FINANCIAL CONDITION
JACKSON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2007

Mary Taylor, CPA
Auditor of State

JACKSON COUNTY

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Jackson County
226 East Main Street
Jackson, Ohio 45640

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Ohio (the County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of J-Vac Industries, Inc., a discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for J-Vac Industries, Inc., on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. The other auditors audited the financial statements of J-Vac Industries, Inc., in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards.* An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

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. However, as discussed in Note 2, except for J-Vac Industries, Inc., the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

J-Vac Industries, Inc., is a discretely presented component unit of the County, as disclosed in Note 1. The financial statements of J-Vac Industries, Inc., are presented as stand-alone statements in accordance with generally accepted accounting principles.

In our opinion, based on the report of the other auditors, the financial statements of J-Vac Industries, Inc., present fairly, in all material respects, its financial position, as of June 30, 2007, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701-2157
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jackson County, Ohio, as of December 31, 2007, and the respective changes in modified cash financial position and the respective budgetary comparison for the General, Motor Vehicle Gasoline Tax, Court/Corrections, Job and Family Services, and Mental Retardation and Developmental Disabilities Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards.* You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Federal Awards Expenditures is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basic financial statements. We subjected this Schedule to the auditing procedures applied in the audit of the County's basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 2, 2008

The discussion and analysis of Jackson County's (the County) financial performance provides an overall review of the County's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2007 are as follows:

- Net cash assets of governmental activities decreased $221,867.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of $6,140,878, a decrease of $221,867 from the prior year.

USING THIS ANNUAL FINANCIAL REPORT

This discussion and analysis is intended to serve as an introduction to the County's modified cash financial statements. The County's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets – Modified Cash Basis* presents information on all of the County's modified cash assets, presented as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the cash position of the County is improving or deteriorating.

The *Statement of Activities – Modified Cash Basis* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs.

Both of the government-wide financial statements identify functions of the County that are principally supported by taxes and intergovernmental receipts (governmental activities). The governmental activities of the County include legislative and executive, judicial, public safety, public works, health, human services, and economic development.

In the statement of net assets and the statement of activities, the County is divided into two types of activities:

Governmental Activities – Most of the County's programs or services are reported here, including legislative, executive, judicial, public safety, public works, health, human services, and economic development. These services are funded primarily by taxes and intergovernmental receipts, including federal and state grants and other shared revenues.

Component Units – The County's financial statements include financial data of the Jackson County Airport Authority and J-Vac Industries, Inc.. These component units are described in the notes to the basic financial statements. Component units are separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General Fund; the Motor Vehicle Gasoline Tax, Court/Corrections, Job and Family Services, and the Mental Retardation and Developmental Disabilities Special Revenue Funds; and the Bond Retirement Debt Service Fund.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year end balances available for spending.

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund *Statement of Modified Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances* for the major funds, which were identified earlier. Data from other governmental funds are combined into a single, aggregated presentation.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs.

Notes to the Basic Financial Statements The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets – modified cash basis may serve over time as a useful indicator of a government's financial position. The County has chosen to report on an *Other Comprehensive Basis of Accounting* in a format similar to that required by Governmental Accounting Standard No. 34. This statement requires a comparative analysis of government-wide data in the Management Discussion and Analysis (MD&A) section.

Table 1 provides a summary of the County's net assets – modified cash basis for 2007 compared to 2006:

(Table 1)
Net Assets - Modified Cash Basis

	Governmental Activities	
	2007	2006
Assets		
Equity in Pooled Cash and Cash Equivalents	$4,386,835	$1,104,886
Investments	1,754,043	5,257,859
Total Assets	$6,140,878	$6,362,745
Net Assets		
Restricted for:		
Unclaimed Monies	$100,469	$103,167
Other Purposes	4,367,129	4,375,917
Capital Projects	595,432	963,447
Debt Service	15,902	15,057
Unrestricted	1,061,946	905,157
Total Net Assets	$6,140,878	$6,362,745

A portion of the County's net assets, $5,078,932, or 83 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of net assets, $1,061,946, or 17 percent, is unrestricted and is to be used to meet the County's ongoing obligations to citizens and creditors.

Total governmental activities assets decreased $221,867. Cash and cash equivalents increased $3,281,949 and investments decreased $3,503,816.

Table 2 reflects the change in net assets for the year ended December 31, 2007.

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2007	2006
Revenues		
Program Revenues		
Charges for Services	$4,277,936	$4,304,889
Operating Grants, Contributions and Interest	15,865,776	12,634,090
Capital Grants and Contributions	538,414	547,490
Total Program Revenues	20,682,126	17,486,469
General Revenues		
Property Taxes	3,334,660	3,592,722
Sales Taxes	3,018,789	3,019,052
Grants and Entitlements	782,476	718,857
Interest	518,585	338,941
Note Proceeds	2,560,000	3,159,000
Proceeds from Sale of Capital Assets	12,580	0
Other	215,698	593,657
Total General Revenues	10,442,788	11,422,229
Total Revenues	31,124,914	28,908,698
Program Expenses		
General Government:		
Legislative and Executive	2,021,155	2,122,626
Judicial	2,174,841	2,068,250
Public Safety	4,068,914	3,742,566
Public Works	4,881,457	4,564,711
Health	3,463,900	2,625,677
Human Services	9,225,254	8,166,178
Economic Development	1,306,452	498,314
Capital Outlay	828,794	983,965
Debt Service:		
Principal Retirement	3,229,929	3,486,482
Interest and Fiscal Charges	146,085	150,673
Total Program Expenses	31,346,781	28,409,442
Increase (Decrease) in Net Assets	(221,867)	499,256
Net Assets at Beginning of Year	6,362,745	5,863,489
Net Assets at End of Year	$6,140,878	$6,362,745

Governmental Activities

Program revenues accounted for 66 percent of total revenues for governmental activities in 2007, therefore, governmental activities services are primarily funded through these program revenues, with operating grants accounting for $15,865,776 or 51 percent of total revenues. The major recipients of these intergovernmental receipts were the Motor Vehicle Gasoline Tax, Job and Family Services, and Mental Retardation and Developmental Disabilities Special Revenue Funds.

General revenues, primarily property and sales taxes, and proceeds from the sale of notes, accounted for the remaining 34 percent of total revenues. This highlights the County's continued dependence upon its citizens and taxpayers to fund those programs most important to them.

The County's direct charges to users of governmental services made up $4,277,936 or 14 percent of total governmental revenues. These charges are for fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Human service programs accounted for $9,225,254 or 29 percent of total expenses for governmental activities. During 2007, expenses for Job and Family Services and Children's Services amounted to $7,146,551 and $922,609, respectively. These activities are entirely paid from program revenues. These grants and entitlements allow the County to continue to offer a wide variety of quality services to its citizens without increasing the tax burden on our citizens.

Public safety programs are a major activity of the County, accounting for $4,068,914 or 13 percent of all governmental expenses. These activities are funded primarily through property and sales taxes. The County attempts to supplement the income and activities of the sheriff department to enable the department to widen the scope of its activity.

Public works programs accounted for $4,881,457 or 16 percent of all governmental activities. These activities are paid predominately with program revenues, with $178,496 or 4 percent of the public works expenses being supported with the County's general revenues.

General government, health, economic development, capital outlay, and principal and interest expenditures account for the remaining 42 percent of governmental expenses.

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
Program Expenses				
General Government:				
Legislative and Executive	$2,021,155	$737,541	$2,122,626	$1,465,551
Judicial	2,174,841	1,113,177	2,068,250	960,010
Public Safety	4,068,914	3,446,166	3,742,566	3,255,281
Public Works	4,881,457	178,496	4,564,711	581,812
Health	3,463,900	1,001,331	2,625,677	965,889
Human Services	9,225,254	556,441	8,166,178	139,015
Economic Development	1,306,452	139,072	498,314	(174,097)
Capital Outlay	828,794	116,417	983,965	92,357
Debt Service:				
Principal Retirement	3,229,929	3,229,929	3,486,482	3,486,482
Interest and Fiscal Charges	146,085	146,085	150,673	150,673
Total	$31,346,781	$10,664,655	$28,409,442	$10,922,973

Charges for services, operating grants, and capital grants of $20,682,126 or 66 percent of the total costs of services, are received and used to fund the governmental operations of the County. The remaining $10,664,655 in governmental expenses are funded by property taxes, permissive sales taxes, unrestricted intergovernmental revenues, interest, note proceeds, and miscellaneous revenues.

For example, the $1,001,331 in net cost of services for Health demonstrates the costs of services that are not supported by state and federal resources. As such, the taxpayers of the County have approved a property tax levy for Mental Retardation and Developmental Disabilities in order to fully fund this program.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of December 31, 2007, the County's governmental funds reported a combined ending fund balance of $6,140,878, a decrease of $221,867 in comparison with the prior year. Approximately $5,996,123, or 98 percent of this total, constitutes unreserved undesignated fund balance. The remaining $144,755 of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for unclaimed monies and encumbrances. While the bulk of governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the state or federal government.

The General Fund is the primary operating fund of the County. At the end of 2007, unreserved fund balance was $1,030,298, while total fund balance was $1,162,415. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 19 percent of total General Fund expenditures, while total fund balance represents 21 percent of that same amount.

The fund balance of the County's General Fund increased $154,091 during 2007. The primary cause of the increase is attributable to increases in interest income and intergovernmental revenue coupled with increases in spending that did not keep pace with the increases in receipts.

The fund balance of the Motor Vehicle Gasoline Tax Special Revenue Fund increased $111,715, attributable to increases in grant revenue and charges for services. The Motor Vehicle Gasoline Tax Fund's unreserved fund balance of $342,782 represented 8 percent of current year expenditures.

