	2,188,479	380,455
Other	123,165	90,829	112,427	89,377
Capital Outlay	356,047	72,952	920,441	91,229
Debt Service:				
Principal Retirement	96,686	96,686	114,193	114,193
Interest and Fiscal Charges	101,649	101,649	106,597	106,597
<b>Total Cash Disbursements</b>	<b>\$16,668,334</b>	<b>\$5,205,069</b>	<b>\$16,807,930</b>	<b>\$4,491,174</b>

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

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***The County's Funds***

The County's major funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of \$17,415,308 and cash disbursements and other financing uses of \$17,034,952. The net change in fund balance for the year was most significant in the Motor Vehicle Gasoline Tax Fund, which went from \$1,369,826 in 2010 to \$1,496,928 for 2011. Cash receipts exceeded cash disbursements in the amount of \$127,102, which resulted from receipts exceeding disbursements.

General Fund cash receipts exceeded cash disbursements by \$1,184. Job and Family Services Fund cash receipts exceeded cash disbursements by \$48,775.

***General Fund Budgeting Highlights***

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. One of the more significant budgeted funds is the General Fund.

For the General Fund, final budgeted revenue increased \$44,817 from original budgeted revenue, while actual receipts increased \$149,063 from final budgeted revenue. The increases are due primarily to higher than expected taxes. Actual disbursements and other financing uses were under final appropriations by \$36,375. Final appropriations were above original appropriations by \$44,817 due primarily to estimates for advances out.

The County's ending unobligated General Fund cash balance was \$185,438.

***Capital Assets and Debt Administration***

**Capital Assets**

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of \$356,047 during 2011.

**Debt**

Under the cash basis of accounting the County does not report bonds in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information the County's long-term obligations. At December 31, 2011, the County had \$1,930,786 in bonds and loans for governmental activities with \$97,773 due within one year. Table 4 summarizes long-term debt outstanding:

Table 4  
 Outstanding Debt as of December 31  
 Governmental Activities

	2011	2010
County Courthouse Elevator	\$133,559	\$144,537
Juvenile Training District	104,224	112,462
County Job and Family Services Building	1,545,263	1,606,546
OWDA Loan	7,100	12,425
Auditor/Treasurer Computer Equipment	73,640	82,502
Community and Economic Development Building	67,000	69,000
<b>Totals</b>	<b>\$1,930,786</b>	<b>\$2,027,472</b>

**Vinton County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

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The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000, of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

At December 31, 2011, the County's overall legal debt margin was \$2,387,914 with an unvoted debt margin of \$1,879,133. The debt is well within permissible limits.

**Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Cindy Owings Waugh, County Auditor at Vinton County, 100 Main Street, McArthur, Ohio 45651, or telephone at (740)596-4571 (Extension 231).

**Vinton County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2011*

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Unit</u>
<b>ASSETS:</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 4,100,283	\$ 9,909
<i>Total Assets</i>	<u>4,100,283</u>	<u>9,909</u>
<b>NET ASSETS:</b>		
Restricted for:		
Debt Service	670	-
Capital Projects	30,384	-
Job and Family Services	84,864	-
Motor Vehicle Gasoline Tax	1,496,928	-
Department of Developmental Disabilities	341,998	-
Other Purposes	1,138,578	-
County Court Research & Computer	108,412	-
Residential	144,496	-
Real Estate Assessment	381,135	-
Unrestricted	<u>372,818</u>	<u>9,909</u>
<i>Total Net Assets</i>	<u>\$ 4,100,283</u>	<u>\$ 9,909</u>

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



**Vinton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2011*

	Program Cash Receipts				Net Disbursements and Changes in Net Assets	
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Total	Component Unit
<b>Governmental Activities:</b>						
<b>General Government:</b>						
Legislative and Executive	\$ 2,002,239	\$ 575,577	\$ 248,012	\$ -	\$ (1,178,650)	
Judicial	646,991	117,956	185,294	-	(343,741)	
Public Safety	1,309,742	214,634	490,526	-	(604,582)	
Public Works	3,434,237	331,805	2,370,566	-	(731,866)	
Health	1,851,637	188,296	1,243,745	-	(419,596)	
Human Services	4,937,846	514,270	3,258,771	-	(1,164,805)	
Conservation and Recreation	18,606	1,865	12,628	-	(4,113)	
Community and Economic Development	1,789,489	179,353	1,214,536	-	(395,600)	
Other	123,165	29,174	3,162	-	(90,829)	
Capital Outlay	356,047	26,703	180,829	75,563	(72,952)	
<b>Debt Service:</b>						
Principal Retirement	96,686	-	-	-	(96,686)	
Interest and Fiscal Charges	101,649	-	-	-	(101,649)	
<i>Total Governmental Activities</i>	<u>16,668,334</u>	<u>2,179,633</u>	<u>9,208,069</u>	<u>75,563</u>	<u>(5,205,069)</u>	
<b>Component Unit:</b>						
Vinton Industries, Inc.	44,321	52,524	749	-		\$ 8,952
<i>Total Component Unit</i>	<u>\$ 44,321</u>	<u>\$ 52,524</u>	<u>\$ 749</u>	<u>\$ -</u>		<u>8,952</u>
<b>General Cash Receipts</b>						
<b>Property Taxes Levied for:</b>						
General Purposes					763,999	-
MRDD					309,943	-
Special Purposes					1,050,227	-
Sales Taxes Levied for General Purposes					873,873	-
<b>Grants and Entitlements Not Restricted to Specific Programs</b>						
Issuance of Notes					340,045	-
Payments in Lieu of Taxes					850,498	-
Miscellaneous					293,166	-
Interest					1,076,102	-
					27,572	-
<i>Total General Cash Receipts</i>					<u>5,585,425</u>	<u>-</u>
<i>Change in Net Assets</i>					380,356	8,952
<i>Net Assets Beginning of Year - As Restated</i>					<u>3,719,927</u>	<u>957</u>
<i>Net Assets End of Year</i>					<u>\$ 4,100,283</u>	<u>\$ 9,909</u>

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

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**Vinton County**  
*Statement of Cash Basis Assets and Fund Balances and  
Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds - Cash Basis  
As of and For the Year Ended December 31, 2011*

