VINTON COUNTY

SINGLE AUDIT

For the Fiscal Year Ended December 31, 2019

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS

OHIO AUDITOR OF STATE
KEITH FABER

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Board of 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, 2019 through December 31, 2019. 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.

Keith Faber
Auditor of State
Columbus, Ohio

October 16, 2020

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

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio (the County), as of and for the year ended December 31, 2019, and related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Governmental Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2019, and the respective changes in cash financial position and the budgetary comparison for the General Fund, Motor Vehicle Gasoline Tax and Board of Developmental Disabilities Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code Section 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. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations,* Statement No 84, *Fiduciary Activities* and Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Replacements*. We did not modify our opinion regarding this matter.

As discussed in Note 17 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the County. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

We audited to opine on the County's financial statements that collectively comprise its basic financial statements.

The Schedule of Federal Award Receipts and Expenditures presents additional analysis as required by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule 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 schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

We applied no procedures to Management's Discussion & Analysis listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 4, 2020, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

August 4, 2020

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, 2019. 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 2019 are as follows:

- Net position of governmental activities increased $891,177.

- General cash receipts accounted for $6,458,230 in receipts or 40 percent of all cash receipts. Program specific cash receipts in the form of charges for services, grants and contributions accounted for $9,648,981 or 60 percent of total cash receipts of $16,107,211.

- The County had $15,216,034 in cash disbursements related to governmental activities; $9,648,981 of these cash disbursements were offset by program specific charges for services, grants and contributions. General cash receipts (primarily grants, entitlements, sales taxes, and property taxes) of $6,458,230 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 Position-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, Board of Developmental Disabilities, and the Motor Vehicle Gasoline Tax 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.

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 Position – Cash Basis and Statement of Activities – Cash Basis

The statement of net position-cash basis and the statement of activities-cash basis reflect how the County did financially during 2019, within the limitations of the cash basis of accounting. The statement of net position – cash basis 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, 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 and sales taxes.

In the statement of net position-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, Board of Developmental Disabilities 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 position and fund cash balances or changes in net position 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.

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

Custodial 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 Position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2019 as compared to 2018:

Table 1
Net Position – Cash Basis
Governmental Activities

	2019	2018
Assets		
Equity in Pooled Cash and Cash Equivalents	$10,069,160	$9,252,293
Cash and Cash Equivalents in Segregated Accounts	74,310	0
Total Assets	10,143,470	9,252,293
Net Position		
Restricted	6,715,032	5,771,183
Unrestricted	3,428,438	3,481,110
Total Net Position	$10,143,470	$9,252,293

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

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 position.

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 bonds, loans and notes, payments in lieu of taxes, and miscellaneous receipts.

Table 2
Change in Net Position – Cash Basis
Governmental Activities

	2019	2018
Cash Receipts		
Program Cash Receipts:		
Charges for Services	$2,450,926	$2,388,187
Operating Grants and Contributions	7,198,055	4,040,523
Total Program Cash Receipts	9,648,981	6,428,710
General Cash Receipts:		
Property Taxes	3,770,747	3,687,928
Sales Taxes	1,362,672	1,241,048
Unrestricted Grants and Entitlements	618,447	3,876,310
Interest	181,016	103,926
Issuance of Bonds, Loans, and Notes	192,150	64,025
Proceeds from Sale of Capital Assets	0	105,000
Payments in Lieu of Taxes	759	1,176
Miscellaneous	332,439	361,889
Total General Cash Receipts	6,458,230	9,441,302
Total Cash Receipts	16,107,211	15,870,012
Cash Disbursements		
Program Cash Disbursements:		
General Government:		
Legislative and Executive	2,578,742	2,631,625
Judicial	803,210	1,061,215
Public Safety	2,147,808	1,931,550
Public Works	3,615,015	2,746,467
Health	2,428,493	2,573,874
Human Services	729,759	1,004,347
Community and Economic Development	1,064,850	677,284
Capital Outlay	1,466,010	882,601
Debt Service:		
Principal Retirement	327,989	216,308
Interest and Fiscal Charges	54,158	62,515
Total Cash Disbursements	15,216,034	13,787,786
Change in Net Position	891,177	2,082,226
Net Position – Beginning of Year	9,252,293	7,170,067
Net Position – End of Year	$10,143,470	$9,252,293

Net position increased $891,177 in governmental activities in 2019 as a result of cash receipts exceeding cash disbursements. Program cash receipts were composed of charges for services and operating grants and contributions which were $9,648,981. The increase to operating grants and contributions is due to intergovernmental monies received from the Motor Vehicle and Gas Tax program, ARC program, Community Development programs, and the Court Drug program. Unrestricted grants and entitlements decreased due to the MCO Replacement monies received from the State in the prior year. Capital outlay increased as a result of additional monies spent in the Motor Vehicle and Gas Tax program. Human services decreased due to less monies being spent from the JFS Levy and Senior Citizens Levy Funds as compared to the prior year. Public works increased as a result of an increase in noncapital disbursements within the Engineer's department. The increase to community and economic development is due to timing as to when grants are received versus when they are spent.

Governmental Activities

Operating grants and contributions made up 45 percent of cash receipts for governmental activities of the County for 2019. Property tax receipts made up 23 percent of the total cash receipts for governmental activities for a total of 68 percent of all cash receipts coming from property taxes and operating grants and contributions.