The Court/Correction Special Revenue Fund's balance decreased $21,420 during 2007. The Court/Corrections Special Revenue Fund's unreserved undesignated fund balance of $926,083 represented 46 percent of current year expenditures.

The fund balance of the Job and Family Services Special Revenue Fund decreased $132,755. The Job and Family Services Special Revenue Fund's unreserved undesignated fund balance of $243,828 represented 3 percent of current year expenditures.

The fund balance of the Mental Retardation and Developmental Disabilities Special Revenue Fund increased $43,203. The Mental Retardation and Developmental Disabilities Special Revenue Fund's unreserved undesignated fund balance of $649,190 represented 34 percent of current year expenditures.

The fund balance of the Bond Retirement Debt Service Fund increased $845. The Bond Retirement Debt Service Fund's unreserved undesignated fund balance of $15,902 represented 0.5 percent of current year expenditures.

BUDGETARY 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. The Board of County Commissioners adopts a permanent operating budget for the County on or about January 1.

During the course of 2007, the County amended its General Fund budget several times, none were significant. All recommendations for a budget change came from either the County Auditor or departmental managers to the Finance Committee of the County Commissioners for review before going to the whole Commission for Ordinance enactment on the change. The allocation of appropriations among the departments and objects within a fund may be modified during the year with approval from the County Commissioners. With the General Fund supporting many of our major activities such as our sheriff department, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, an increase of $618,139 was made to the original budgeted revenues. Final budgeted expenditures decreased $78,577 over the original amount. The County's ending unencumbered cash balance in the General Fund was $24,273 below the final budgeted amount.

CURRENT ISSUES

As the preceding information shows, the County depends heavily on its taxpayers and grants and entitlements. Stress on the County's finances is ongoing. Although the County has tightened spending to better bring expenses in line with revenues, and carefully watched financial planning, this must continue if the County hopes to remain on firm financial footing.

Various economic factors were considered in the preparation of the County's 2007 budget, and will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

CONTACTING THE COUNTY AUDITOR'S DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, 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 any questions about this report or need additional financial information, contact Clyde Holdren, Jackson County Auditor, 226 East Main Street, Jackson, Ohio 45640.

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Jackson County, Ohio

Statement of Net Assets - Modified Cash Basis, Primary Government and
Jackson County Airport Authority
December 31, 2007

	Primary Government	Component Unit
	Governmental Activities	Jackson County Airport Authority
Assets		
Equity in Pooled Cash and Cash Equivalents	$4,386,835	$190,290
Investments	1,754,043	0
Total Assets	$6,140,878	$190,290
Net Assets		
Restricted for:		
Unclaimed Monies	$100,469	$0
Other Purposes	4,367,129	0
Capital Projects	595,432	0
Debt Service	15,902	0
Unrestricted	1,061,946	190,290
Total Net Assets	$6,140,878	$190,290

See accompanying notes to the basic financial statements

Jackson County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2007

		Program Revenues				Component Unit
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Total	Jackson County Airport Authority
Governmental Activities:						
General Government:						
Legislative and Executive	$2,021,155	$1,221,108	$9,714	$52,792	($737,541)	$0
Judicial	2,174,841	969,508	92,156	0	(1,113,177)	0
Public Safety	4,068,914	217,397	405,351	0	(3,446,166)	0
Public Works	4,881,457	642,446	3,903,243	157,272	(178,496)	0
Health	3,463,900	66,404	2,396,165	0	(1,001,331)	0
Human Services	9,225,254	739,234	7,929,579	0	(556,441)	0
Economic Development	1,306,452	37,812	1,129,568	0	(139,072)	0
Capital Outlay	828,794	384,027	0	328,350	(116,417)	0
Debt Service:						
Principal Retirement	3,229,929	0	0	0	(3,229,929)	0
Interest and Fiscal Charges	146,085	0	0	0	(146,085)	0
Total Governmental Activities	31,346,781	4,277,936	15,865,776	538,414	(10,664,655)	0
Component Unit:						
Jackson County Airport Authority	$775,957	$140,880	$0	$751,990	0	116,913
	General Revenues					
	Property Taxes Levied for:					
	General Purposes				1,360,498	0
	Other Purposes				1,974,162	0
	Sales Taxes Levied for:					
	General Purposes				1,508,402	0
	Other Purposes				1,510,387	0
	Grants and Entitlements not Restricted to Specific Programs				782,476	0
	Interest				518,585	0
	Note Proceeds				2,560,000	0
	Proceeds from Sale of Capital Assets				12,580	
	Miscellaneous				215,698	0
	Total General Revenues				10,442,788	0
	Change in Net Assets				(221,867)	116,913
	Net Assets at Beginning of Year				6,362,745	73,377
	Net Assets at End of Year				$6,140,878	$190,290

See accompanying notes to the basic financial statements

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Jackson County, Ohio

Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	General	Motor Vehicle Gasoline Tax	Court/ Corrections	Job and Family Services
Assets				
Equity in Pooled Cash and Cash Equivalents	$707,425	$239,083	$668,024	$174,184
Restricted Cash and Cash Equivalents	100,469	0	0	0
Cash and Cash Equivalents in Segregated Accounts	22,496	5,789	0	0
Investments	332,025	97,910	267,107	69,644
Total Assets	$1,162,415	$342,782	$935,131	$243,828
Fund Balances				
Reserved for Encumbrances	$31,648	$0	$9,048	$0
Reserved for Unclaimed Monies	100,469	0	0	0
Unreserved, Undesignated, Reported in:				
General Fund	1,030,298	0	0	0
Special Revenue Funds	0	342,782	926,083	243,828
Debt Service Funds	0	0	0	0
Capital Projects Fund	0	0	0	0
Total Fund Balances	$1,162,415	$342,782	$935,131	$243,828

See accompanying notes to the basic financial statements

Mental Retardation and Developmental Disabilities	Bond Retirement	Other Governmental Funds	Total Governmental Funds
$373,258	$11,360	$1,994,244	$4,167,578
0	0	0	100,469
90,503	0	0	118,788
185,429	4,542	797,386	1,754,043
$649,190	$15,902	$2,791,630	$6,140,878
$0	$0	$3,590	$44,286
0	0	0	100,469
0	0	0	1,030,298
649,190	0	2,196,198	4,358,081
0	15,902	0	15,902
0	0	591,842	591,842
$649,190	$15,902	$2,791,630	$6,140,878

Jackson County, Ohio

Statement of Modified Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances

Governmental Funds

For the Year Ended December 31, 2007

	General	Motor Vehicle Gasoline Tax	Court/ Corrections	Job and Family Services
Revenues				
Property Taxes	$1,360,498	$0	$0	$0
Sales Taxes	1,508,402	0	1,510,387	0
Intergovernmental	785,435	3,901,951	226,255	6,806,263
Charges for Services	1,065,732	537,653	0	206,531
Fines, Licenses, and Permits	379,570	104,793	226,630	0
Rent	198,000	0	0	0
Loan Revenue	0	0	0	0
Donations	0	0	0	0
Investment Income	518,585	1,292	0	0
Other	209,794	189,761	12,056	1,002
Total Revenues	6,026,016	4,735,450	1,975,328	7,013,796
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,723,562	0	0	0
Judicial	1,578,043	0	269,245	0
Public Safety	1,209,720	0	1,727,503	0
Public Works	406,116	4,475,341	0	0
Health	149,291	0	0	0
Human Services	494,554	0	0	7,146,551
Economic Development	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	5,561,286	4,475,341	1,996,748	7,146,551
Excess of Revenues Over (Under) Expenditures	464,730	260,109	(21,420)	(132,755)
Other Financing Sources (Uses)				
Proceeds of Notes	890,688	443,000	0	0
Proceeds from Sale of Capital Assets	12,580	0	0	0
Advances In	0	0	0	0
Transfers In	40,221	0	0	0
Advances Out	(12,000)	0	0	0
Transfers Out	(1,242,128)	(591,394)	0	0
Total Other Financing Sources (Uses)	(310,639)	(148,394)	0	0
Net Change in Fund Balances	154,091	111,715	(21,420)	(132,755)
Fund Balances at Beginning of Year	1,008,324	231,067	956,551	376,583
Fund Balances at End of Year	$1,162,415	$342,782	$935,131	$243,828

See accompanying notes to the basic financial statements

Mental Retardation and Developmental Disabilities	Bond Retirement	Other Governmental Funds	Total Governmental Funds
$868,748	$0	$1,105,414	$3,334,660
0	0	0	3,018,789
1,058,927	0	3,958,934	16,737,765
0	57,073	744,554	2,611,543
0	0	715,830	1,426,823
0	0	3,758	201,758
0	0	37,812	37,812
21,672	0	163,332	185,004
11,682	0	40,859	572,418
5,461	844	6,844	425,762
1,966,490	57,917	6,777,337	28,552,334
0	0	297,593	2,021,155
0	0	327,553	2,174,841
0	0	1,131,691	4,068,914
0	0	0	4,881,457
1,923,287	0	1,391,322	3,463,900
0	0	1,584,149	9,225,254
0	0	1,306,452	1,306,452
0	0	828,794	828,794
0	3,229,929	0	3,229,929
0	146,085	0	146,085
1,923,287	3,376,014	6,867,554	31,346,781
43,203	(3,318,097)	(90,217)	(2,794,447)
0	0	1,226,312	2,560,000
0	0	0	12,580
0	0	12,000	12,000
0	3,318,942	76,703	3,435,866
0	0	0	(12,000)
0	0	(1,602,344)	(3,435,866)
0	3,318,942	(287,329)	2,572,580
43,203	845	(377,546)	(221,867)
605,987	15,057	3,169,176	6,362,745
$649,190	$15,902	$2,791,630	$6,140,878