	General	Motor Vehicle Gasoline Tax	Job and Family Services	All Other Governmental Funds	Total Governmental Funds
<b>CASH RECEIPTS:</b>					
Taxes	\$ 1,637,872	\$ -	\$ -	\$ 1,360,170	\$ 2,998,042
Charges for Services	604,115	364,057	-	1,051,907	2,020,079
Licenses and Permits	1,855	-	-	-	1,855
Fines and Forfeitures	101,020	12,697	-	43,982	157,699
Intergovernmental	341,694	3,204,378	3,473,637	2,603,968	9,623,677
Interest	24,492	2,797	-	283	27,572
Payments in Lieu of Taxes	293,166	-	-	-	293,166
Other	189,373	18,038	193,140	675,551	1,076,102
<i>Total Cash Receipts</i>	<u>3,193,587</u>	<u>3,601,967</u>	<u>3,666,777</u>	<u>5,735,861</u>	<u>16,198,192</u>
<b>CASH DISBURSEMENTS:</b>					
General Government:					
Legislative and Executive	1,701,167	-	-	301,072	2,002,239
Judicial	388,682	-	-	258,309	646,991
Public Safety	610,081	-	-	699,661	1,309,742
Public Works	-	3,430,865	-	3,372	3,434,237
Health	19,863	-	-	1,831,774	1,851,637
Human Services	141,757	-	3,714,167	1,081,922	4,937,846
Conservation and Recreation	-	-	-	18,606	18,606
Community and Economic Development	-	-	-	1,789,489	1,789,489
Other	123,165	-	-	-	123,165
Capital Outlay	-	-	-	356,047	356,047
Debt Service:					
Principal Retirement	-	-	-	96,686	96,686
Interest and Fiscal Charges	-	-	-	101,649	101,649
<i>Total Cash Disbursements</i>	<u>2,984,715</u>	<u>3,430,865</u>	<u>3,714,167</u>	<u>6,538,587</u>	<u>16,668,334</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>208,872</u>	<u>171,102</u>	<u>(47,390)</u>	<u>(802,726)</u>	<u>(470,142)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	-	-	96,165	214,100	310,265
Advances In	-	-	-	56,353	56,353
Issuance of Notes	-	-	-	850,498	850,498
Transfers Out	(151,335)	(44,000)	-	(114,930)	(310,265)
Advances Out	(56,353)	-	-	-	(56,353)
<i>Total Other Financing Sources (Uses)</i>	<u>(207,688)</u>	<u>(44,000)</u>	<u>96,165</u>	<u>1,006,021</u>	<u>850,498</u>
<i>Net Change in Fund Cash Balances</i>	1,184	127,102	48,775	203,295	380,356
<i>Cash Basis Fund Balances at Beginning of Year - As Restated</i>	<u>371,634</u>	<u>1,369,826</u>	<u>36,089</u>	<u>1,942,378</u>	<u>3,719,927</u>
<i>Cash Basis Fund Balances at End of Year</i>	<u>\$ 372,818</u>	<u>\$ 1,496,928</u>	<u>\$ 84,864</u>	<u>\$ 2,145,673</u>	<u>\$ 4,100,283</u>
<b>CASH BASIS ASSETS AT END OF YEAR:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 372,818	\$ 1,496,928	\$ 84,864	\$ 2,145,673	\$ 4,100,283
<i>Total Assets</i>	<u>\$ 372,818</u>	<u>\$ 1,496,928</u>	<u>\$ 84,864</u>	<u>\$ 2,145,673</u>	<u>\$ 4,100,283</u>
<b>CASH FUND BALANCES AT YEAR END:</b>					
Nonspendable	\$ 83,126	\$ -	\$ -	\$ -	\$ 83,126
Restricted	-	1,496,928	84,864	2,145,673	3,727,465
Unassigned	289,692	-	-	-	289,692
<i>Total Cash Basis Fund Balances</i>	<u>\$ 372,818</u>	<u>\$ 1,496,928</u>	<u>\$ 84,864</u>	<u>\$ 2,145,673</u>	<u>\$ 4,100,283</u>

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

**Vinton County**  
*Statement of Receipts, Disbursements, And Changes*  
*in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)*  
*General Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS:</b>				
Taxes	\$ 1,530,176	\$ 1,555,071	\$ 1,637,872	\$ 82,801
Charges for Services	391,376	397,744	418,922	21,178
Licenses and Permits	1,733	1,761	1,855	94
Fines and Forfeitures	94,378	95,913	101,020	5,107
Intergovernmental	287,029	291,699	307,231	15,532
Interest	21,271	21,617	22,768	1,151
Payments in Lieu of Taxes	273,889	278,345	293,166	14,821
Other	154,842	157,361	165,740	8,379
<i>Total Receipts</i>	2,754,694	2,799,511	2,948,574	149,063
<b>DISBURSEMENTS:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Legislative and Executive	1,731,961	1,678,863	1,646,687	32,176
Judicial	220,899	223,609	221,430	2,179
Public Safety	680,156	610,150	610,081	69
Health	20,613	19,863	19,863	-
Human Services	66,821	143,148	141,757	1,391
Other	177,934	123,178	123,165	13
<i>Total Disbursements</i>	2,898,384	2,798,811	2,762,983	35,828
<i>Excess of Receipts Over (Under) Disbursements</i>	(143,690)	700	185,591	184,891
<b>OTHER FINANCING USES:</b>				
Transfers Out	(63,845)	(151,335)	(151,335)	-
Advances Out	-	(56,900)	(56,353)	547
<i>Total Other Financing Uses</i>	(63,845)	(208,235)	(207,688)	547
<i>Net Change in Fund Balance</i>	(207,535)	(207,535)	(22,097)	185,438
<i>Fund Balance at Beginning of Year - As Restated</i>	207,535	207,535	207,535	-
<i>Fund Balance at End of Year</i>	\$ -	\$ -	\$ 185,438	\$ 185,438

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

**Vinton County**  
*Statement of Receipts, Disbursements, And Changes*  
*in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)*  
*Motor Vehicle Gasoline Tax Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS:</b>				
Charges for Services	\$ 205,198	\$ 302,363	\$ 364,057	\$ 61,694
Fines and Forfeitures	7,157	10,545	12,697	2,152
Intergovernmental	1,806,127	2,661,359	3,204,378	543,019
Interest	1,577	2,323	2,797	474
Other	10,167	14,981	18,038	3,057
<i>Total Receipts</i>	<u>2,030,226</u>	<u>2,991,571</u>	<u>3,601,967</u>	<u>610,396</u>
<b>DISBURSEMENTS:</b>				
Current:				
Public Works	2,950,000	3,867,346	3,430,865	436,481
Capital Outlay	450,000	450,000	-	450,000
<i>Total Disbursements</i>	<u>3,400,000</u>	<u>4,317,346</u>	<u>3,430,865</u>	<u>886,481</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(1,369,774)</u>	<u>(1,325,775)</u>	<u>171,102</u>	<u>1,496,877</u>
<b>OTHER FINANCING USES:</b>				
Transfers Out	-	(44,000)	(44,000)	-
<i>Total Other Financing Uses</i>	<u>-</u>	<u>(44,000)</u>	<u>(44,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(1,369,774)	(1,369,775)	127,102	1,496,877
<i>Fund Balance at Beginning of Year</i>	<u>1,369,826</u>	<u>1,369,826</u>	<u>1,369,826</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 52</u>	<u>\$ 51</u>	<u>\$ 1,496,928</u>	<u>\$ 1,496,877</u>

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

**Vinton County**  
*Statement of Receipts, Disbursements, And Changes*  
*in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)*  
*Job and Family Services Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS:</b>				
Intergovernmental	\$ 3,128,275	\$ 3,402,538	\$ 3,473,637	\$ 71,099
Other	173,937	194,534	193,140	(1,394)
<i>Total Receipts</i>	<u>3,302,212</u>	<u>3,597,072</u>	<u>3,666,777</u>	<u>69,705</u>
<b>DISBURSEMENTS:</b>				
Current:				
Human Services	3,337,700	3,728,725	3,714,167	14,558
<i>Total Disbursements</i>	<u>3,337,700</u>	<u>3,728,725</u>	<u>3,714,167</u>	<u>14,558</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(35,488)</u>	<u>(131,653)</u>	<u>(47,390)</u>	<u>84,263</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	-	96,165	96,165	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>96,165</u>	<u>96,165</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(35,488)	(35,488)	48,775	84,263
<i>Fund Balance at Beginning of Year</i>	<u>36,089</u>	<u>36,089</u>	<u>36,089</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 601</u>	<u>\$ 601</u>	<u>\$ 84,864</u>	<u>\$ 84,263</u>