Public works cash disbursements comprise 24 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

	2019		2018	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government:				
Legislative and Executive	$2,578,742	$1,843,582	$2,631,625	$1,968,503
Judicial	803,210	435,158	1,061,215	633,363
Public Safety	2,147,808	1,284,299	1,931,550	1,281,051
Public Works	3,615,015	638,979	2,746,467	1,076,044
Health	2,428,493	482,080	2,573,874	1,048,752
Human Services	729,759	249,954	1,004,347	522,266
Community and Economic Development	1,064,850	188,220	677,284	265,354
Capital Outlay	1,466,010	193,208	882,601	427,365
Debt Service:				
Principal Retirement	327,989	244,195	216,308	129,317
Interest and Fiscal Charges	54,158	7,378	62,515	7,061
Total Cash Disbursements	$15,216,034	$5,567,053	$13,787,786	$7,359,076

The County's Funds

The County's governmental funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of $16,726,329 and cash disbursements and other financing uses of $15,835,152. The net change in fund balance for the year was most significant in the Board of Developmental Disabilities Fund.

The Board of Developmental Disabilities Fund, which went from $773,854 in 2018 to $1,071,819 in 2019 had cash receipts that exceeded cash disbursements and other financing uses in the amount of $297,965.

The Motor Vehicle Gasoline Tax Fund, which went from $2,758,389 in 2018 to $2,852,312 in 2019 had cash receipts and other financing sources that exceeded cash disbursements and other financing uses in the amount of $93,923.

General Fund cash disbursements and other financing uses exceeded cash receipts and other financing sources by $52,672.

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 and original budgeted revenue were $3,768,726, while actual receipts and other financing sources increased $412,608 from final budgeted revenue. The increases are due primarily to taxes and interest, which were partially offset by lower than expected payments in lieu of tax cash receipts. Actual disbursements and other financing uses were under overall final appropriations by $44,284. Final appropriations and original appropriations were $4,284,519 and $4,284,518, respectively.

The County's ending unobligated General Fund cash balance was $727,918.

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 $1,466,010 during 2019.

Debt

Under the cash basis of accounting the County does not report bonds, notes, and loans 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, 2019, the County had $1,041,724 in bonds and notes for governmental activities with $143,211 due within one year. Please see Note 10 for additional information regarding the County's debt. Table 4 summarizes long-term debt outstanding:

Table 4
Outstanding Debt as of December 31
Governmental Activities

	2019	2018
County Job and Family Services Building	$926,200	$1,017,887
911 Communications Equipment Bond	46,563	46,563
911 Communications Equipment Note	20,961	62,113
Community and Economic Development Building	48,000	51,000
Totals	$1,041,724	$1,177,563

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, 2019, the County's overall legal debt margin was $7,195,220 with an unvoted debt margin of $3,886,393. 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 Waugh, County Auditor at Vinton County, 100 Main Street, McArthur, Ohio 45651, or telephone at (740)596-4571 (Extension 231).

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Vinton County
Statement of Net Position - Cash Basis
December 31, 2019

	Primary Government
	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	$ 10,069,160
Cash and Cash Equivalents in Segregated Accounts	74,310
Total Assets	10,143,470
NET POSITION:	
Restricted for:	
Debt Service	1,854
Capital Projects	181,494
Motor Vehicle Gasoline Tax	2,852,312
Department of Developmental Disabilities	1,071,819
Other Purposes	865,974
Senior Citizens Levy	199,714
EMS Levy	350,621
Housing Contracutal	90,753
Indigent Drivers	98,674
County Court Computer Research	50,306
Special Projects	52,475
Real Estate Assessment	631,030
Communications Levy	58,956
FEMA	136,633
911 Wireless	72,417
Unrestricted	3,428,438
Total Net Position	$ 10,143,470

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, 2019

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
				Primary Government
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Total
Governmental Activities:				
General Government:				
Legislative and Executive	$ 2,578,742	$ 443,773	$ 291,387	$ (1,843,582)
Judicial	803,210	132,247	235,805	(435,158)
Public Safety	2,147,808	358,818	504,691	(1,284,299)
Public Works	3,615,015	538,500	2,437,536	(638,979)
Health	2,428,493	364,023	1,582,390	(482,080)
Human Services	729,759	113,905	365,900	(249,954)
Community and Economic Development	1,064,850	158,622	718,008	(188,220)
Capital Outlay	1,466,010	210,464	1,062,338	(193,208)
Debt Service:				
Principal Retirement	327,989	83,794	-	(244,195)
Interest and Fiscal Charges	54,158	46,780	-	(7,378)
Total Governmental Activities	$ 15,216,034	$ 2,450,926	$ 7,198,055	(5,567,053)
General Cash Receipts				
Property Taxes Levied for:				
General Purposes				1,331,792
MRDD				931,596
Special Purposes				1,507,359
Sales Taxes Levied for General Purposes				1,362,672
Grants and Entitlements Not Restricted to Specific Programs				618,447
Issuance of Loans				192,150
Payments in Lieu of Taxes				759
Miscellaneous				332,439
Interest				181,016
Total General Cash Receipts				6,458,230
Change in Net Position				891,177
Net Position Beginning of Year				9,252,293
Net Position End of Year				$ 10,143,470