Jackson County, Ohio

Statement of Cash Receipts, Cash Disbursements, and Changes
in Cash Basis Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$1,247,567	$1,387,177	$1,360,498	($26,679)
Sales Taxes	1,383,193	1,537,982	1,508,402	(29,580)
Intergovernmental	706,386	785,435	785,435	0
Charges for Services	952,350	1,058,924	1,065,732	6,808
Fines, Licenses, and Permits	365,194	406,061	379,570	(26,491)
Rent	178,073	198,000	198,000	0
Investment Income	454,430	505,283	518,585	13,302
Other	189,050	210,206	209,794	(412)
Total Revenues	5,476,243	6,089,068	6,026,016	(63,052)
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,767,927	1,744,852	1,750,210	(5,358)
Judicial	1,616,928	1,603,622	1,583,043	20,579
Public Safety	1,240,652	1,233,278	1,209,720	23,558
Public Works	415,461	406,116	406,116	0
Health	152,525	149,291	149,291	0
Human Services	506,140	494,554	494,554	0
Total Expenditures	5,699,633	5,631,713	5,592,934	38,779
Excess of Revenues Under Expenditures	(223,390)	457,355	433,082	(24,273)
Other Financing Sources (Uses)				
Proceeds of Notes	0	0	890,688	890,688
Proceeds from Sale of Capital Assets	11,314	12,580	12,580	0
Transfers In	36,173	40,221	40,221	0
Advances Out	(12,352)	(12,000)	(12,000)	0
Transfers Out	(361,745)	(351,440)	(1,242,128)	(890,688)
Total Other Financing Sources (Uses)	(326,610)	(310,639)	(310,639)	0
Net Change in Fund Balance	(550,000)	146,716	122,443	(24,273)
Fund Balance at Beginning of Year	1,008,324	1,008,324	1,008,324	0
Fund Balance at End of Year	$458,324	$1,155,040	$1,130,767	($24,273)

See accompanying notes to the basic financial statements

Jackson County, Ohio
Statement of Cash Receipts, Cash Disbursements, and Changes
in Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle Gasoline Tax Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Intergovernmental	$3,510,967	$3,901,951	$3,901,951	$0
Charges for Services	483,779	537,653	537,653	0
Fines, Licenses, and Permits	94,607	105,143	104,793	(350)
Investment Income	0	0	1,292	1,292
Other	170,747	189,761	189,761	0
Total Revenues	4,260,100	4,734,508	4,735,450	942
Expenditures				
Current:				
Public Works	4,170,156	4,515,527	4,475,341	40,186
Excess of Revenues Under Expenditures	89,944	218,981	260,109	41,128
Other Financing Sources (Uses)				
Proceeds of Notes	0	0	443,000	443,000
Transfers Out	(137,044)	(148,394)	(591,394)	(443,000)
Total Other Financing Sources (Uses)	(137,044)	(148,394)	(148,394)	0
Net Change in Fund Balance	(47,100)	70,587	111,715	41,128
Fund Balance at Beginning of Year	231,067	231,067	231,067	0
Fund Balance at End of Year	$183,967	$301,654	$342,782	$41,128

See accompanying notes to the basic financial statements

Jackson County, Ohio

Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance - Budget and Actual (Budget Basis)

Court/Corrections Fund

For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Sales Taxes	$1,331,843	$1,510,387	$1,510,387	$0
Intergovernmental	199,509	226,255	226,255	0
Fines, Licenses, and Permits	206,419	234,091	226,630	(7,461)
Other	10,631	12,056	12,056	0
Total Revenues	1,748,402	1,982,789	1,975,328	(7,461)
Expenditures				
Current:				
General Government:				
Judicial	224,022	270,857	269,245	1,612
Public Safety	1,761,700	1,726,771	1,736,551	(9,780)
Total Expenditures	1,985,722	1,997,628	2,005,796	(8,168)
Net Change in Fund Balance	(237,320)	(14,839)	(30,468)	(15,629)
Fund Balance at Beginning of Year	956,551	956,551	956,551	0
Fund Balance at End of Year	$719,231	$941,712	$926,083	($15,629)

See accompanying notes to the basic financial statements

Jackson County, Ohio

Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance - Budget and Actual (Budget Basis)

Job and Family Services Fund

For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$6,290,157	$6,806,263	$6,806,263	$0
Charges for Services	190,870	206,531	206,531	0
Other	926	1,002	1,002	0
Total Revenues	6,481,953	7,013,796	7,013,796	0
Expenditures				
Current:				
Human Services	6,477,000	7,240,019	7,146,551	93,468
Net Change in Fund Balance	4,953	(226,223)	(132,755)	93,468
Fund Balance at Beginning of Year	376,583	376,583	376,583	0
Fund Balance (Deficit) at End of Year	$381,536	$150,360	$243,828	$93,468

See accompanying notes to the basic financial statements

Jackson County, Ohio

Statement of Cash Receipts, Cash Disbursements, and Changes
in Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Mental Retardation and Developmental Disabilities Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	$726,215	$890,307	$868,748	($21,559)
Intergovernmental	945,326	1,158,927	1,058,927	(100,000)
Donations	17,678	21,672	21,672	0
Investment Income	0	0	11,682	11,682
Other	4,454	5,461	5,461	0
Total Revenues	1,693,673	2,076,367	1,966,490	(109,877)
Expenditures				
Current:				
Health	1,604,576	1,937,644	1,923,287	14,357
Excess of Revenues Under Expenditures	89,097	138,723	43,203	(95,520)
Other Financing Sources (Uses)				
Transfers In	203,922	250,000	0	(250,000)
Transfers Out	(213,859)	(250,000)	0	250,000
Total Other Financing Sources (Uses)	(9,937)	0	0	0
Net Change in Fund Balance	79,160	138,723	43,203	(95,520)
Fund Balance at Beginning of Year	605,987	605,987	605,987	0
Fund Balance at End of Year	$685,147	$744,710	$649,190	($95,520)

See accompanying notes to the basic financial statements

Jackson County, Ohio

Statement of Fiduciary Net Assets - Modified Cash Basis

Agency Funds

December 31, 2007

Assets	
Equity in Pooled Cash and Cash Equivalents	$703,351
Cash and Cash Equivalents in Segregated Accounts	1,002,795
Total Assets	$1,706,146
Net Assets	
Total Net Assets	$1,706,146

See accompanying notes to the basic financial statements

J-Vac Industrices, Inc.
Statement of Financial Position
For the Fiscal Year Ended June 30, 2007

	J-Vac Industries, Inc.
Assets	
Current Assets	
Cash and Cash Equivalents	$8,921
Accounts Receivable	4,927
Inventory	1,500
Total Current Assets	15,348
Net Property and Equipment	3,036
Other Assets	
Long-term Receivable	2,911
Other Assets	209
Total Other Assets	3,120
Total Assets	$21,504
Liabilities	
Current Liabilities	
Withheld and Accrued Payroll Taxes	$1,097
Current Portion of Long-Term Debt	6,242
Total Current Liabilities	7,339
Long-Term Debt	11,779
Total Liabilities	19,118
Net Assets	
Unrestricted	2,386
Total Liabilities and Net Assets	$21,504

See accompanying notes to the basic financial statements

J-Vac Industrices, Inc.
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	J-Vac Industries, Inc.
Unrestricted Net Assets	
Sales and Services	$71,178
Contributions	6,239
Loss in Disposal of Assets	(358)
Total Unrestricted Net Assets	77,059
Expenses	
Program Services	73,838
Management and General	2,992
Total Expenses	76,830
Decrease in Unrestricted Net Assets	229
Net Assets at Beginning of Year (As Restated - See Note 22)	2,157
Net Assets at End of Year	$2,386

See accompanying notes to the basic financial statements

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Note 1 – Description of the County and Reporting Entity

Jackson County, Ohio (the County), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and the laws of the State of Ohio. The County is governed by a board of three County Commissioners elected by the voters of the County. An elected County Auditor serves as the chief fiscal officer. In addition, there are ten other elected administrative officials. These officials are: County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, and the Common Pleas/Probate, Juvenile, and Municipal Court Judges.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize cash disbursements as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the County.

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

A. Primary Government

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

B. Component Units

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 that are fiscally dependent upon the County in that the County approves the budget, the issuance of debt, or the levying of taxes for the organization.

Discretely Presented Component Units

The component unit column on the financial statements identifies the financial data of the Jackson County Airport Authority while the financial data of J-Vac Industries, Inc., is reported on its own financial statements. The component units are reported separately to emphasize that they are legally separate from the County. Information about these component units is presented in Note 22 to the basic financial statements.

Jackson County Airport Authority The Jackson County Airport Authority (the Authority) was created by resolution of the County Commissioners under Ohio Revised Code Section 308.01. The purpose of the Authority is for the acquisition, construction, operation and maintenance of the airport and its facilities in Jackson County. The Authority operates under the direction of a three-member Board of Trustees, appointed by the County Commissioners. A Secretary-Treasurer is responsible for the fiscal accounting of the resources of the Authority. Services provided by the Authority include the means by which to aid the safe taking off and landing of aircraft, storage and maintenance of aircraft, and the safe and efficient operation of the airport. The Authority is considered to be a component unit of Jackson County and is discretely presented. The nature and significance of the relationship between the County and the Authority is such that exclusion would cause the County's financial statements to be misleading. The Authority operates on a fiscal year ending on December 31.