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

**Vinton County**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds - Cash Basis*  
*As of December 31, 2011*

	Private Purpose Trust Fund	Agency Funds
<hr/>		
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$ 15,529	\$ 1,865,037
Cash and Cash Equivalents in Segregated Accounts	-	160,792
	<hr/>	
<i>Total Assets</i>	<u>\$ 15,529</u>	<u>\$ 2,025,829</u>
NET ASSETS:		
Unrestricted	\$ -	\$ 2,025,829
Held in Trust for Private Purposes	15,529	-
	<hr/>	
<i>Total Net Assets</i>	<u>\$ 15,529</u>	<u>\$ 2,025,829</u>

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

**Vinton County**  
*Statement of Changes in Fiduciary Net Assets*  
*Private Purpose Trust Fund - Cash Basis*  
*For the Year Ended December 31, 2011*

	Sheppard-Dunkle Scholarship Trust
ADDITIONS:	
Interest	\$ 231
<i>Total Additions</i>	231
DEDUCTIONS:	
Scholarship's Awarded	-
<i>Increase in Net Assets</i>	231
<i>Net Assets Beginning of Year</i>	15,298
<i>Net Assets End of Year</i>	\$ 15,529

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

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY**

Vinton County, Ohio (the County), is governed by a board of three Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, County Court Judge, Probate-Juvenile Court Judge, and Common Pleas Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the entire County.

***Reporting Entity:***

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Vinton County, this includes the Vinton County Board of Developmental Disabilities, Vinton County Children Services Board, Family and Children First Council, and departments and activities that are directly operated by the elected County officials.

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

***Discretely Presented Component Unit:*** The component unit column on the government-wide financial statements identifies the financial data of the County's component unit, Vinton Industries, Inc. This entity is reported separately to emphasize that it is legally separate from the County.

Vinton Industries, Inc. (the Corporation) is a legally separate, not-for-profit corporation, served by a self-appointing Board of Trustees. The Corporation, under contractual agreement with the Vinton County Board of Mental Retardation and Developmental Disabilities, provides sheltered employment for mentally retarded or handicapped adults in Vinton County. The Vinton County Board of Mental Retardation and Developmental Disabilities provides the Corporation with some funds to operate with. The Corporation also raises revenue through the services its clients provide for other entities and goods it sells.

Additional information related to Vinton Industries, Inc. is presented in Note 13 to the basic financial statements. Complete financial statements of the individual component unit can be obtained from the administrative office of Vinton Industries, Inc., Post Office Box 477, McArthur, Ohio 45651.

The County has elected to include the above component unit in the accompanying basic financial statements. See also Note 2 to the basic financial statements entitled *Government-wide Financial Statements*.

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

- Soil and Water Conservation District
- Vinton County Health District



**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY** (Continued)

The County is involved with the following organizations that are defined as jointly governed organizations. Additional financial information concerning the jointly governed organizations is presented in Note 12.

- Gallia, Jackson, Meigs, and Vinton Joint Solid Waste Management District
- South Central Regional Juvenile Detention Center
- Buckeye Joint-County Self Insurance Council
- Ohio Government Risk Management Plan
- Alcohol, Drug Addiction and Mental Health Services Board of Athens, Hocking and Vinton Counties
- Vinton County Community Improvement Corporation
- Southern Ohio Council of Governments
- Corrections Commission of Southeastern Ohio

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

**A. Basis of Presentation**

The County uses the provisions of GASB 34 for financial reporting on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and GASB 38, for certain financial statement note disclosures. The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

***Government-wide Financial Statements***

The statement of net assets-cash basis presents the cash basis financial condition of the governmental activities of the County at year-end. The statement of activities-cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the County's governmental activities. These statements include the financial activities of the primary government, except for fiduciary funds. Direct cash disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the County. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self-financing or draws from the general cash receipts of the County.

***Fund Financial Statements***

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Fund Accounting**

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. For financial statement presentation purposes, the various funds of the County are grouped into the following generic fund types under the broad fund categories governmental and fiduciary.

**Governmental Funds:** Governmental funds are those through which most governmental function of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related current liabilities are accounted for through governmental funds. The following are the County's major governmental funds:

*General Fund* The General Fund is the primary operating fund. It accounts for all financial resources of the primary government not accounted for and reported in another fund. The General Fund balance is available to the County for any purpose provided if it is expended or transferred according to the general laws of Ohio.

*Motor Vehicle Gasoline Tax Fund* This fund accounts for state gasoline tax and motor vehicle registration fees for maintenance and improvement of County roads. The primary source of revenue for this fund is intergovernmental monies.

*Job and Family Services Fund* This fund accounts for funding from various federal and state grants used to provide job training and public assistance to qualified clients, to pay their medical assistance providers and for certain public social services. The primary source of revenue for this fund is intergovernmental monies.

The other governmental funds of the County account for grants and other resources, debt service, and capital projects, whose use is restricted to a particular purpose.

**Fiduciary Funds:** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. The two types of fiduciary funds the County use are agency funds and private purpose trust funds.

*Agency Funds* are custodial in nature (assets equal net assets) and do not involve measurement of results of operations. The County's agency funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent for taxes, state-levied shared revenues, fines and forfeitures collected and distributed to other political subdivisions and County department bank accounts held outside the County treasury.

*Private Purpose Trust Funds* These funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County's own programs. The County received a bequeath in the amount of \$15,000 to remain intact with the interest earnings to be used to fund the Sheppard-Dunkle Fine Arts Scholarship.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Basis of Presentation**

Although required by Ohio Administrative Code Section 117-2-03 (B) to prepare its financial report in accordance with accounting principles generally accepted in the United States of America (GAAP), the County chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. Receipts are recognized with received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). These statements include adequate disclosure of material matters, in accordance with the basis of accounting described above.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of cash basis accounting.

***Cash Receipts-Exchange and Non-exchange Transactions***

Cash receipts resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the cash basis when the exchange takes place. On the cash basis, receipts are recorded in the year in which the resources are received.

***Cash Disbursements***

On the cash basis of accounting, disbursements are recognized at the time payments are made.

**D. Budgetary Process**

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the County may appropriate. The appropriation resolution is the County's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the County. The legal level of control has been established by the County at the object level within each function of each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County. The amounts reported as the original budgeted amounts in the budgetary statements are based on estimates in effect at the time the original appropriations were passed. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect when final appropriations for the year were passed.

The appropriation resolution is subject to amendment by the County throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County during the year.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Cash and Cash Equivalents**

To improve cash management, all cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. For 2011, interest receipts amounted to \$27,803, which \$24,492 was recorded in the General Fund, \$2,797 in the Motor Vehicle Gasoline Tax Major Special Revenue Fund, \$283 in all other governmental funds, and \$231 in the Private Purpose Trust Fund.

**F. Capital Assets**

Capital assets (fixed assets) acquired or constructed for the County are recorded as disbursements at the time of acquisition. However, under the cash basis of accounting, capital assets and the related depreciation are not reported separately on the basic financial statements.

**G. Compensated Absences**

Vacation and sick leave benefits are not accrued under the cash basis of accounting as previously described. All leave will either be absorbed by time off from work or, within certain limitations, paid to the employees.