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

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, 2019

	General	Board of Developmental Disabilities	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS:					
Taxes	$ 2,694,464	$ 931,596	$ -	$ 1,507,359	$ 5,133,419
Charges for Services	668,044	-	219,746	1,371,892	2,259,682
Licenses and Permits	3,300	-	-	25,084	28,384
Fines and Forfeitures	110,143	-	12,053	40,664	162,860
Intergovernmental	641,452	411,063	4,042,550	2,712,853	7,807,918
Interest	176,183	150	4,405	278	181,016
Payments in Lieu of Taxes	759	-	-	-	759
Contributions & Donations	-	6,600	-	1,984	8,584
Other	128,106	26,967	18,359	159,007	332,439
Total Cash Receipts	4,422,451	1,376,376	4,297,113	5,819,121	15,915,061
CASH DISBURSEMENTS:					
General Government:					
Legislative and Executive	2,236,881	-	-	341,861	2,578,742
Judicial	472,571	-	-	330,639	803,210
Public Safety	1,458,174	-	-	689,634	2,147,808
Public Works	-	-	3,615,015	-	3,615,015
Health	85,149	1,029,721	-	1,313,623	2,428,493
Human Services	194,976	-	-	534,783	729,759
Community and Economic Development	-	-	-	1,064,850	1,064,850
Capital Outlay	2,044	8,690	829,175	626,101	1,466,010
Debt Service:					
Principal Retirement	-	-	-	327,989	327,989
Interest and Fiscal Charges	-	-	-	54,158	54,158
Total Cash Disbursements	4,449,795	1,038,411	4,444,190	5,283,638	15,216,034
Excess of Cash Receipts Over (Under) Cash Disbursements	(27,344)	337,965	(147,077)	535,483	699,027
OTHER FINANCING SOURCES (USES):					
Transfers In	4,000	-	282,000	299,574	585,574
Advances In	11,970	-	-	21,574	33,544
Issuance of OWDA Loans	-	-	-	192,150	192,150
Transfers Out	(21,256)	(40,000)	(41,000)	(483,318)	(585,574)
Advances Out	(20,042)	-	-	(13,502)	(33,544)
Total Other Financing Sources (Uses)	(25,328)	(40,000)	241,000	16,478	192,150
Net Change in Fund Cash Balances	(52,672)	297,965	93,923	551,961	891,177
Cash Basis Fund Balances at Beginning of Year	3,481,110	773,854	2,758,389	2,238,940	9,252,293
Cash Basis Fund Balances at End of Year	$ 3,428,438	$ 1,071,819	$ 2,852,312	$ 2,790,901	$ 10,143,470
CASH BASIS ASSETS AT END OF YEAR:					
Equity in Pooled Cash and Cash Equivalents	$ 3,280,171	$ 1,071,819	$ 2,852,312	$ 2,716,591	$ 9,920,893
Cash and Cash Equivalents in Segregated Accounts	-		-	74,310	74,310
Restricted Cash and Cash Equivalents	148,267		-	-	148,267
Total Assets	$ 3,428,438	$ 1,071,819	$ 2,852,312	$ 2,790,901	$ 10,143,470
CASH FUND BALANCES AT YEAR END:					
Nonspendable	$ 148,267	$ -	$ -	$ -	$ 148,267
Restricted	-	1,071,819	2,852,312	2,790,901	6,715,032
Assigned	365,006	-	-	-	365,006
Unassigned	2,915,165	-	-	-	2,915,165
Total Cash Basis Fund Balances	$ 3,428,438	$ 1,071,819	$ 2,852,312	$ 2,790,901	$ 10,143,470

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, 2019

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Taxes	$ 2,525,000	$ 2,525,000	$ 2,694,464	$ 169,464
Charges for Services	424,500	424,500	467,139	42,639
Licenses and Permits	2,165	2,165	3,300	1,135
Fines and Forfeitures	90,275	90,275	110,143	19,868
Intergovernmental	569,286	569,286	595,654	26,368
Interest	55,000	55,000	176,183	121,183
Payments in Lieu of Taxes	35,000	35,000	759	(34,241)
Other	67,500	67,500	117,722	50,222
Total Receipts	3,768,726	3,768,726	4,165,364	396,638
DISBURSEMENTS:				
Current:				
General Government:				
Legislative and Executive	2,191,964	2,210,521	2,178,806	31,715
Judicial	273,555	288,627	282,655	5,972
Public Safety	1,412,618	1,475,026	1,458,174	16,852
Health	90,010	87,762	82,282	5,480
Human Services	239,621	209,621	194,976	14,645
Capital Outlay	76,750	2,322	2,044	278
Total Disbursements	4,284,518	4,273,879	4,198,937	74,942
Excess of Receipts Over (Under) Disbursements	(515,792)	(505,153)	(33,573)	471,580
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	4,000	4,000
Advances In	-	-	11,970	11,970
Transfers Out	-	(10,640)	(21,256)	(10,616)
Advances Out	-	-	(20,042)	(20,042)
Total Other Financing Sources (Uses)	-	(10,640)	(25,328)	(14,688)
Net Change in Fund Balance	(515,792)	(515,793)	(58,901)	456,892
Fund Balance at Beginning of Year	784,918	784,918	784,918	-
Prior Year Encumbrances Appropriated	1,901	1,901	1,901	-
Fund Balance at End of Year	$ 271,027	$ 271,026	$ 727,918	$ 456,892