J-Vac Industries, Inc. J-Vac Industries, Inc. (the Workshop), is a legally separate, not-for-profit corporation, served by a self-appointing Board of Trustees. The program is under a contractual agreement with the Jackson County Board of Mental Retardation and Developmental Disabilities (MRDD) to provide sheltered employment for mentally retarded or handicapped adults in the County. MRDD provides the Workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the Workshop. Based on the significant services and resources provided by the County to the Workshop and the sole purpose of the Workshop to provide assistance to retarded and handicapped adults of the County, the Workshop is considered to be a component unit of Jackson County. The nature and significance of the relationship between the County and the Workshop is such that exclusion would cause the County's financial statements to be misleading or incomplete. The Workshop operates on a fiscal year ending June 30. Separately audited statements for the Workshop are available from Kay Spradlin, Chief Fiscal Officer, J-Vac Industries, Inc., 202 South Pennsylvania Avenue, Wellston, Ohio 45692.

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

Jackson County Combined General Health District The District is governed by the Board of Health which oversees the operation of the District and is elected by a Regional Advisory Council comprised of township trustees, mayors of participating municipalities, and one County Commissioner. The District adopts its own budget and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with State and Federal grants applied for by the District.

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

Joint Venture

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) and ongoing financial responsibility. Under the modified cash basis of accounting, the County does not report assets for equity interests in joint ventures.

The County participates in several jointly governed organizations, a joint venture and public entity risk pools. These organizations are presented in Notes 16, 17, and 18 to the basic financial statements. The organizations are:

Gallia, Jackson, Meigs Vinton Solid Waste Management District
Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services
Southeast Ohio Emergency Medical Services District
Jackson-Vinton Community Action Agency
Ohio Valley Regional Development Commission
Gallia-Jackson Child Abuse and Neglect Advisory Council
South Central Ohio Regional Juvenile Detention Center
Southern Ohio Council of Governments
Ohio Valley Resource and Developmental Area, Inc.

Buckeye Joint-County Self-Insurance Council
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County's management believes these financial statements present all activities for which the County is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). General accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. 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 financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except fiduciary funds.

The statement of net assets 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 interest earned on grants that is 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 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 governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by 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. There are three categories of funds: governmental, proprietary, 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 all financial resources,except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle Gasoline Tax Fund Special Revenue Fund The Motor Vehicle Gasoline Tax Special Revenue Fund accounts for revenue derived from motor vehicle licenses, gasoline taxes, grants, permissive license sales taxes, and interest. Expenditures in this fund are restricted by State law to County road and bridge repair/improvement programs.

Court/Corrections Special Revenue Fund This Court/Corrections Special Revenue Fund accounts for several funds related to court/corrections activities including jail operations, drug law enforcement, indigent guardianship, defense of indigents, and juvenile, probate and municipal court operations. Revenues arise from fines and forfeitures, as well as, charges for services rendered to the users of the County's Courts and Correctional Facilities.

Job and Family Services Special Revenue Fund The Job and Family Services Special Revenue Fund accounts for various State and Federal grants used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Mental Retardation and Developmental Disabilities Special Revenue Fund The Mental Retardation and Developmental Disabilities Special Revenue Fund accounts for various State and Federal grants as well as property tax collections used to provide assistance to Jackson County residents that are mentally retarded or suffer from developmental disabilities.

Bond Retirement Debt Service Fund The Bond Retirement Debt Service Fund accounts for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

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

Proprietary Funds The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service; the County has no proprietary funds.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. There are four categories of fiduciary funds: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. 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 did not have any trust funds in 2007. Agency funds are purely custodial in nature and are used to account for assets held by the County as agent for the Board of Health and other districts and entities and various taxes, assessments, and state shared resources collected on behalf of and distributed to other local governments.

C. Basis of Accounting

The County's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the County are described in the appropriate section in this note.

As a result of this use of the modified 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, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The 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 appropriation resolution is the County Commissioners' authorization to spend resources and set annual limits on cash disbursements plus encumbrances at a level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, department, and object level for all funds.

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 certificate in effect when final appropriations for the year were adopted by the County Commissioners.

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately within the departments of the County are recorded as "Cash and Cash Equivalents in Segregated Accounts".

Cash and cash equivalents of J-Vac Industries, Inc. and the Airport Authority are held by the component units and are recorded as "Cash and Cash Equivalents".

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 or 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 reported as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2007, the County invested in nonnegotiable certificates of deposit, federal agency securities, a money market fund, and STAROhio. Investments are reported at cost, except for the money market fund and STAR-Ohio. The County's money market fund investment is recorded at the amount reported by Seasongood Asset Management at December 31, 2007. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2007.

Investment procedures are restricted by the provisions of the Ohio Revised Code, grant requirements, or debt related restrictions. Interest is credited to the General Fund, and the Motor Vehicle Gasoline Tax, the Board of Mental Retardation and Developmental Disabilities and the Community Development Block Grant Special Revenue Funds. Interest revenue credited to the General Fund during 2007 amounted to $518,585, which includes $452,611 assigned from other County funds.

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 the 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. Inventory and Prepaid Items

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. 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.

I. 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.

J. Internal Activity

Transfers within governmental activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments of funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

K. 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 modified cash basis of accounting.

L. 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 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

M. Long-Term Obligations

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

N. Net Assets

Net assets are 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 assets restricted for other purposes primarily include activities involving the upkeep of the County's roads and bridges, various mental health services, child support and welfare services, services for the handicapped and mentally retarded, and activities of the County's courts. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. The government-wide statement of net assets reports $5,078,932 of restricted net assets, none of which is restricted by enabling legislation.

O. Fund Balance Reserves

The County reserves any portion of fund balances which is not available for appropriation or which is legally segregated for specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for unclaimed monies and encumbrances. By law, the County may not appropriate unclaimed monies until the money has remained unclaimed for five years.

Note 3 – Changes in Accounting Principle

For 2007, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for OPERS post-employment healthcare plans in the amount of $0, which is the same as previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

Note 4 – Accountability and 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 modified 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, net assets/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 5 – Budgetary Basis of Accounting

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 Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balance – Budget and Actual – (Budget Basis) presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis are outstanding year end encumbrances. These are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (modified cash basis) (outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (modified cash basis)). The encumbrances outstanding at year end (budgetary basis) amounted to:

General Fund	$31,648
Major Special Revenue Fund:	
Court/Corrections	9,048

Note 6 – Deposits and Investments

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio or Ohio local governments;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;

7. The State Treasurer's investment pool (STAROhio); and,

8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

The County may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and

3. Obligations of the County.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Historically, the County has not purchased these types of investments or issued these types of notes. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

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

Cash on Hand At year end, the County had $84,014 in undeposited cash on hand which is included as a part of "Equity in Pooled Cash and Cash Equivalents".

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, the carrying value of the County's deposits was $6,008,967 and the bank balance was $7,369,298. Of the bank balance $2,655,247 was covered by Federal depository insurance and $4,714,051 was exposed to custodial credit risk because it was uninsured and uncollateralized. This does not include $90,053 in segregated cash which is held by SOCOG which cannot be disclosed by risk because it is co-mingled with other Counties' monies.

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 and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments Investments are reported at fair value. As of December 31, 2007, the County had the following investments:

	Fair Value	Percentage of Portfolio	Maturity
Money Market Mutual Funds	$17,037	0.97%	1 Day
Federal Home Loan Bank Notes	150,000	8.55%	February 20, 2008
Federal Home Loan Bank Notes	149,535	8.53%	June 13, 2008
Federal Home Loan Bank Notes	144,986	8.27%	June 25, 2008
Federal Home Loan Bank Notes	149,985	8.55%	August 8, 2008
Federal Home Loan Bank Notes	99,941	5.70%	September 12, 2008
Federal Home Loan Bank Notes	100,192	5.70%	February 2, 2009
Federal Home Loan Bank Notes	100,252	5.72%	February 20, 2009
Federal National Mortgage Association Notes	139,765	7.97%	April 20, 2009
Federal Home Loan Bank Notes	100,000	5.70%	June 18, 2009
Federal Home Loan Bank Notes	149,388	8.52%	October 29, 2009
Federal National Mortgage Association Notes	150,000	8.55%	November 20, 2009
Federal Home Loan Mortgage Association Discount Notes	99,749	5.69%	January 17, 2008
Federal Home Loan Mortgage Corporation Discount Notes	169,240	9.64%	June 26, 2008
STAROhio	33,973	1.94%	Average 41 Days
Totals	$1,754,043	100.00%	

Interest Rate Risk The County does not have an investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk STAROhio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The County has no investment policy that would further limit its investment choices. The Federal Home Loan Bank and Federal Home Loan Mortgage Securities carry a rating of AAA by Standard and Poor's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The County's investment policy places no limit on the amount it may invest in any one issuer.

Note 7 – Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a one percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of all tangible personal property in the County, including motor vehicles, not subject to the sales tax. The sales tax is allocated fifty percent to the County's General Fund and fifty percent to the Sales Tax Trust Agency Fund, from which the proceeds are distributed to the various taxing districts within the County for use on community improvement projects. 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 amount of the tax to be returned to the County to the Office of Budget and Management. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Office of Budget and Management then has five days in which to draw the warrant payable to the County.

Note 8 – Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax receipts received during 2007 for real and public utility property taxes represent collections of 2006 taxes. Real property taxes received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at thirty-five percent of the appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009.

The full tax rate for all County operations for the year ended December 31, 2007, was $10.10 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	$405,541,930
Public Utility Real Property	10,140
Public Utility Tangible Personal Property	42,996,080
Tangible Personal Property	45,960,122
Total Assessed Value	$494,508,272

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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds.