**H. Long-Term Obligations**

In general, bonds are recorded as cash disbursements in the basic financial statements when paid and are not accrued as liabilities.

**I. Interfund Transactions**

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. Interfund transfers between governmental activities are eliminated in the statement of activities. Flows of cash from one fund to another with a requirement for repayment are reported as advances in and out. Advances between governmental activities are eliminated in the statement of activities.

**J. Net Assets**

Net assets represent the cash basis assets held by the County at year end. Net assets consist of cash balances plus cash receipts reduced by cash disbursements for the current year. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted for other purposes is comprised of net assets restricted for grants. The County applies restricted resources when a cash disbursement is made for purposes for which both restricted and unrestricted net assets are available.

Of the County's \$3,727,465 in restricted net assets, none is restricted by enabling legislation.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**K. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in the spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the County Commissioners.

***Unassigned*** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the County into two categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the County Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts, including, but not limited to, passbook accounts.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 3 – DEPOSITS AND INVESTMENTS** (Continued)

State statute permits inactive monies to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations of or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, or the political subdivisions of Ohio, provided that such political subdivisions are located wholly or partly within the same county as the investing authority;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed 5 percent of the County's total average portfolio;
10. Certain bankers' acceptances for a period not to exceed one hundred and eighty days and commercial paper notes for a period not to exceed two hundred and seventy days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
11. Under limited circumstances, corporate debt interests rated in any of the three highest rating classifications by at least two nationally recognized rating agencies;
12. Notes issued by corporations incorporated and operating within the United States, or by depository institutions doing business under any state or United States authority and operating within the United States. Such investments shall not exceed fifteen percent of the County's total average portfolio and meet other requirements; and

**Vinton County**  
*Notes to the Basic Financial Statements*  
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**NOTE 3 – DEPOSITS AND INVESTMENTS** (Continued)

13. A current unpaid or delinquent tax line of credit authorized under division (G) of section 135.341 of the Revised Code provided that all of the conditions for entering into such a line of credit under that division are satisfied.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), 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 money deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited.

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

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

***Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The County's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of December 31, 2011, the County's bank balance of \$6,327,248 is either covered by FDIC or collateralized by the financial institutions' public entity deposit pools in the manner as described above.

**NOTE 4- BUDGETARY BASIS FUND BALANCES**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budgetary Basis presented for the General Fund, Motor Vehicle Gasoline Tax Fund, and Job and Family Services Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). There were no outstanding encumbrances at year end. As part of the Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", certain funds that were previously reported as an agency are considered part of the General Fund on a cash basis. These include the Unclaimed Monies Fund, Certificate of Title Fund, Recorder's Equipment Fund, and Public Defender Fund. These funds were excluded from the budgetary presentation for the General Fund.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semiannually.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended, and at the tax rates determined in the preceding year. Due to the phase out which began in 2005, the tangible personal property tax percentage fell to zero in 2009 for businesses. Therefore, Ohio no longer has a general tax on tangible personal property used in business. The tax temporarily applies to telephone and inter-exchange telecommunications companies, which is being passed out to 10% for 2009, 5% for 2010, and zero for 2011. After 2011, tangible personal property, exclusive of public utility tangible personal property, will not be subject to tax. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

The assessed value for the taxes levied in 2011 was \$187,913,330 of which real property represented 82 percent (\$154,904,160) of the total and public utility property represented 18 percent (\$33,009,170) of the total. The full tax rate for all County operations for taxes collected in 2011 was \$14.75 per \$1,000 of assessed valuation.

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

**NOTE 6 - PERMISSIVE SALES AND USE TAX**

The County Commissioners, by resolution and vote of the people, imposed a one percent tax on certain 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 the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax cash receipts for 2011 amounted to \$873,873.



**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 7 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2011, the County contracted with Buckeye Joint-County Self Insurance Council (a public entity shared risk pool, see note 12) for liability, auto, and crime insurance. The program has a \$0 to \$5,000 deductible per occurrence:

	<u>Aggregate</u>	<u>Ea. Occurrence</u>
General Liability	\$3,000,000	\$1,000,000
Public Officials Including		
Law Enforcement	3,000,000	1,000,000
Employee Benefits	3,000,000	1,000,000

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of \$14,692,075.

Health insurance was provided by a private carrier, Medical Mutual for the year.

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation. The County pays all elected officials' bonds by statute.

The County has not incurred significant reductions in insurance coverage from coverage in the prior year by major category of risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**NOTE 8 - RETIREMENT SYSTEM**

**Ohio Public Employees Retirement System (OPERS)**

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
- 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
  - 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
  - 3) The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. OPERS provides retirement, disability, and survivor and death benefits and annual cost-of-living adjustments to qualifying members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 8 - RETIREMENT SYSTEM** (Continued)

- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans.

The member contribution rates were 10.0%, 10.0%, and 10.0% and for 2011, 2010, and 2009, respectively, for the County. Public safety and law enforcement members contributed at a rate of 11.0%, 10.5%, and 10.1%, respectively.

The employer contribution rates were 14.0%, 14.0%, and 14.0%, of covered payroll for 2011, 2010, and 2009, respectively, for the County. For both the law enforcement and public safety divisions, the employer contribution rates were 18.10%, 17.87%, and 17.63%, respectively.

The County's contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were \$1,027,371, \$1,073,210, and \$1,047,696, respectively, which were equal to the required contributions for those years.

**NOTE 9 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System (OPERS)**

- A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

- B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer's contributions are expressed as a percentage of the covered payroll of active members. In 2011, the County contributed at 14.0% of covered payroll for local government employer units and 18.1% for public safety and law enforcement. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**NOTE 9 - POSTEMPLOYMENT BENEFITS** (Continued)

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. For 2010, the employer contributions allocated to the health care plan from January 1 through February 28, 2010 and March 1 through December 31, 2010 were 5.5% and 5.0%, respectively. For 2009, the employer contributions allocated to the health care plan from January 1 through March 31, 2009 and April 1 through December 31 2009 were 7.0% and 5.5%, respectfully.

- C. The employer contributions that were used to fund post-employment benefits were \$293,519 for 2011, \$532,579 for 2010, and \$439,658 for 2009, which were equal to the required allocation for each year.
- D. The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**NOTE 10 - LONG-TERM DEBT**

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding such changes in the County's long-term obligations during 2011 is as follows:

Types/Issues	Outstanding At 12/31/10	Increases	Decreases	Outstanding At 12/31/11	Due in One Year
2000 - 5.75 % County Courthouse Elevator Project General Obligation Bonds	\$144,537	\$0	(\$10,978)	\$133,559	\$11,618
2001 - 5.50% Juvenile Training District General Obligation Bonds	112,462	0	(8,238)	104,224	8,698
2002 - 5.1% County Job & Family Services Building General Obligation Bonds	1,606,546	0	(61,283)	1,545,263	64,448
2002 - 0% OWDA Loan	12,425	0	(5,325)	7,100	1,775
2007 - 4.125% Community & Economic Development Building General Obligation Bonds	69,000	0	(2,000)	67,000	2,000
2009 - 4.25% Auditor/Treasurer Computer Equipment General Obligation Note	82,502	0	(8,862)	73,640	9,234
<b>Total</b>	<b>\$2,027,472</b>	<b>\$0</b>	<b>(\$96,686)</b>	<b>\$1,930,786</b>	<b>\$97,773</b>

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**NOTE 10 - LONG-TERM DEBT** (Continued)

The County issued General Obligation Bonds in 2000 in the amount of \$225,000 for building improvements which included the construction of an elevator in the County Courthouse.