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, 2019

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Charges for Services	$ 75,000	$ 75,000	$ 219,746	$ 144,746
Fines and Forfeitures	10,000	10,000	12,053	2,053
Intergovernmental	3,140,000	3,140,000	4,042,550	902,550
Interest	2,550	2,550	4,405	1,855
Other	25,150	25,150	18,359	(6,791)
Total Receipts	3,252,700	3,252,700	4,297,113	1,044,413
DISBURSEMENTS:				
Current:				
Public Works	3,053,603	3,632,504	3,621,276	11,228
Capital Outlay	200,500	470,500	829,175	(358,675)
Total Disbursements	3,254,103	4,103,004	4,450,451	(347,447)
Excess of Receipts Over (Under) Disbursements	(1,403)	(850,304)	(153,338)	696,966
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	282,000	282,000
Transfers Out	(60,000)	(101,000)	(41,000)	60,000
Total Other Financing Sources (Uses)	(60,000)	(101,000)	241,000	342,000
Net Change in Fund Balance	(61,403)	(951,304)	87,662	1,038,966
Fund Balance at Beginning of Year	2,706,294	2,706,294	2,706,294	-
Prior Year Encumbrances Appropriated	52,095	52,095	52,095	-
Fund Balance at End of Year	$ 2,696,986	$ 1,807,085	$ 2,846,051	$ 1,038,966

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)
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Taxes	$831,000	$831,000	$ 931,596	$100,596
Intergovernmental	271,436	271,436	411,063	139,627
Interest	60	60	150	90
Contributions and Donations	-	-	6,600	6,600
Other	-	-	26,967	26,967
Total Receipts	1,102,496	1,102,496	1,376,376	273,880
DISBURSEMENTS:				
Current:				
Health	1,071,550	1,080,303	1,065,093	15,210
Capital Outlay	10,000	10,000	8,690	1,310
Total Disbursements	1,081,550	1,090,303	1,073,783	16,520
Excess of Receipts Over (Under) Disbursements	20,946	12,193	302,593	290,400
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	(500,000)	(40,000)	460,000
Total Other Financing Sources (Uses)	-	(500,000)	(40,000)	460,000
Net Change in Fund Balance	20,946	(487,807)	262,593	750,400
Fund Balance at Beginning of Year	734,882	734,882	734,882	-
Prior Year Encumbrances Appropriated	38,972	38,972	38,972	-
Fund Balance at End of Year	$ 794,800	$ 286,047	$ 1,036,447	$ 750,400

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

Vinton County

Statement of Fiduciary Net Position

Fiduciary Funds - Cash Basis

As of December 31, 2019

	Private Purpose Trust Fund	Custodial Funds
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	$ 15,095	$ 2,376,763
Cash and Cash Equivalents in Segregated Accounts	-	114,906
Total Assets	$ 15,095	$ 2,491,669
NET POSITION:		
Restricted for Individuals, Organizations and Other Governments	$ -	$ 2,491,669
Held in Trust for Private Purposes	15,095	-
Total Net Position	$ 15,095	$ 2,491,669

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

Vinton County

Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Cash Basis
For the Year Ended December 31, 2019

	Sheppard-Dunkle Scholarship Trust	Custodial Funds
ADDITIONS:		
Interest	$ 140	$ -
Intergovernmental	-	3,501,693
Amounts Recevied as Fiscal Agent	-	3,116,695
Licences and Permits and Fees for Other Governments	-	202,854
Fines and Forfeitures for Other Governments	-	1,660,437
Amounts Held for Employees	-	4,404,811
Property Tax Collections for Other Governments	-	13,960,105
Total Additions	140	26,846,595
DEDUCTIONS:		
Payments in Accordance with Trust Agreements	750	-
Distributions as Fiscal Agent	-	3,088,803
Distributions of State Funds to Other Governments	-	3,439,616
Distributions on Behalf of Employees	-	4,196,451
Property Tax Distributions to Other Governments	-	13,775,960
Other Distributions	-	1,964,413
Total Deductions	750	26,465,243
Change in Net Position	(610)	381,352
Net Position Beginning of Year - As Restated, See Note 15	15,705	2,110,317
Net Position End of Year	$ 15,095	$ 2,491,669

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

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.

Primary Government

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, 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. The County has no blended or discretely presented component units.

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 the organizations are not considered part of the County. Accordingly, the activity of the following entities and agencies are presented as custodial funds within the County's basic financial statements:

- Soil and Water Conservation District
- Vinton County Health District

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
- South Central Ohio Job and Family Services

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position 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 position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. The County does not report any business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash balance of the governmental activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general 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. 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.

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. The funds of the County presented in two categories: governmental and fiduciary.

Governmental Funds: Governmental funds are those through which most governmental functions of the County are financed. The following are the County's major governmental funds:

General Fund The General Fund accounts for and reports all financial resources 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (continued)

Board of Developmental Disabilities Fund This fund is to account for the operation of a school for the developmentally disabled and handicapped. Revenue sources are a county-wide property tax levy and federal and state grants.