Note 9 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2007, the County contracted with the Ohio Government Risk Management Plan, operated by the Buckeye Joint-County Self-Insurance Council, an insurance purchasing pool (see Note 18), for liability, auto, and crime insurance. Each member pays a premium for their coverage. The agreement provides that the Council will be self-sustaining through member premiums. In the event of losses, the first $250 to $2,500 of any valid claim, depending upon type of loss, will be paid by the member. The next payment, with a maximum payout ranging from $100,000 to $1,000,000 per occurrence, will come from the insurance purchasing pool based on the member's percentage of contribution. If the aggregate claims by the pool exceed the available resources, the pool may require the members to make additional supplementary payments. The County does not have any ongoing financial interest or responsibility. The agreement between the Counties and the Council indicates that a voluntary withdrawal or termination by any county shall constitute a forfeiture of any pro rate share of the Council reserve fund. Current calculation of this potential residual interest is, therefore, not possible. During 2007, the County paid $127,350 to the Council for insurance coverage. Coverage provided by the program and applicable deductibles are as follows:

Property	Deductible	Limits of Coverage
Real Property	$1,000	$19,709,367
General Liability	0	1,000,000/3,000,000
Public Official Liability	5,000	1,000,000/3,000,000
Law Enforcement	5,000	1,000,000/3,000,000
Employee Benefits	0	1,000,000/3,000,000
Inland Marine	1,000	1,612,543
Medical Expense:	0	10,000/50,000
Employer's Liability (Stop Gap)	0	1,000,000
Electronic Equipment/Media Coverage:		
Electronic Equipment	1,000	500,000
Electronic Media	0	5,000
Extra Expense	0	5,000
Crime Coverage:		
Theft, Disappearance, Destruction	0	100,000
Public Dishonesty	0	250,000
Forgery and Alteration	0	5,000
Computer Fraud	100	50,000
Automobile	1,000	1,000,000 Per Occurrence
Arson Reward	0	5,000
Fire Department Service Charge	0	1,000
Fire Protection Devices	0	5,000
Outdoor Property	0	100,000
Personal Effects	0	2,500
Polution Clean Up and Removal	0	50,000
Property Off Premises	0	10,000
Property in Transit	0	25,000
Accounts Receivable	0	100,000
Builders Risk	0	500,000
Fine Arts	0	25,000
Newly Acquired or Constructed Property:		
Building	0	500,000
Personal Property	0	100,000
Legal Liability Real Property	0	1,000,000

Settled claims have not exceeded coverage in any of the past three years. There has been no significant reduction in insurance coverage from the prior year.

For 2007, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (see Note 18). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of Gates McDonald, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

The County pays all elected officials bonds by State statute.

Note 10 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description – The County participates 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, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. 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 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 statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement members contributed 10.1 percent.

The County's contribution rate for 2007 was 13.85 percent. For the period January 1 through June 30, a portion of the County's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the County of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The County's required contributions for pension obligations to the traditional plan for the years ended December 31, 2007, 2006, and 2005, were $1,157,280, $1,086,493, and $1,085,962, respectively. The full amount has been contributed for 2007, 2006, and 2005. Contributions to the member-directed plan for 2007 were $20,134 made by the County and $13,811 made by plans members. Contributions to the combined plan for 2007 were $21,995 made by the County and $15,087 made by plan members.

B. State Teachers Retirement System

Plan Description - Certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were $27,482, $30,293, and $23,318 respectively; The full amount has been contributed for 2008, 2007, and 2006. There were no contributions made to either the DC or Combined plans in 2007.

Note 11 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part b premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

The Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, and 2005 were $460,217, $320,523 and $328,333 respectively; the full amount has been contributed for 2007, 2006, and 2005.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

The number of active contributing participants in the traditional and combined plans was 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. The actual contribution and the actuarially required contribution amounts are the same. OPER's net assets available for payment of benefits at December 31, 2006, (the latest information available) were $12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were $30.7 billion and $18.7 billion, respectively.

B. State Teachers Retirement System

Plan Description – The County contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The County's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were $1,963, $2,562, and $1,794 respectively; The full amount has been contributed for 2008, 2007, and 2006.

Note 12 – Notes Payable

	Principal Outstanding 12/31/06	Additions	Deductions	Principal Outstanding 12/31/07
Governmental Activities:				
Bond Anticipation Notes:				
2006 YMCA Building - 4.30%	$10,000	$0	$10,000	$0
2006 Regional Detention Center - 4.30%	193,000	0	193,000	0
2007 Regional Detention Center - 4.30%	0	148,000	0	148,000
2006 Job and Family Services Center - 4.30%	755,000	0	755,000	0
2007 Job and Family Services Center - 4.30%	0	615,000	0	615,000
2006 Courthouse Improvements - 4.30%	70,000	0	70,000	0
2007 Courthouse Improvements - 4.30%	0	60,000	0	60,000
2006 Highway Garage - 4.30%	165,000	0	165,000	0
2007 Highway Garage - 4.30%	0	145,000	0	145,000
2006 Engineer's Equipment - 4.30%	52,000	0	52,000	0
2006 GIS Project - 4.30%	89,000	0	89,000	0
2007 GIS Project - 4.30%	0	54,000	0	54,000
2006 Computer Equipment - 4.30%	81,000	0	81,000	0
2007 Computer Equipment - 4.30%	0	54,000	0	54,000
2006 Municipal Court Building - 4.30%	1,360,000	0	1,360,000	0
2007 Municipal Court Building - 4.30%	0	1,150,000	0	1,150,000
2006 Photo Mapping - 4.30%	125,000	0	125,000	0
2007 Photo Mapping - 4.30%	0	115,000	0	115,000
2006 Map Office Building - 4.30%	100,000	0	100,000	0
2007 Map Office Building - 4.30%	0	90,000	0	90,000
2006 Highway Track Hoe - 4.30%	159,000	0	159,000	0
2007 Highway Track Hoe - 4.30%	0	129,000	0	129,000
Total Governmental Activities:	$3,159,000	$2,560,000	$3,159,000	$2,560,000

The YMCA Building note was issued for the renovation and expansion of the Jackson County YMCA facility. The Regional Detention Center note was issued for the construction of a new detention facility. The Job and Family Services Center note was issued for the purchase and renovation of the new Job and Family Services facility. The Courthouse Improvements note was issued for the renovation of the Jackson County Courthouse. The Highway Garage note was issued for the construction of a new highway garage. The Engineer's Equipment note was issued for the purchase of road equipment. The GIS Project note was issued to finance the County-wide Geographical Information System. The Computer Equipment note was issued for the purpose of purchasing a new computer system for the County Auditor's office. The Municipal Court Building note was issued for the purpose of financing the purchase and renovation of the new Municipal Court facility. The Photo Mapping note was issued for the photo mapping of all county roads. The Map Office Building note was issued for the purchase and renovation of the County's Tax Map office. The Highway Track Hoe note was for the purpose of purchasing the County Engineer's department a new track hoe. All notes are bond anticipation notes and backed by the full faith and credit of the County and mature within one year. The note is reflected in the funds which received the proceeds. All notes will be reissued until paid or bonds are issued.

Note 13 – Long Term Obligations

A schedule of changes in long-term obligations of the County during 2007 follows:

	Principal Outstanding 12/31/06	Additions	Deductions	Principal Outstanding 12/31/07	Amounts Due in One Year
Governmental Activities:					
1998 Wastewater Treatment Facility					
General Obligation Bonds - 4.95%	$165,000	$0	$25,000	$140,000	$25,000
2000 EMS Note - 4.75%	34,867	0	34,867	0	0
2004 Health Department Roof					
Loan - 3.25%	31,030	0	11,062	19,968	10,362
	$230,897	$0	$70,929	$159,968	$35,362

Principal and interest requirements to retire the Wastewater Treatment Facility General Obligation Bonds outstanding at December 31, 2007, are as follows:

Year Ended December 31,	Principal	Interest	Total
2008	$25,000	$6,930	$31,930
2009	25,000	5,693	30,693
2010	30,000	4,455	34,455
2011	30,000	2,970	32,970
2012	30,000	1,485	31,485
	$140,000	$21,533	$161,533

The 1998 Wastewater Treatment Facility General Obligation Bonds, originally issued for $337,500, represents amounts issued on behalf of the Gallia, Jackson, Meigs, and Vinton Joint Solid Waste District to finance the construction of a solid waste recycling facility for the District. The District has agreed to make payments to the County to retire the debt as it becomes due.

The Emergency Medical Services note, originally issued in the amount of $620,000, represents amounts borrowed for the construction of a new emergency medical services station and was retired from property tax receipts in the Emergency Medical Services Special Revenue Fund.

Principal and interest requirements to retire the Health Department Roof Loan liability at December 31, 2007, are as follows:

Year Ended December 31,	Principal	Interest	Total
2008	$10,362	$684	$11,046
2009	9,606	347	9,953
	$19,968	$1,031	$20,999

The Health Department roof loan was issued for the purpose of replacing the roof on the County Health Department building and is backed by the full faith and credit of the County.

The Ohio Revised Code provides that net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 1 percent of the total assessed valuation of the County. The Revised Code further provides that the total voted and unvoted note debt of the County less the same exempt debt shall never exceed a sum equal to 3 percent of the first $100,000,000 of assessed valuation, plus 1.5 percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus 2.5 percent of such valuation in excess of $300,000,000. The effects of the debt limitations at December 31, 2007, were an overall legal debt margin of $49,219,303 and an unvoted legal debt margin of $494,508.

Conduit Debt

To assist private sector in acquiring and constructing facilities deemed to be in the public interest, the County on occasion has issued industrial revenue bonds. Mortgages on the facilities secure the bonds. The bonds are payable solely from payments received on the underlying mortgage loans. Upon repayment of the loans, ownership of the facilities will transfer to the private sector entities. The County, the State, or any other political subdivision is not obligated in any manner for paying the bonds, which are not reflected in the debt schedule above. At December 31, 2007, aggregate principal outstanding on the bonds was $5,072,438.