The County issued General Obligation Bonds in 2001 in the amount of \$172,951 for their share of the construction costs of the South Central Ohio Regional Detention Training and Rehabilitation District.

The County issued General Obligation Bonds in 2002 in the amount of \$2,000,000 for the Job & Family Services building.

The County issued an OWDA loan in 2002 in the amount of \$42,600 for the community development septic system replacement project.

The County issued General Obligation Bonds in 2007 in the amount of \$75,000 for the Community & Economic Development building.

The County issued a loan in 2009 in the amount of \$100,185 for a new computer operating system for the Auditor and Treasurer.

The debt service on the General Obligation Bond issues is payable from the Debt Service Funds. The debt service on the outstanding OWDA loan is payable from the Community Development Fund. The debt service on the computer operating system is payable from the Auditor/Treasurer Special Project Fund.

At December 31, 2011, the County's overall legal debt margin was \$2,387,914 with an unvoted debt margin of \$1,879,133.

The following is a summary of the County's future principal and interest requirements for general long-term debt obligations:

	Job & Family Services		Elevator Project		Detention & Rehabilitation	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$64,448	\$77,996	\$11,618	\$7,459	\$8,698	\$5,668
2013	67,776	74,668	12,296	6,781	9,183	5,183
2014	71,277	71,168	13,012	6,064	9,695	4,671
2015	74,958	67,486	13,771	5,305	10,235	4,131
2016	78,830	63,616	14,575	4,502	10,806	3,560
2017-2021	459,594	252,628	68,287	8,997	55,607	8,060
2022-2026	593,198	120,882	0	0	0	0
2027-2030	135,182	5,409	0	0	0	0
<b>Totals</b>	<b>\$1,545,263</b>	<b>\$733,853</b>	<b>\$133,559</b>	<b>\$39,108</b>	<b>\$104,224</b>	<b>\$31,273</b>

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**NOTE 10 - LONG-TERM DEBT** (Continued)

	Community & Economic Development		Auditor & Treasurer Computer System		OWDA
	Principal	Interest	Principal	Interest	Principal
2012	\$2,000	\$2,764	\$9,234	\$3,041	\$1,775
2013	2,000	2,681	9,639	2,636	3,550
2014	2,000	2,599	10,053	2,222	1,775
2015	2,000	2,516	10,485	1,790	0
2016	2,000	2,434	10,931	893	0
2017-2021	15,000	10,519	23,298	1,250	0
2022-2026	16,000	7,426	0	0	0
2027-2031	21,000	3,715	0	0	0
2032	5,000	206	0	0	0
Totals	\$67,000	\$34,860	\$73,640	\$11,832	\$7,100

**NOTE 11 - INTERFUND TRANSACTIONS**

**A. Interfund Advances**

Advances in and out during the year ended December 31, 2011 consisted of the following:

	Advances In	Advances Out
General Fund	\$0	\$56,353
Non-Major Funds	56,353	0
Total All Funds	\$56,353	\$56,353

During 2011, the General Fund advanced monies to non-major governmental funds in anticipation of intergovernmental grant revenue. Advances among nonmajor funds were between grant funds with similar activity, functions and funding sources, and were made in anticipation of intergovernmental revenue.

**B. Interfund Transfers**

The following transfers in and out were made during 2011:

	Transfers In	Transfers Out
General Fund	\$0	\$151,335
Job and Family Services	96,165	0
MVGT	0	44,000
Non-Major Funds	214,100	114,930
Total All Funds	\$310,265	\$310,265

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers from the MVGT to the Non-Major Funds were for the County's share of Issue II projects.

**NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS**

***Gallia, Jackson, Meigs, and Vinton Joint Solid Waste Management District***

The County is a member of the Gallia, Jackson, Meigs, and Vinton Joint Solid Waste Management District, which is a jointly governed organization of the four named counties. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling. The District is the residual district of the Six-County Joint Solid Waste District which was created in 1989, as required by the Ohio Revised Code. The original District consisted of Athens, Gallia, Hocking, Jackson, Meigs, and Vinton Counties; however, Athens and Hocking Counties have subsequently withdrawn.

The Gallia, Jackson, Meigs, and Vinton Joint Solid Waste Management District's sole revenue source is derived from a waste disposal fee for in-district and out-of-district waste. Although the Counties contributed amounts to the District at the time of its creation, all contributions have since been returned to the respective Counties and no future contributions by the Counties are anticipated. Continued existence of the District is not dependent on the Counties' continued participation, no equity interest exists, and no debt is outstanding. In the event that fees collected by the District are not sufficient for operating costs and expenses, the member Counties would share the costs incurred in the same proportions that the populations of each County, as reported in the most recent decennial census of the United States Bureau of Census, are to the total population of all member Counties.

***South Central Regional Juvenile Detention Center***

The South Central Regional Juvenile Detention Center is a jointly governed organization that was created as a holding place for juvenile offenders waiting for disposition by the respective Juvenile Courts of the member Counties. The current members include Pike, Pickaway, Ross, Jackson, Hocking, Athens, Fayette, Vinton and Highland Counties. The Center's Board consists of one member from each participating County that is appointed by the Juvenile Court Judge or a County Commissioner from each County. The joint Board selects the superintendent as the Center's administrator.

The Center's revenue is from per diem charges for inmates to the respective Counties and a percent of the County tax base to the total tax base. Ross County is the fiscal officer of the Center. Vinton County does not have any financial interest or responsibility. During 2011, Vinton County contributed \$58,564 to the Center.

***Buckeye Joint-County Self Insurance Council***

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

The degree of control exercised by any participating government is limited to its representation on the 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 President, Vice President, Second Vice-President and two Governing Board Members. The expenditures and investments of funds by the officer must be approved by the Governing Board unless specific limits have been set by the Governing Board.

In the event of losses, the first \$250 to \$1,000 of any valid claim, depending on the type of loss, will be paid by the member. The next payment, with a maximum pay ranging from \$100,000 to \$1,000,000 per occurrence, will come from the self-insurance pool based on the member's percentage of contribution. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments. Vinton County does not have any ongoing financial interest or responsibility. The agreement between the County and the Council indicates that a voluntary withdrawal or termination by the County shall constitute a forfeiture of any pro-rata share of the council reserve fund.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS** (Continued)

In the event of the termination of the Council, current members shall be paid in an amount they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is, therefore, not possible. During 2011, Vinton County paid \$101,000 to the Council for insurance coverage. This jointly governed organization is a cost-sharing pool.

***Ohio Government Risk Management Plan***

The Buckeye Joint-County Self Insurance Council belongs to the Ohio Government Risk Management Plan; an unincorporated non-profit association with approximately 500 public entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each members' needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages. The Plan retains a small portion of the risk as identified in the Plan's financials presented on the website at [www.ohioplan.com](http://www.ohioplan.com). The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

***Alcohol, Drug Addiction and Mental Health Services Board of Athens, Hocking and Vinton Counties***

The Alcohol, Drug Addiction and Mental Health Services Board of Athens, Hocking and Vinton Counties is a jointly governed organization that serves Athens, Hocking and Vinton Counties, and is established for the purpose of providing alcohol, drug addiction and mental health services to the residents of these Counties.