Motor Vehicle Gasoline Tax Fund This fund accounts for and reports State levied, shared monies derived from gasoline taxes and the sale of motor vehicle licenses. Disbursements are restricted by State statute to county road and bridge repair/improvement programs.

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

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

Custodial Funds These funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's custodial funds account for amounts collected and distributed on behalf of another government or organization. These funds account for assets held by the County for political subdivisions for which the County acts as fiscal agent and 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.

C. Basis of Accounting

The County's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this 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 certain 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.

D. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate.

The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the object level within each fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the County Commissioners.

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

E. Cash and Investments

To improve cash management, all cash received by the County is pooled and invested. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents". Cash and cash equivalents that are held separately within departments of the County are recorded as "Cash and Cash Equivalents in Segregated Accounts".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2019, the County invested in nonnegotiable certificates of deposit, Federal Home Loans, Federal Home Loan Mortgage Corporation Notes, US Treasury Notes, and money market funds. The County's Investments are not reported at cost, rather they are recorded at the amount reported by each bank holding investments for the County at December 31, 2019.

For 2019, interest receipts amounted to $181,156, which $176,183 was recorded in the General Fund, $150 in the Board of Development Disabilities Major Special Revenue Fund, $4,405 in the Motor Vehicle Gasoline Tax Major Special Revenue Fund, $278 in all other governmental funds, and $140 in the Private Purpose Trust Fund.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Interfund Receivables/Payables

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the County's cash basis of accounting.

J. Internal Activity

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 in the financial statements. Interfund transfers and advances between governmental activities are eliminated in the statement of activities.

K. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Pensions and Net PostEmployment Benefit Liability

For purposes of measuring the net pension liability and the net OPEB liability, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

M. Long-Term Obligations

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

N. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for Community Development and Public Safety.

Of the County's $6,715,032 in restricted net position, none is restricted by enabling legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. 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 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 remove or change 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 or a County official delegated that authority by resolution or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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 commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

2. Bonds, notes, debentures, or any other obligations or security 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 and Government National Mortgage 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 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 the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments 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 simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;

9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:

   a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.

   b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;

11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,

12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County.

Investments must be purchased with the expectation that they will be held to maturity.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $7,944,680 of the County's bank balance of $11,930,261 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

> Eligible securities pledged to the County and deposited either with qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments

The fair value of these investments is not materially different than measurement value. As of December 31, 2019, the County had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years) Less than 1	1-2
First American Treasury - Money Market	$5,344	$5,344	$0
Toyota Motor Credit Commercial Paper	99,300	99,300	0
Global Markets Commercial Paper	99,120	99,120	0
Federal Home Loan Bank	250,118	0	250,118
Fedearl Home Loan Mortgage Corp	100,004	0	100,004
US Treasury Notes	239,692	239,692	0
Negotiable Certificates of Deposit	251,878	251,878	0
Total Investments	$1,045,456	$695,334	$350,122

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The County's investment policy addresses interest rate risk by requiring that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

Credit Risk The security underlying the First American Treasury carries a rating of AAAm, the Commercial Papers carries a rating of A-1 and A-1+, and the US Government Agencies carries a rating of AA+ by Standard and Poor's. The Negotiable Certificates of Deposit are fully insured by the Federal Deposit Insurance Corporation. The County has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The County has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk The County places no limit on the amount it may invest in any one issuer. The County invested 19% in Commercial Paper; 24% in Negotiable Certificates of Deposit; 10% in Federal Home Loan Mortgage Corporation; 24% in Federal Home Loan Banks; and 23% in US Treasury Notes.

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 – Non-GAAP Budgetary Basis presented for the General Fund, Board of Developmental Disabilities Special Revenue Fund, and the Motor Vehicle Gasoline Tax Special Revenue 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 restriction, commitment or assignment of fund balance (cash basis). There were no outstanding encumbrances at year end for the General Fund, while the Board of Developmental Disabilities had $35,372, and the Motor Vehicle Gasoline Tax Fund had $6,261. 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 special revenue or an agency are considered part of the General Fund on a cash basis. These include the Unclaimed Monies Fund, MCO Replacement 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.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The assessed value for the taxes levied in 2019 was $388,639,320 of which real property represented 48 percent ($186,695,650) of the total and public utility property represented 52 percent ($201,943,670) of the total. The full tax rate for all County operations for taxes collected in 2019 was $17.05 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.

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 Ohio Department of Management and Budget (OBM) 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 Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax cash receipts for 2019 amounted to $1,362,672.

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 2019, 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:

	Aggregate	Ea. Occurrence
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 $15,867,121.

Health insurance was provided by a private carrier, Anthem Blue Cross/Blue Shield 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 changes in coverage from coverage in the prior year by major category of risk except as noted above. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 8 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are a component of exchange transactions-—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability and the net OPEB liability represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

***Net Pension Liability/Net OPEB Liability* (continued)**

The net pension/OPEB liabilities are disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework.

The remainder of this note includes the pension disclosures. See Note 9 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting https://www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2019 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2019 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County’s contractually required contribution to OPERS was $844,573 for fiscal year 2019.