Note 14 – Contractual Commitments

As of December 31, 2007, the County had contractual purchase commitments as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 12/31/07
Oak Hill Park Improvement Project	Community Development Block Grant	$63,290	$0	$63,290
Wellston Street Improvement Project	Community Development Block Grant	26,000	0	26,000
Total		$89,290	$0	$89,290

Note 15 – Interfund Activity

A. Transfers

During 2007, the following transfers were made:

	Transfer from Major Funds			
Transfer to	General Fund	Motor Vehicle and Gasoline Tax	Other Nonmajor Governmental	Total
Major Funds:				
General Fund	$0	$0	$40,221	$40,221
Bond Retirement	1,173,928	591,394	1,553,620	3,318,942
Other Nonmajor Governmental	68,200	0	8,503	76,703
Total All Funds	$1,242,128	$591,394	$1,602,344	$3,435,866

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; for debt service payments; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

B. Advances

The General Fund made a $12,000 advance to the Dog and Kennel Special Revenue Fund arising from the provision of cash flow resources from fines, licenses and permits receipts.

Note 16 – Jointly Governed Organizations

A. Gallia, Jackson, Meigs, Vinton Solid Waste Management District

The County is a member of the Gallia, Jackson, Meigs, Vinton Solid Waste Management District (the District), which 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 governed and operated through three groups. A twelve member Board of Directors, comprised of the three commissioners from each county, is responsible for the District's financial matters. Financial records are maintained by the District. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. A twenty-five member Policy Committee, comprised of six members from each county and one at-large member appointed by the Policy Committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the Policy Committee. Each participating County's influence is limited to the numbers of members each appoints to the Board. Continued existence of the District is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding. The County made no contributions to the District in 2007.

B. Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services

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

All of the Board's revenue is derived from State and Federal grants awarded to the multi-county Board. Gallia County serves as fiscal agent for the Board. Continued existence of the ADAMH is not dependent upon the County's continued participation, no debt exists, and the County does not have an equity interest in the Board. During 2007, the County made $2,338 in payments to the Board.

C. Southeast Ohio Emergency Medical Services District

The Southeast Ohio Emergency Medical Services District (the EMS) was organized to provide emergency medical services to the resident of the southeast Ohio. The EMS serves Athens, Jackson, and Lawrence Counties. A nine member Board of Directors governs the EMS. Each County appoints three members to the Board of Directors, upon approval of the current board members. The Board of Directors, in conjunction with the Finance Director, budget and approve expenditures, retain responsibility for surpluses and deficits, and are responsible for any debt incurred. The EMS is not dependent upon Jackson County for its continued existence, and the County does not maintain an equity interest. Emergency medical services are provided to each county under a contractual agreement. Each county is billed on a monthly basis for the services provided to their county. In 2007, the County paid $893,276 to the EMS for services provided to the County.

D. Jackson-Vinton Community Action Agency

The Jackson-Vinton Community Action Agency (the Agency) is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Jackson and Vinton Counties. The Agency is governed by a Board comprised of public officials from Jackson and Vinton Counties, representatives of the poor in the area served and officials or members of the private sector of the community. The Agency controls its own operations and budget. In 2007, the County paid $116,904 to the Agency for services provided to the County.

E. Ohio Valley Regional Development Commission

The Ohio Valley Regional Development Commission (the Commission) is a jointly governed organization that serves a twelve county economic development planning district in southern Ohio. The Commission was formed to influence favorably the future economic, physical and social development of Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton Counties. Membership is comprised of elected and appointed county, municipal, and township officials or their officially appointed designees, as well as members of the private sector, community action agencies and regional planning commissions. The Commission is not dependent upon Jackson County for its continued existence. In 2007, the County made $5,742 in contributions to the Commission.

F. Gallia-Jackson Child Abuse and Neglect Advisory Board

The Child Abuse and Neglect Advisory Board (the Board) is a jointly governed organization formed to prevent child abuse and neglect in its members counties. The Board is controlled by a five member Board of Directors. Gallia and Jackson County each appoints two members and there is one at-large member. The at-large member is currently the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services director. The Board receives $20,000 a year from the State for birth registration fees, of which $19,400 is sent directly to the Ohio Children's Trust Fund Board. The Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services received the remaining $600 for administrative services. Continued existence of the Board is not dependent upon the County's continued participation, nor does the County have an equity interest in the Board. The Board is not accumulating significant financial resources nor is it experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. The Board currently does not prepare year end financial statements due to the limited amount of financial activity.

G. 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 its Board of Mental Retardation and Developmental Disabilities (MRDD). Member counties include: Adams, Athens, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pickaway, Pike, Ross, Scioto, and Vinton Counties.

The Council acts as fiscal agent for the County MRDD's supportive living program monies. During 2007, the Council received $38,861 from the County and as of December 31, 2007, the County had a $90,053 balance on hand with the Council. These monies are recorded as "Cash and Cash Equivalents in Segregated Accounts" on the County's financial statements. Financial statements can be obtained from the Council at 43 N. Paint St., Chillicothe, Ohio 45601.

H. Ohio Valley Resource Conservation and Development Area, Inc.

The Ohio Valley Resource Conservation and Development Area, Inc., is a jointly governed organization that is operated as a non-profit corporation. The Ohio Valley Resource Conservations and Development Area, Inc., was created to aid regional planning to participating counties. Jackson County, along with Ross, Vinton, Highland, Gallia, Brown, Adams, Pike, Scioto, and Lawrence Counties each appoint three members to the thirty member Council. The Council selects an administrator to oversee operations.

Note 17 – Joint Venture

South Central Ohio Regional Juvenile Detention Center

The County is a participant with Highland, Pike, Ross, Vinton, and Fayette counties in the South Central Ohio Regional Juvenile Detention Center (the Center) which is a facility that provides temporary housing for juvenile offenders awaiting disposition by the respective juvenile courts of the member counties. The juvenile judge from each participating county appoints one trustee to serve on the Board, except Ross County which appoints two trustees since it is the home county. The Commissioners of each county have final approval of their respective trustee. Each county is obligated to provide financial support to the Center through per diem charges and assessments which are based on the total assessed valuation of each county in proportion to the total assessed valuation of all participating counties. The County has an ongoing financial responsibility for this entity and, during 2007, contributed $156,247 toward the operation of this facility. During 2001, the Board of Trustees for the Center determined that it was necessary to improve the Center by constructing a new facility and making related improvements to the existing facility. This work, completed in 2004, had a total cost of $5,834,000. The County's equity interest in that Center was determined to be $482,000. The Center is not accumulating significant financial resources or experiencing fiscal distress which would cause an additional financial benefit to or burden on the County. The Ross County Auditor is the fiscal agent for the Center. Complete financial statements of the joint venture can be obtained from the Ross County Auditor, Ross County Courthouse, 2 North Paint Street, Suite G, Chillicothe, Ohio 45601.

Note 18 – Insurance Purchasing Pools

A. Buckeye Joint-County Self-Insurance Council

The Buckeye Joint-County Self-Insurance Council (the Council) is a public entity shared risk pool that serves Athens, Hocking, Jackson, Lawrence, Meigs, Monroe, Morgan, Noble, Perry, Pike, Vinton and Washington Counties. The Council was formed as an Ohio non-profit corporation for the purpose of establishing a shared risk pool to provide general liability, law enforcement, professional, and fleet insurance. Member counties provide operating resources to the corporation 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 comprised of at least one County Commissioner from each of the participating counties. The Governing Board annually elects officers which include a President, Vice President, Second Vice President and two Governing Board Members. The expenses and investment of funds by the officers must be approved by the Governing Board unless specific limits have been set by the Governing Board to permit otherwise.

B. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

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

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

Note 19 – Revolving Loan Program

The County participates in a Community Development Block Grant Revolving Loan Program. The goal of the Revolving Loan Fund (RLF) is to enable eligible communities to overcome specific gaps in local capital markets that inhibit business and industry from obtaining suitable credit, and thereby impede local economic growth and stability. The primary goal of each RLF project will be private sector job creation or retention of which at least 51% of such jobs must be taken by or made available to persons from low and moderate income households. The program is administered by the Jackson County Economic Development Commission. At December 31, 2007, total outstanding balances were $795,728, principal loan revenue was $36,000, and the County paid $32,183 in administrative costs.

Note 20 – 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.

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecutor, any potential liability would not have a material effect on the County's financial condition.

Note 21 – Food Stamps

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

Note 22 – Component Unit Disclosures

A. Jackson County Airport Authority

The following are the Jackson County Airport Authority (the Authority) notes to the financial statements for the year ended December 31, 2007:

Summary of Significant Accounting Policies

Basis of Presentation: The Summary of Significant Accounting Policies is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, who are responsible for their integrity and objectivity. These accounting policies conform to the basis of accounting prescribed or permitted by the Auditor of State. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

Liability for Income Taxes: The Authority is exempt from income tax under Section 501(c)(3) of Internal Revenue Code.

Cash and Cash Equivalents: The Authority considers deposits with maturities of twelve months or less to be cash equivalents.

Property, Plant and Equipment: Fixed assets acquired or constructed for the Authority are recorded as disbursements. Depreciation is not recorded for these fixed assets.

Cash and Cash Equivalents

At December 31, 2007, the carrying amount of the Authority's deposits was $190,290 and the bank balance was $190,290. $100,000 of the bank balance was covered by federal depository insurance.