Each participating County has agreed to levy a tax within their County to assist in the operation of the Board, whose passage requires a majority in the total three-County district. This entity is governed by an eighteen member Board that is responsible for its own financial matters and operates autonomously from Vinton County. The Athens County Auditor serves as the fiscal agent for the revenues of the Board, but the Board is responsible to budget and account for their resources. Nine of the Board Members are appointed by the Commissioners of the member Counties apportioned by population. Five of the remaining members are appointed by the Ohio Department of Alcohol and Drug Addiction Services and the other four members are appointed by the Ohio Department of Mental Health. The Board derives its revenue from local property taxes, intergovernmental grants and reimbursements, and other miscellaneous revenue. Vinton County has no ongoing financial interest or responsibility in this Board.

***Vinton County Community Improvement Corporation***

Vinton County is affiliated with the Vinton County Community Improvement Corporation (hereafter referred to as the CIC). The CIC has a twelve member Board which consists of the Vinton County Commissioners, the Vinton County Auditor and the Vinton County Treasurer as well as various other business representatives and community members. The Vinton County Treasurer serves as the President of the CIC. The CIC's purpose is to better the County by providing means for job development. The County is not financially accountable for the CIC. For a copy of the CIC's audit report, contact Vicki Maxwell, CIC President at (740) 596-5690.

***Southern Ohio Council of Governments***

The County is a member of the Southern Ohio Council of Governments (the "Council"), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating county represented by its Director of it Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Vinton County Board of Developmental Disabilities' supportive living program monies. As of December 31, 2011, the County had no funds on hand with the Council. Financial statements can be obtained from the Council at 17273 State Route 104, Building 8, Chillicothe, Ohio 45601.

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS** (Continued)

***Corrections Commission of Southeastern Ohio***

The Corrections Commission of Southeastern Ohio (the Commission), is a joint venture of which Athens, Hocking, Morgan, Perry and Vinton Counties are members. The Commission is a body politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Commission was established to use the authority common to the members to develop, construct, operate and administer a multi-county correctional center to augment county jail programs and facilities.

The Commission was established by the Board of County Commissioners of Athens, Hocking, Morgan and Perry Counties. The Commission is directed by one Commissioner from each participating county, along with the Sheriff and the presiding Judge of the Court of Common Pleas of each participating county. Any of these may name other representatives to fulfill this duty. The presiding judge for Hocking County chose to neither participate nor name a representative so there were 14 directors of the Commission in 2011. Each member county is responsible for a portion of the capital and operating budget as follows: Athens County 41.08%; Perry County 24.32%; Hocking County 18.38%; Morgan County 8.11%; and Vinton County 8.11%.

Complete financial statements of the Commission may be obtained from its administrative office.

**NOTE 13 – COMPONENT UNIT**

***Vinton Industries, Inc. (Corporation)***

Vinton Industries, Inc., a discretely presented component unit of Vinton County, prepared their financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Corporation maintains checking and savings accounts. The Corporation has no investments or non-cash holdings other than certificates of deposit. At December 31, 2011, the carrying amount of the Corporation's deposits was \$9,909 and the bank balance was \$9,909. Deposits are categorized into one of three categories of credit risk:

1. Insured or collateralized with securities held by the entity or its agent in the entity's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
3. Uncollateralized or collateralized, with securities held by the pledging financial institution or its trust department or agent but not in the entity's name.

The entire bank balance was covered by federal deposit insurance. There are no statutory guidelines regarding the deposit and investment of funds by the Corporation. The Corporation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required.

**NOTE 14 - CONTINGENT LIABILITIES**

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

The County had several pending litigation cases at December 31, 2011. Management believes that the financial impact of these cases, if any, would not be material to the basic financial statements of the County.



**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**NOTE 15 – COMPLIANCE**

The Ohio Revised Code requires the County to prepare its financial report in accordance with accounting principles generally accepted in the United States of America. The County has instead prepared its annual financial report on the cash basis of accounting, which is another comprehensive basis of accounting.

**NOTE 16 – SUBSEQUENT EVENTS**

On February 15, 2012 the County Commissioners signed a loan in the amount of \$119,267. This loan was issued at a 3.52% interest rate and matures December 31, 2021. The loan was for the purpose of paying in full the promissory note due.

**NOTE 17 – SHORT-TERM OBLIGATIONS**

On February 4, 2011, the County Commissioners signed a Promissory Note in the amount of \$542,498 at a 3.75% interest rate. The note matures on February 4, 2012. The note was issued for the purpose of the Vinton County Courthouse HVAC renovation project.

On June 6, 2011, the County Commissioners signed a Promissory Note in the amount of \$308,000 at a 3.75% interest rate. The note matures on February 4, 2012. The note was issued for the purpose of the Vinton County Courthouse HVAC renovation project.

**NOTE 18 - CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF BALANCES**

For fiscal year 2011, the County has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The implementation of this statement resulted in the reclassification of certain funds, and resulted in a beginning balance restatement as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Agency Fund</u>
Balance January 1, 2011	\$ 296,271	\$ 1,615,593	\$2,355,871
Change in major fund	-	393,624	-
Reclassification of fund	75,363	(66,839)	(8,524)
Restated Balance January 1, 2011	<u>\$ 371,634</u>	<u>\$ 1,942,378</u>	<u>\$2,347,347</u>
	<u>Governmental Activities</u>	<u>General Budgetary</u>	
Balance January 1, 2011	\$ 3,711,403	\$ 296,271	
Reclassification of fund	8,524	(88,736)	
Restated Balance January 1, 2011	<u>\$ 3,719,927</u>	<u>\$ 207,535</u>	

**Vinton County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**NOTE 19 - FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Motor Vehicle Gasoline Tax	Job and Family Services	All Other Governmental	Total Governmental Funds
<b>Nonspendable</b>					
Unclaimed Monies	\$83,126	\$0	\$0	\$0	\$83,126
<b>Restricted for</b>					
Other Purposes	0	0	0	827,323	827,323
Community Development	0	0	0	92,728	92,728
EMS	0	0	0	137,688	137,688
Court Computer Research	0	0	0	134,980	134,980
Children Services	0	0	0	54,271	54,271
Real Estate Assessment	0	0	0	381,135	381,135
Road Repair and Other Purposes	0	1,496,928	0	0	1,496,928
Job and Family Services	0	0	84,864	0	84,864
Board of DD/Residential	0	0	0	486,494	486,494
Debt Services Payments	0	0	0	670	670
Capital Improvements	0	0	0	30,384	30,384
Total Restricted	<u>0</u>	<u>1,496,928</u>	<u>84,864</u>	<u>2,145,673</u>	<u>3,727,465</u>
<b>Unassigned (Deficit)</b>	<u>289,692</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>289,692</u>
Total Fund Balances	<u>\$372,818</u>	<u>\$1,496,928</u>	<u>\$84,864</u>	<u>\$2,145,673</u>	<u>\$4,100,283</u>