Net Pension Liability

The net pension liability for OPERS was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportion of the Net Pension Liability Current Measurement Date	0.03069700%
Proportion of the Net Pension Liability Prior Measurement Date	0.02959700%
Change in Proportionate Share	0.00110000%
Proportionate Share of the Net Pension Liability	$8,407,286

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below for the OPERS Traditional Plan.

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation at 3.25
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPERS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate The discount rate used to measure the total pension liability was 7.2% for the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
County's proportionate share of the net pension liability	$12,420,006	$8,407,286	$5,072,679

NOTE 9 - POSTEMPLOYMENT BENEFITS

Plan Description - Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, 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 health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2019, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 is 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

Plan Description - Ohio Public Employees Retirement System (continued)

The County's contractually required contribution was $0 for 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.030223%
Prior Measurement Date	0.029010%
Change in Proportionate Share	0.0012130%
Proportionate Share of the Net OPEB Liability	$3,940,366

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

***Actuarial Assumptions – OPERS* (continued)**

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60% for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

***Actuarial Assumptions – OPERS* (continued)**

Discount Rate A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
County's proportionate share of the net OPEB liability	$5,041,196	$3,940,366	$3,064,914

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	$3,787,546	$3,940,366	$4,116,373

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 2019 is as follows:

Types/Issues	Outstanding At 12/31/18	Increases	Decreases	Outstanding At 12/31/19	Due in One Year
2002 - 5.1% County Job & Family Services Building General Obligation Bonds	$ 1,017,887	$ -	$ (91,687)	$ 926,200	$ 96,422
2016 - 2.5% Communications Equipment Note	62,113	-	(41,152)	20,961	20,961
2016 - 3.9% Communications Equipment Bond	46,563	-	-	46,563	22,828
2018 - OWDA Forgiveness Loan	-	71,147	(71,147)	-	-
2019 - OWDA Forgiveness Loan	-	120,000	(120,000)	-	-
2019 - OWDA Forgiveness Loan	-	1,003	(1,003)	-	-
2007 - 4.125% Community & Economic Development Building General Obligation Bonds	51,000	-	(3,000)	48,000	3,000
Total	$ 1,177,563	$ 192,150	$ (327,989)	$ 1,041,724	$ 143,211

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

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

The debt service on the General Obligation Bond issues is payable from the Debt Service Funds.

In 2018, the County issued an OWDA loan in the amount of $195,000, with $64,025 being drawn down in 2018. An additional $71,147 was drawn down in 2019. This amount was paid by principal forgiveness from the American Reinvestment and Recovery Act in 2019.

In 2019, the County issued an OWDA loan in the amount of $120,000. This amount was paid by principal forgiveness from the American Reinvestment and Recovery Act in 2019.

In 2019, the County issued an OWDA loan in the amount of $60,000, with $1,003 being drawn down in 2019. This amount was paid by principal forgiveness from the American Reinvestment and Recovery Act in 2019.

On September 6, 2016, the County issued a note in the amount of $161,519 for the purpose of purchasing communications equipment. The note will mature June 16, 2020. The note is being paid from the Communication Levy Fund.

On February 25, 2016, the County issued a general obligation bond in the amount of $109,950 for the purpose of purchasing communications equipment. The bond was issued for a 5 year period, with the final payment due February 25, 2021. The bond will be paid from the Communications Levy Fund.

At December 31, 2019, the County's overall legal debt margin was $7,195,220 with an unvoted debt margin of $3,886,393.

NOTE 10 - LONG-TERM DEBT (Continued)

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

	Community & Economic Development		911 Communications Note	
	Principal	Interest	Principal	Interest
2020	$3,000	$1,980	$20,961	$263
2021	3,000	1,856	-	-
2022	3,000	1,733	-	-
2023	3,000	1,609	-	-
2024	3,000	1,485	-	-
2025-2029	19,000	5,323	-	-
2030-2032	14,000	1,197	-	-
Totals	$48,000	$15,183	$20,961	$263

	Job & Family Services		911 Communications Bond	
	Principal	Interest	Principal	Interest
2020	$96,422	$46,022	$22,828	$1,849
2021	101,400	41,042	23,735	942
2022	106,640	35,806	-	-
2023	112,148	30,296	-	-
2024	117,940	24,504	-	-
2025-2027	391,650	35,685	-	-
Totals	$926,200	$213,355	$46,563	$2,791

NOTE 11 - INTERFUND TRANSACTIONS

A. Interfund Advances

Advances in and out during the year ended December 31, 2019 consisted of the following:

	Advances In	Advances Out
General Fund	$11,970	$20,042
Non-Major Funds	21,574	13,502
Total All Funds	$33,544	$33,544

During 2019, advances were made between the General Fund and non-major governmental funds in anticipation of intergovernmental grant revenue.

NOTE 11 - INTERFUND TRANSACTIONS (Continued)

B. Interfund Transfers

The following transfers in and out were made during 2019:

	Transfers In	Transfers Out
General Fund	$4,000	$21,256
Board of Developmental Disabilities	0	40,000
MVGT	282,000	41,000
Non-Major Funds	299,574	483,318
Total All Funds	$585,574	$585,574

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 the Road Deputy. Transfers between Non-major funds are either for debt payments or from special revenue funds to capital project funds for capital purchases. The transfer to the MVGT fund was for FEMA monies. The transfer to the General Fund was court ordered from the County Court Computer Legal Research fund to the County Recorder Fund, which is presented as a general fund equivalent. Transfers from the Board of Developmental Disabilities Fund went to the Capital Improvement Fund for improvements to the department building.