B. J-Vac Industries, Inc.

The following are the J-Vac Industries, Inc. (the Workshop) notes to the financial statements for the year ended June 30, 2007:

Nature of Activities

J-Vac Industries, Inc. (the Organization) provides job training for the mentally handicapped in Jackson County, Ohio. Work training includes providing janitorial services for the local industry, state and local organizations, the making of crafts and other services for sale to local industry. The Jackson County Board of Mental Retardation and Developmental Disabilities (JCBMRDD) provide the facilities and managerial staff. The revenues earned by the facility fund the operation.

Summary of Significant Accounting Policies

Basis of Presentation: The accounting records are maintained on the accrual basis of accounting and the principles and practices common to not-for-profit organizations for financial reporting purposes. As a result, the Organization is required to report information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted and permanently restricted (there were no temporarily or permanently restricted net assets at June 30, 2008).

Unrestricted Net Assets: Net assets that are not subject to donor imposed restrictions. This includes amounts from some funding sources that require the funds to be spent on activities within the scope of the Organization's purpose.

Temporarily Restricted Net Assets: Net assets subject to donor imposed stipulations that may or will be met, either by the activities of the Organization or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Net assets restricted by donor or by law to be maintained by the Organization in perpetuity.

Cash Equivalents: Short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less are considered to be cash equivalents. The entire amount as of June 30, 2007 and 2006 were fully insured under FDIC or the Federal Credit Union Administration.

Accounts Receivable: The Organization considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts are determined to be uncollectible after all efforts to collect the balances have been exhausted, they are written off and charged to operations in the period that the determination is made.

Inventory: Inventory consists of finished goods ready to be sold and various items that are used in the production of goods to be sold. These items are recorded at the lower of cost or market with cost determined on the first-in, first-out basis.

Property and Equipment: Property and equipment are carried at cost, less accumulated depreciation computed on the straight-line method. Major renewals and betterments are capitalized and depreciated; maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense as incurred. Upon disposal of assets, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in support and revenue. Assets are depreciated using the straight-line method on the basis of their economic life ranging from three to five years.

Revenue and Expense Recognition: Revenues are included in operations in the period for which they are awarded based upon signed contracts. In the absence of a signed contract, revenues are recorded when a product is sold or, in the case of contributions, when the cash is received. Revenues received for a specified purpose are used in accordance with applicable restrictions. Expenses are included in operations in the period they are incurred.

Contributed Services and Materials: Unpaid volunteers have made significant contributions of their time in the furtherance of the Organization's programs. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation. Contributed materials are recorded at fair market value at the time of contribution if the value can be readily determined.

Advertising Costs: Advertising costs are expensed as incurred.

Income Taxes: The Organization is exempt from federal income taxes under Section 501(c)(3) of the internal revenue code. Thus, no provision or accrual for income taxes is included in these financial statements.

Functional Allocation of Expenses: The Organization maintains its accounts in accordance with the principles of functional expense reporting. Expenses for various purposes are classified for accounting and reporting into individual program activities and functions.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Property and Equipment

Property and equipment are presented on the balance sheet at the net book value and consist of the following:

Equipment	$10,156
Vehicles	1,000
Accumulated Depreciation	($8,120)
Total	$3,036

Long-Term Receivable

The previous director misappropriated funds received by the Organization and it was determined that the amount recoverable was $2,911. An agreement was reached for the former director to pay $100 per month until the balance was paid. The receivable is non-interest bearing. No payments have been made through the date of the audit report. Due to the uncertainty of when the payments will commence, the entire amount of the receivable is recorded as a long-term asset.

Related Party

The Organization is housed in a building operated and maintained by JCBMRDD. The JCBMRDD also provides personnel support for the Organization. The Organization does not pay for these services and there are no in-kind contributions related to these services recorded in the statement of activities, as the amount is difficult to estimate.

For the period ended June 30, 2006, the Organization rented a storage facility owned by the sister of the Director. The Organization paid approximately $900 during 2006 for the use of this facility. The Director did not work for the Organization for the period ended June 30, 2007.

Long-Term Debt

On March 28, 2005, the Board entered into a promissory note agreement with Ohio Industries for the Handicapped, Inc. (OIH), one of the Organization's primary customers. The Organization borrowed $30,877 for the purpose of providing funds to purchase materials necessary for constructing golf course accessory products. The payments are $590 per month for a term of 60 months with an interest rate of 5.5 percent. Future principal payments of this promissory note are $6,242 in 2008, $6,595 in 2009, and $5,185 in 2010.

The Organization has not been able to find a customer base to sell the golf course accessory products to. This has created a cash shortfall for the Organization preventing the Organization from making the principal and interest payments related to this promissory note. The Organization has not made any principal or interest payments on this note since December, 2005, however, because OIH purchases monthly janitorial services from the Organization, OIH has deducted the loan payments from the monthly payments for services rendered. In January 2007, the JCBMRDD began making the monthly loan payments on behalf of the Organization but discontinued the payments in December 2007. No payments have been made subsequent to December 2007 through the date of this report.

Unsupported Expense

During the year ended June 30, 2006, $1,500 of expenditures were made in cash for the benefit of the Organization, according to management. In reviewing documentation for these cash expenditures, the Organization could only provide receipts amounting to $449 in support of this claim. As a result, this account represents the balance of those funds since it is not known for what the funds were expended.

Prior Period Adjustment

It was discovered in a prior year that the previous director has misappropriated funds received by the Organization. During 2007, the Organization determined that the amount recoverable was $2,911. An agreement was reached in 2007, but since the misappropriated funds related to prior years, the amount was recorded as a prior period adjustment.

The prior period adjustment is presented in the statement of activities. Since the amounts related to years prior to 2006, the July 1, 2005, retained deficit was adjusted by $2,911 and a corresponding long-term receivable was recorded to reflect the amount owed the Organization. If these amounts were recorded in the proper period, revenues and changes in net assets would have been more by $2,911 for the year ended prior to June 30, 2006.

Discretely Presented Component Unit

Under Governmental Accounting Standards Board Statement No. 14, the Organization is also considered to be a discretely presented component unit of Jackson County ad is presented as such within Jackson County's general-purpose financial statements for the fiscal year ended June 30, 2007.

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JACKSON COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007

FEDERAL GRANTOR / *Pass Through Grantor* Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Ohio Department of Development:			
Community Development Block Grant - State's Progam	B-F-04-037-1	14.228	$ 122,940
	B-F-05-037-1		165,805
	B-F-06-037-1		42,707
	B-C-06-037-1		110,664
CDBG Revolving Loans	N/A		432,183
Total Community Development Block Grant - State's Program			874,299
HOME Investment Partnerships Program	B-C-03-037-2	14.239	197,153
Total United States Department of Housing and Urban Development			1,071,452
UNITED STATES DEPARTMENT OF LABOR			
Passed Through Workforce Investment Act, Area 7:			
Workforce Investment Act (WIA) Cluster:			
Workforce Investment Act - Adult		17.258	103,019
Workforce Investment Act - Adult Administrative			3,860
Workforce Investment Act - Adult Total	N/A		106,879
Workforce Investment Act - Youth Activities		17.259	190,818
Workforce Investment Act - Youth Activities Administrative			8,271
Workforce Investment Act - Youth Activities Total	N/A		199,089
Workforce Investment Act - Dislocated Workers		17.260	139,479
Workforce Investment Act - Dislocated Workers Administrative			6,250
Workforce Investment Act - Dislocated Workers Total	N/A		145,729
Total WIA Cluster			451,697
Veteran's Employment Programs	N/A	17.802	23,035
Total United States Department of Labor			474,732
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Direct from the Federal Government			
Airport Improvement Program	AIP-3-39-0041-0203	20.106	3,351
	AIP-3-39-0041-0304		2,160
	AIP-3-39-0041-0405		19,296
	AIP-3-39-0041-0506		560,924
	AIP-3-39-0041-0607		15,137
Total Airport Improvement Program			600,868
Passed Through Ohio Department of Transportation			
Highway Planning and Construction	N/A	20.205	46,160
Total United States Department of Transportation			647,028
ELECTION ASSISTANCE COMMISSION			
Passed Through Ohio Secretary of State:			
Election Reform Payments	E05-0129-40	39.011	1,356
Total Election Assistance Commission			1,356

JACKSON COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)

FEDERAL GRANTOR / *Pass Through Grantor* Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education:			
Special Education Cluster:			
Special Education - Grants to States	6B-SF-2007	84.027	$ 26,639
	6B-SF-2008		2,641
Total Special Education - Grants to States			29,280
Special Education - Preschool Grants	PG-S1-2007	84.173	5,651
	PG-S1-2008		571
Total Special Education - Preschool Grants			6,222
Total Special Education Cluster			35,502
State Grants for Innovative Programs	C2-S1-2007	84.298	75
	C2-S1-2008		7
Total State Grants for Innovative Programs			82
Total United StatesDepartment of Education			35,584
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Secretary of State:			
Voting Access for Individuals with Disabilities	N/A	93.617	9,714
Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:			
Medical Assistance Program			
Target Case Management (TCM)	N/A	93.778	40,731
Day Habilitation - Waiver	N/A	93.778	44,831
Total Medical Assistance Program			85,562
Social Services Block Grant	N/A	93.667	18,668
State Children's Insurance Program	N/A	93.767	367
Total United States Department of Health and Human Services			114,311
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed Through Ohio Emergency Management Agency:			
Homeland Security Grant Program	See Note D	97.067	30,159
Emergency Management Performance Grants	2006-EM-E6-0042	97.042	1,586
	2007-EM-E7-0024	97.042	7,934
Total Emergency Management Performance Grants			9,520
Total United States Department of Homeland Security			39,679
Total Federal Awards Expenditures			**$ 2,384,142**

The Notes to the Schedule of Federal Awards Expenditures is an integral part of the Schedule.