**VINTON COUNTY FINANCIAL CONDITION**  
**Schedule of Federal Awards Expenditures**  
**For the Year Ended December 31, 2011**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. Department of Agriculture</u></b>			
<i>Direct from Federal Government</i>			
Rural Housing Preservation Grants	(2)	10.433	73,009
<i>Passed through the Ohio Department of Job &amp; Family Services</i>			
Food Stamp Cluster			
State Admin Matching Grants for Food Stamp Program	(1)	10.561	132,183
Total Food Stamp Cluster			<u>132,183</u>
Total US Department of Agriculture			205,192
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Passed through the Ohio Department of Development/State's Program</i>			
Community Development Block Grants:			
FY 10 New Horizons Fair Housing Assistance Program	B-N-10-1CW-1	14.228	20,408
FY10 Community Development Program	B-F-10-1CW-1	14.228	60,764
FY10 Community Development Program	B-F-10-1CW-1	14.228	3,900
FY10 Community Development Program	B-F-10-1CW-1	14.228	51,919
FY10 CHIP	BC-10-1CW-1	14.228	255,179
Appalachin Regional Commission	B-P-10-1CW-1	14.228	250,000
Appalachin Regional Commission	B-P-09-1CW-1	14.228	5,893
Total Community Development Block Grants			<u>648,063</u>
FY10 HOME	BC-10-1CW-2	14.239	12,967
Neighborhood Stabilization Program	B-Z-08-1W1-1	14.264	60,820
Energy Efficiency and Conservation Block Grant Program	(1)	81.128	<u>883,516</u>
Total U.S. Department of Housing and Urban Development			1,605,366
<b><u>U.S. Department of Justice</u></b>			
Drug Court Discretionary Grant Program	2009-DC-BX-0045	16.585	131,089
<i>Passed through Ohio Office of Criminal Justice</i>			
Edward Byrne Justice Asst. Grant Formula Program	2010-DL-LEF-5851	16.738	8,113
Edward Byrne Justice Asst. Grant Formula Program	2007-JG-LSS-9286	16.738	24,965
Total Edward Byrne Justice Asst. Grant Formula Program			<u>33,078</u>
Total U.S. Department of Justice			164,167
<b><u>U.S. Department of Transportation</u></b>			
<i>Direct from Federal Government</i>			
Airport Inporvement Program	(2)	20.106	70,111
<i>Passed through the Ohio Department of Transportation</i>			
Bridge Inspections STW 2010 CEAO Load Rating #1	(1)	20.205	111,683
Capital Assistance Program for Elderly or Disabled Persons	(1)	20.513	11,976
Total U.S. Department of Transportation			<u>193,770</u>
<b><u>U.S. Department of Labor</u></b>			
<i>Passed through the Ohio Department of Human Services</i>			
<i>Workforce Allocation Cluster</i>			
WIA - Local - Adult	(1)	17.258	60,479
WIA - Local - Adult Administration	(1)	17.258	3,235
WIA - Local - Youth	(1)	17.259	67,475
WIA - Local - Youth Administration	(1)	17.259	7,202
WIA - Local - Dislocated	(1)	17.260	51,889
WIA - Local - Dislocated Administration	(1)	17.260	4,044
WIA - Area 14 - Adult	(1)	17.258	140,956
WIA - Area 14 - Adult Administration	(1)	17.258	25,229
WIA - Area 14 - Youth	(1)	17.259	315,737
WIA - Area 14 - Youth Administration	(1)	17.259	56,512
WIA - Area 14 - Dislocated	(1)	17.260	346,827
WIA - Area 14 - Dislocated - ARRA	(1)	17.260	522,740
WIA - Area 14 - Dislocated Administration	(1)	17.260	62,093
Total U.S. Department of Labor			<u>1,664,418</u>

**VINTON COUNTY FINANCIAL CONDITION**  
**Schedule of Federal Awards Expenditures**  
**For the Year Ended December 31, 2011**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Passed through the State Board of Elections</i>			
Voting Access for Individuals with Disabilities	(1)	93.617	1,688
Total Board of Elections			
<i>Passed through the Ohio Department of Job &amp; Family Services</i>			
Social Services Block Grant	(1)	93.667	282,242
<i>Passed through the State Department of Developmental Disabilities</i>			
Social Services Block Grant	(1)	93.667	11,037
Total Social Service Block Grant			<u>293,279</u>
<i>Passed through the Ohio Department of Job &amp; Family Services</i>			
Medicare Cluster:			
Medical Assistance Program	(1)	93.778	1,744,425
Total Medicare Cluster			<u>1,744,425</u>
<i>Passed through the Ohio Department of Job &amp; Family Services</i>			
CCDF Cluster:			
Child Care Development Block Grant	(1)	93.575	14,929
Child Care Mandatory & Matching Funds	(1)	93.596	18,199
Total CCDF Cluster			<u>33,128</u>
TANF Cluster:			
TANF	(1)	93.558	627,341
Promoting Safe and Stable Families	(1)	93.556	15,308
Child Support Enforcement	(1)	93.563	148,859
Child Abuse and Neglect	(1)	93.590	1,681
Child Welfare Services State Grant	(1)	93.645	15,265
Foster Care Title VI-E - Administration and Training	(1)	93.658	28,404
ProtectOhio	(1)	93.658	133,201
Adoption Assistance Title VI-E	(1)	93.659	4,015
Adoption Assistance Title VI-E - Administration and Training	(1)	93.659	44,114
Federal Chaffee	(1)	93.674	833
SCHIP		93.767	33,009
Total U.S. Department of Health and Human Services			<u>3,124,550</u>
<b><u>U.S. Department of Homeland Security</u></b>			
State Domestic Preparedness Equipment Support Program:			
<i>Passed through the Ohio Emergency Management Agency</i>			
2010 EMPG	2010-EP-00-003	97.042	20,286
2009 SHSG	2009-SS-T9-0089	97.067	13,951
FY08 State Homeland Security Program, Regional	2008-GE-T8-0025	97.067	36,279
Total U.S. Department of Homeland Security			<u>70,516</u>
Total Federal Expenditures			<u><u>7,027,979</u></u>

(1) - Passthrough entity number not available

(2) - Direct from the federal government

See accompanying notes to the schedule of federal awards expenditures.

**VINTON COUNTY FINANCIAL CONDITION**  
**Notes to the Schedule of Federal Awards Expenditures**  
**For the year ended December 31, 2011**

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - MATCHING REQUIREMENTS**

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

**NOTE C - REVOLVING LOAN FUNDS**

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

These loans are collateralized by mortgages of property and equipment and by guarantees. At December 31, 2011, the gross amount of loans outstanding under this program were \$698,603.

**NOTE D - MEDICAID MAC/WAC**

During the calendar year, the County received a deferred payment from the Ohio Department of Developmental Disabilities (DODD) for the Medicaid program (CFDA #93.778) in the amount of \$9,464. The deferred payment was for Waiver Administrative Claiming (WAC) expenses the County incurred in prior reporting periods due to an increase of federal funding received by DODD to reimburse these expenses and also due to an increase of federal funding received by DODD to reimburse these expenses and also due to changes in the County's Medicaid Eligibility Rate (MER) for certain activity codes within MAC/WAC. This revenue is not listed on the County's Schedule of Federal Awards since the underlying expenses occurred in prior reporting periods.

**Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Required By  
Government Auditing Standards**

Board of Commissioners  
Vinton County, Ohio  
100 East Main Street  
McArthur, OH 45651

We have audited the financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Vinton County, Ohio (the County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 17, 2012, wherein we noted the County's financial statements have been prepared on the cash basis of accounting rather than the generally accepted accounting principles. We also noted the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did audit the financial statements of Vinton Industries, Inc., the discretely presented component unit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Government's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-002 described in the accompanying schedule of findings to be a material weakness.

### Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2011-001 and 2011-002.

We also noted certain matters that we have reported to the management of the County in a separate letter dated July 17, 2012.

The County's written responses to the findings identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.

July 17, 2012

**Report on Compliance with Requirements Applicable to  
Each Major Program and Internal Control over Compliance in  
Accordance with OMB Circular A-133**

Board of Commissioners  
Vinton County, Ohio  
100 East Main Street  
McArthur, OH 45651

**Compliance**

We have audited the compliance of Vinton 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 could directly and materially affect each of the County's major federal programs for the year ended December 31, 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred the 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 could directly and materially affect each of its major federal program for the year ended December 31, 2011.

**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 in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.



Board of Commissioners  
Vinton County, Ohio  
Report on Compliance with Requirements Applicable to Each Major  
Program and Internal Control over Compliance in Accordance with  
OMB Circular A -133

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

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

*J. L. Uhrig and Associates, Inc.*  
J. L. UHRIG AND ASSOCIATES, INC.

July 17, 2012

**VINTON COUNTY, OHIO**  
**Schedule of Findings**  
**For the Year Ended December 31, 2011**

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

<b>1. Type of Financial Statement Opinion</b>	Unqualified
<b>2. Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<b>3. Were there any other significant deficiencies in internal controls reported at the financial statement level (GAGAS)?</b>	No
<b>4. Was there any material noncompliance reported at the financial statement level (GAGAS)?</b>	Yes
<b>5. Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>6. Were there any other reportable internal control weaknesses reported for major federal programs?</b>	No
<b>7. Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>8. Are there any reportable findings under § .510?</b>	No
<b>9. Major Programs (list):</b>	Workforce Allocation Cluster: CFDA # 17.258, 17.259, 17.260 Energy Efficiency and Conservation Block Grant Program CFDA # 81.128 Drug Court Discretionary Grant Program CFDA # 16.585 Bridge Inspections STW 2010 CEAO Load Rating #1 CFDA # 20.205 Medicare Cluster CFDA # 93.778
<b>10. Dollar Threshold: Type A/B Programs</b>	Type A: >\$300,000 Type B: All Other Programs
<b>11. Low Risk Auditee?</b>	No

**VINTON COUNTY, OHIO**  
**Schedule of Findings**  
**For the Year Ended December 31, 2011**

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

*Finding Number 2011-001*

**Annual Financial Report - Noncompliance Citation**

Ohio Rev. Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of state may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Rev. Code Section 117.38

Ohio Admin. Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements and notes omitting assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code Section 117.38 the County may be fined and subject to various other administrative remedies for its failure to file the required financial report.

The County should prepare its annual financial report in accordance with generally accepted accounting principles.

**Officials Response**

The County has no immediate plans to file its annual financial report in accordance with generally accepted accounting principles. This may be an option in the future if the County's financial conditions improve.

*Finding Number 2011-002*

**Maintaining Support Documentation – Noncompliance Citation and Material Weakness**

Ohio Rev. Code Section 149.351 (A) states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully.

**VINTON COUNTY, OHIO**  
**Schedule of Findings**  
**For the Year Ended December 31, 2011**

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***Finding Number 2011-002 (Continued)***

The Prosecutor's Office was unable to locate original supporting documentation for the following expenditures from the Prosecutor's FOJ Fund that were selected for testing:

Checks:

- # 1921 to OPAA in the amount of \$2,440.00.
- # 1922 to Xerox in the amount of \$170.49.
- # 1925 to UPS in the amount of \$69.63.
- # 1933 to Mama Renie in the amount of \$12.71.
- # 1934 to AT&T in the amount of \$100.00.
- # 1935 to OPAA in the amount of \$400.00.
- # 1939 to A. Campbell in the amount of \$85.00.
- # 1943 to US Post Office in the amount of \$17.60.
- # 1945 to R. Clark in the amount of \$39.00.
- # 1948 to Ashland Office Supplies in the amount of \$75.98.
- # 1951 to Sam's Club in the amount of \$355.48.
- # 1967 to A. Campbell in the amount of \$65.00.
- # 1976 to Sam's Club in the amount of \$173.29.
- # 1987 to Glacier Mountain Bottled Water in the amount of \$6.75.
- # 1988 to Xerox in the amount of \$83.77.

Debt Card Transactions:

- March 4, 2011 to Dollar Rac DFW in the amount of \$96.71.
- March 8, 2011 to Tarrant County Clerk in the amount of \$11.97.
- March 8, 2011 to Tarrant County Clerk in the amount of \$399.00.
- March 24, 2011 to Fast Track in the amount of \$32.32.
- May 12, 2011 to Mid Cities Limo in the amount of \$43.00.
- July 14, 2011 to Hertz Rent-A-Car in the amount of \$92.12.
- July 18, 2011 to Wholesale Foods Market in the amount of \$64.58.
- September 15, 2011 to Staples in the amount of \$20.68.
- December 31, 2011 to Staples in the amount of \$74.71.

While the expenditures appear to be reasonable in nature, the Prosecutor should ensure all records are adequately safeguarded. The failure to maintain adequate support for expenditures could result in a loss of accountability, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for proper public purpose.

Officials Response

Per Ohio Revised Code, at the beginning of each fiscal year, a check from the General Fund, in the amount of half of the Prosecutor's salary with a private practice, is issued to the Prosecutor. A separate check is also issued to the Sheriff equal to half of the county's portion of the Sheriff's salary.

**VINTON COUNTY, OHIO**  
**Schedule of Findings**  
**For the Year Ended December 31, 2011**

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***Finding Number 2011-002 (Continued)***

In January 2011, the amount issued to the Vinton County Prosecutor was \$27,109.00. The check was the deposited into an account with The Vinton County National Bank named Furtherance of Justice (F.O.J). The Prosecutor was then issued a check book, by the financial institution, that only required the signature of the Prosecutor. The Prosecutor, at the end of the fiscal year, is required to file a report with the county auditor. The report shall contain an itemized statement showing all expenses and the ending cash balance. This report is then turned over to the independent auditors conducting the audit.

All tax money should be of proper public purpose and should be properly documented. Because of the law regarding the F.O.J. Account, there are no checks and balances until the money is already expended. The law does not require the Prosecutor to gain approval of expenses form the Auditor, Treasurer or the Commissioner's unlike all other General Fund expenditures. This law creates the issue of money being left up to a single elected official to decide how the tax money is expended, managed and balanced. This eliminates a key part of county government which is checks and balances.

Please note, there were no issues regarding the Sheriff's F.O.J. account.

**C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings or questioned costs related to the federal awards required to be reported.

**VINTON COUNTY, OHIO**  
**Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2011**

<b>Finding Number</b>	<b>Description</b>	<b>Status</b>	<b>Comments</b>
<i>Government Auditing Standards:</i>			
2010-001	Ohio Admin Code Section 117-22-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. The County filed its report using the cash basis of accounting.	Not Corrected	Re-issued in current Schedule of Audit Findings as item 2011-001.
2010-002	Maintaining Supporting Documentation – Prosecutor’s FOJ Fund.	Not Corrected	Re-issued in current Schedule of Audit Findings as item 2011-002.
2010-003	Negative Fund Balance - Prosecutor’s FOJ bank account.	Corrected	N/A



# Dave Yost • Auditor of State

## VINTON COUNTY FINANCIAL CONDITION

### VINTON 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 4, 2012