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, Ross, Jackson, 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 2019, Vinton County contributed $110,813 to the Center.

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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.

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 2019, Vinton County paid $100,716 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. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, 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, 2019, 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.

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 County has an ongoing financial responsibility for this entity and, during 2019, contributed $552,356 toward the operating and capital costs of this facility. However, the County has no explicit equity interest in the Commission.

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

South Central Ohio Job and Family Services

The County is a participant in the South Central Ohio Job and Family Services (SCOJFS) which is a joint county department of job and family services pursuant to Chapter 329 of the Ohio Revised Code. Vinton County services previously provided through the Job and Family Service, Children Services, and Child Support Enforcement Agency departments are provided through the SCOJFS. The SCOJFS member counties include Hocking, Vinton, and Ross counties. Three Commissioners from each county for a total of nine commissioners serve on the Board. The Board commenced operations on January 1, 2013.

NOTE 13 - 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 is currently party to legal proceedings. Although the outcome of these proceedings is not presently determinable, it is the opinion of the County that resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 14 - COMPLIANCE

Ohio Administrative 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 on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, deferred inflows and outflows or resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

NOTE 15 – NEW ACCOUNTING PRINCIPLES

For fiscal year 2019, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities* and Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Replacements*.

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations (AROs). The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the County.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds. The County reviewed its agency funds and all agency funds will be reported in the new fiduciary fund classification of custodial funds. These changes were incorporated in the County's 2019 financial statements.

Due to the implementation of GASB 84, the new classification of custodial funds is reporting a beginning net position of $2,110,317. Also related to the implementation of GASB 84, the County will no longer be reporting agency funds.

GASB Statement No. 88 establishes criteria to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the County.

NOTE 16 - 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	Board of Developmental Disabilities	Motor Vehicle Gasoline Tax	All Other Governmental	Total Governmental Funds
Nonspendable					
Unclaimed Monies	$ 148,267	$ -	$ -	$ -	$ 148,267
Restricted for					
Other Purposes	-	-	-	1,625,902	1,625,902
EMS	-	-	-	350,621	350,621
Real Estate Assessment	-	-	-	631,030	631,030
Road Repair and Other Purposes	-	-	2,852,312	-	2,852,312
Developmental Disabilities	-	1,071,819	-	-	1,071,819
Debt Services Payments	-	-	-	1,854	1,854
Capital Improvements	-	-	-	181,494	181,494
Total Restricted	-	1,071,819	2,852,312	2,790,901	6,715,032
Assigned to					
Subsequent Appropriations	324,262	-	-	-	324,262
Other Purposes	40,744	-	-	-	40,744
Total Assigned	365,006	-	-	-	365,006
Unassigned	2,915,165	-	-	-	2,915,165
Total Fund Balances	$ 3,428,438	$ 1,071,819	$ 2,852,312	$ 2,790,901	$ 10,143,470

NOTE 17 - SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the County. The County's investment portfolio and the investments of the pension and other employee benefit plan in which the County participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future cooperating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

VINTON COUNTY FINANCIAL CONDITION
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2019

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. Department of Agriculture			
Direct from Federal Government			
Rural Housing Preservation Grants	(2)	10.433	$67,637
Passed through the Ohio Department of Natural Resources			
Schools and Roads - Grants to States	(2)	10.665	2,939
National Forest Acquired Lands	(2)	15.438	1,173
Total US Department of Agriculture			71,749
U.S. Department of Housing and Urban Development			
Passed through the Ohio Department Services Agency's Program			
Community Development Block Grants:			
Community Development Block Grants - State's Program	B-F-17-1CW-1	14.228	452,855
Community Development Block Grants - State's Program	B-C-18-1CW-1	14.228	206,563
Community Development Block Grants - State's Program	B-E-18-1CW-1	14.228	300,000
Total Community Development Block Grants			959,418
Home Investment Partnerships Programs	B-C-16-1CW-2	14.239	23,384
Appalachin Regional Commission (ARC) Program	B-P-14-1CW-1	23.011	11,852
			35,236
Total U.S. Department of Housing and Urban Development			994,654
U.S. Department of Transportation District of Federal Governments			
Direct from Federal Government			
Airport Improvement Program	3-39-0108-012-2016	20.106	87,949
Total U.S. Department of Trasnsportation District of Federal Governments			87,949
U.S. Department of Health and Human Services			
Passed through the Ohio Department of Developmental Disabilities			
Social Services Block Grant	(1)	93.667	12,182
Medicare Cluster:			
Medical Assistance Program	(1)	93.778	77,354
Total U.S. Department of Health and Human Services			89,536
U.S. Department of Homeland Security			
Direct From Federal Government			
Disaster Grant - Public Assistance	(2)	97.036	282,000
Passed through the Ohio Department of Public Safety-Emergency Management Agency			
Emergency Management Performance Grant	EMC-2019-EP-00005-S01	97.042	12,197
Emergency Management Performance Grant	EMC-2018-EP-00008-S01	97.042	19,372
Total Emergency Performance Grant			31,569
Total U.S. Department of Homeland Security			313,569
U.S. Election Assistance Commission			
Passed through the Ohio Secretary of State			
Help America Vote Act Requirements Payments	(1)	90.404	1,385
Total U.S. Election Assistance Commision			1,385
Total Federal Expenditures			$1,558,842

(1) - Passthrough entity number not available
(2) - Direct from the federal government

See accompanying notes to the schedule of federal awards expenditures.

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Vinton County (the County's) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following either the cost principles contained in OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10- percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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, 2019, the gross amount of loans outstanding under this program was $725,285.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE E – COUNTY BOARD OF DEVELOPMENTAL DISABILITIES COST REPORT SETTLEMENT MAC AMOUNT

During the calendar year, the County Board of Developmental Disabilities received a settlement payment for the 2015 and 2016 Cost Report and received a notice of a liability owed for the 2015 and 2016 Cost Report from the Ohio Department of Development Disabilities for the Medicaid Program (CFDA #93.778) in the amount of ($2,936) and ($3,765). The Cost Report Settlement payment and liability was for settlement of the difference between the statewide payment rate and rate calculated based upon actual expenditures for Medicaid services. This revenue and liability is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in a prior reporting period and the liability was invoiced by the Ohio Department of Developmental Disabilities.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards

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

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 4, 2020, 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 noted that the County implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, Statement No 84, *Fiduciary Activities* and Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Replacements.* We also noted the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods of the County.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of supporting our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance 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, opining 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 an instance of noncompliance or other matters we must report under *Governmental Auditing Standards* which is described in the accompanying schedule of findings as item 2019-001.

Entity's Response to Findings

The Entity's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Entity's responses and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and testing results, and does not opine on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

August 4, 2020

Independent Auditor's Report on Compliance with Requirements Applicable for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the Vinton County, Ohio (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB), *Compliance Supplement* that could directly and materially affect the County's major federal programs for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal programs.

Management's Responsibility

The County's Management is responsible for complying with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect the major federal programs occurred. 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 on compliance for the County's major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material aspects, with the compliance requirements referred to above that could directly and materially affect its major federal program identified in the *Summary of Auditor's Results* in the accompanying schedule of findings for the year ended December 31, 2019.

78 North Plaza Blvd. ~ Chillicothe, OH 45601 740.775.8448 ~ Fax 740.775.8442

Report on Internal Control over Compliance

Management of Vinton County is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the applicable requirements that could have a direct and material effect on the major federal programs, to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, noncompliance with an applicable compliance requirement of a federal program on a timely basis. 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's compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with an applicable compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be a material weakness or significant deficiency. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

August 4, 2020

A. SUMMARY OF AUDITOR'S RESULTS

1.	***Type of Financial Statement Opinion***	Unmodified
2.	***Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?***	No
3.	***Were there any other significant internal control deficiency reported at the financial statement level (GAGAS)?***	No
4.	***Was there any material noncompliance reported at the financial statement level (GAGAS)?***	Yes
5.	***Were there any material internal control weaknesses reported for major federal programs?***	No
6.	***Were there any other significant internal control deficiency reported for major federal programs?***	No
7.	***Type of Major Programs' Compliance Opinion***	Unmodified
8.	***Are there any reportable findings under 2 CFR §200.516(a)?***	No
9.	***Major Programs (list):***	CFDA #14.228 Community Development Block Grant
10.	***Dollar Threshold: Type A/B Programs***	Type A: >$750,000 Type B: All Other Programs
11.	***Low Risk Auditee under* 2 CFR *§200.520 ?***	No

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

Finding Number 2019-001

<u>Annual Financial Report – Noncompliance Citation</u>

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.

Finding Number 2019-001 (continued)

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 prepares its financial statements and notes in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles.

The accompanying financial statements and notes omit 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.

We recommend that 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 method of accounting is both costly to create and to audit. This may be an option in the future if the County's financial conditions improve.

C. FINDINGS FOR FEDERAL AWARDS

There were no findings related to Federal Awards to be reported.

Cindy Waugh
Vinton County Auditor
100 East Main Street
McArthur, Ohio 45651
Phone (740) 596-4571 ext 232 Fax (740) 596-2462

Schedule of Prior Audit Findings
For the Year Ended December 31, 2019

Finding Number	Description	Status	Comments
	Government Auditing Standards:		
2018-001	Ohio Revised Code 117.38 – County prepared its annual financial report using the cash basis of accounting instead of accounting principles generally accepted in the United States (GAAP).	Not Corrected	Reissued as Finding Number 2019-001
2018-002	Noncompliance Citation of Ohio Rev. Code §325.071 for overpayment of Sheriff FOJ Funds, incorrect bond amount, and filing annual statement by first Monday of January	Corrected	

Cindy Waugh
Vinton County Auditor
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Corrective Action Plan
2 CFR § 200.511(c)
For the Year Ended December 31, 2019

Finding Number	Planned Corrective Action	Anticipated Completion Date	Contact Person
2019-001	Vinton County will file GAAP financial statements when it becomes financially feasible. Until then, counties our size are restricted to filing the cheaper report, which is Cash Basis.	unknown	Cindy Waugh, County Auditor

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OHIO AUDITOR OF STATE
KEITH FABER

VINTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 11/5/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370