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the County's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money was recorded as a disbursement on the Schedule of Federal Awards Expenditures (the Schedule) in the initial grant year. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, and are also included as disbursements on the accompanying Schedule. Activity in the CDBG revolving loan fund during 2007 is as follows:

Beginning loans receivable balance as of January 1, 2007:	$	431,727
Loans made:		400,000
Loan principal repaid on loans issued prior to 2007:		(25,758)
Loan principal repaid on 2007 loans issued:		(10,241)
Ending loans receivable balance as of December 31, 2007:	$	795,728
Cash balance on hand in the revolving loan fund as of December 31, 2007:	$	168,115
Interest subsidies and administrative costs expended during 2007:		32,183
Total value of the revolving loan fund portion of the CDBG 14.228 program:	$	996,026
Other grants administered through the CDBG 14.228 program:		442,116
Total CDBG 14.228 program	**$**	**1,438,142**

These loans are collateralized by machinery and equipment. There were no delinquent amounts outstanding.

NOTE C – MATCHING REQUIREMENTS

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

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)

NOTE D – HOMELAND SECURITY CLUSTER

The County reported the following federal programs for the Homeland Security Grant Program on the Schedule of Federal Awards Expenditure. Several programs for federal fiscal year 2005 were incorporated into the Homeland Security Grant Program (CFDA 97.067) in accordance with guidance from the U.S. Department of Homeland Security.

CFDA #	Program	Pass Through Entity Number	Amount
97.053	Citizens Corps	2005-GC-T5-0001	$ 1,000
97.073	State Homeland Security Program	2006-GE-T6-0051	29,159
97.067	Total Homeland Security Grant Program		$ 30,159

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Jackson County
226 East Main Street
Jackson, Ohio 45640

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the discretely-presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Ohio (the County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 2, 2008, wherein we noted that (except for J-VAC Industries, Inc.), the County uses a comprehensive basis of accounting other than generally accepted accounting principles. Other auditors audited the financial statements of the J-VAC Industries, Inc., in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards* and, accordingly, this report does not extend to that component unit. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the County's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2007-005.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the County's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe finding number 2007-005, the significant deficiency described above, is also a material weakness.

We also noted certain internal control matters that we reported to the County's management in a separate letter dated December 2, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards,* which are described in the accompanying Schedule of Findings as items 2007-001 through 2007-005.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated December 2, 2008.

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the Board of County Commissioners, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 2, 2008

Mary Taylor, CPA
Auditor of State

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

Jackson County
226 East Main Street
Jackson, Ohio 45640

To the Board of County Commissioners:

Compliance

We have audited the compliance of Jackson County, Ohio (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2007. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying Schedule of Findings as items 2007-006 and 2007-008.

In a separate letter to the County's management dated December 2, 2008, we reported an other matter related to federal noncompliance not requiring inclusion in this repot.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701-2157
Telephone: (740) 594-3300   (800) 441-1389   Fax: (740) 594-2110
www.auditor.state.oh.us

Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as findings 2007-007 and 2007-008 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings, we consider finding number 2007-007 to be a material weakness.

The County's responses to the findings we identified are described in the accompanying Schedule of Findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 2, 2008

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any other significant deficiencies in internal control reported for major federal programs?**	Yes
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under §.510?**	Yes
(d)(1)(vii)	**Major Programs (list):**	Community Development Block Grant – State's Program – CFDA #14.228 HOME Investment Partnerships Program – CFDA #14.239 Airport Improvement Program – CFDA #20.106
(d)(1)(viii)	**Dollar Threshold: Type A/B Programs**	Type A: > $300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	No

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

FINDING NUMBER 2007-001

Noncompliance Finding

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 Admin. Code Section 117-2-03 further clarifies the requirements of Ohio Rev. Code Section 117.38.

Ohio Admin. Code Section 117-2-03(B) requires the County to file its annual financial report pursuant to generally accepted accounting principles. However, the County prepared its financial statements 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 the County take the necessary steps to ensure that the annual financial report is prepared and filed on a generally accepted accounting principles basis.

Officials' Response: We are in the process of correcting this issue. We have contracted with Local Government Services to begin a two-year process to bring us in compliance with the correct filing in accordance with generally accepted accounting principles. We will spread the cost of the conversion over the next two years.

FINDING NUMBER 2007-002

Noncompliance Finding

Ohio Rev. Code Section 5705.10(H) provides that money that is paid into a fund must be used only for the purposes for which such fund has been established.

A review of fund balances throughout 2007 indicated negative fund balances in numerous funds at the end of the month for March, June and October, as noted below:

Month	*Fund Number*	*Fund Name*	*Fund Balance*
March	101	General	$ (157,968)
	216	Emergency Medical Services	(190,627)
	219	Mental Retardation	(82,674)
	863	Board of Health	(16,459)
	874	Solid Waste	(23,461)
	875	Help Me Grow	(3,989)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-002 (Continued)

Noncompliance Finding - Ohio Rev. Code Section 5705.10(H) (Continued)

Month	*Fund Number*	*Fund Name*		*Fund Balance*
June	206	Public Assistance	$	(63,457)
	210	Workforce Investment Act		(15,895)
	833	Undivided Local Government		(54,740)
	874	Solid Waste		(12,074)
	877	Public Health Infastructure		(10,558)
October	206	Public Assistance	$	(411,642)
	210	Workforce Investment Act		(259,080)
	863	Board of Health		(31,483)
	867	Food Service		(2,710)

As a result, a negative balance indicates that money from one fund was used to cover the expenses of another fund.

We recommend the County Auditor and County Commissioners monitor fund balances monthly and utilize advances to prevent funds from having negative balances.

Officials' Response: All funds ended December 31 with a positive balance. Each department would have to advance funds to correct the negative monthly balance. We are working with the various departments to try to correct this issue.

FINDING NUMBER 2007-003

Noncompliance Finding

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated. Auditor of State Bulletin 97-010 states that when short-term notes mature, many local governments issue new notes for the same or a slightly smaller amount than the old one. The local government is required to budget for the payment of the principal of the old note and should budget for the receipt of the proceeds of the new note.

The County renewed bond anticipation notes in the amount of $2,560,000 during the audit period. The County Commissioners did not amend appropriations for the note debt and the County Auditor did not record the resulting payoff of the old note debt or the proceeds of the new note. An audit adjustment was made to the financial statements to reflect the correct debt principal payments and related debt proceeds from the renewal of the notes.

We recommend that prior to the County renewing its note debt each year the County Commissioners amend appropriations and estimated resources. The County Auditor should then record the corresponding payoff of the old debt and the proceeds of the new debt.

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-003 (Continued)

Noncompliance Finding - Ohio Rev. Code Section 5705.41(B) (Continued)

Officials' Response: We have always paid the principal and interest and never cleared the note issue as it is renewed each year and we have all documentation to back up our note payments. The time required for this correction does not seem justified.

FINDING NUMBER 2007-004

Noncompliance Finding

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer (County Auditor) can certify that both at the time that the contract or order was made ("then"), and at the time that the County Auditor is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the County can authorize the drawing of a warrant for the payment of the amount due. The County has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than $100 for counties may be paid by the County Auditor without a resolution upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the County.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The County may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the County Auditor for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-004 (Continued)

Noncompliance Finding - Ohio Rev. Code Section 5705.41(D)(1) (Continued)

Thirty-two percent of the transactions tested were not certified by the County Auditor at the time the commitment was incurred and there was no evidence that the County followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the County's funds exceeding budgetary spending limitations, we recommend that the County Auditor certify that the funds are or will be available prior to obligation by the County. When prior certification is not possible, "then and now" certification should be used.

We recommend the County Auditor certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The County Auditor should sign the certification at the time the County incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The County Auditor should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Officials' Response: This can be accomplished with the Commissioners approving the hiring of a purchase order clerk in my office, but due to budget issues, this has never been a priority with them. My current staff of five employees cannot take on the additional work to comply with this action.

FINDING NUMBER 2007-005

Noncompliance Finding / Material Weakness

Ohio Admin. Code Section 117-2-01(D) states, in part, that when designing the public office's system of internal control and the specific control activities, management should ensure all transactions are authorized in accordance with management's policies, ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

Ohio Admin. Code Section 117-2-02(D) states, in part, that all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include the following:

- Cash journal, which typically contains the following information: The amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
- Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-005 (Continued)

Noncompliance Finding / Material Weakness – Ohio Admin. Code Section 117-2-01(D) (Continued)

- Appropriation ledger, which may assemble and classify disbursements or expenditure/expenses into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, and any other information required may be entered in the appropriate columns.

In addition, as further explained in Ohio Rev. Code Section 308.12, the Secretary-Treasurer of the Jackson County Airport Authority (the Authority) shall be the fiscal officer of the Authority and the custodian of its funds and records. All funds coming into the hands of the Secretary-Treasurer shall be deposited by him to the account of the Authority in one or more such depositories as are qualified to receive deposits of county funds, which deposits shall be secured in the same manner as county funds are required to be secured. No disbursements shall be made from such funds except in accordance with rules and regulations adopted by the Board of Trustees.

During 2007, the Authority did not maintain a cash journal, receipt ledger, or appropriation ledger. This resulted in the inability to appropriately monitor financial information.

Additionally, the Secretary-Treasurer of the Authority was unable to provide the following:

1. Documentation to indicate the amount of bond required by the Board of Trustees;
2. Rules and regulations adopted by the Board of Trustees which governed the Authority's receipts and expenditures;
3. The reverse side of cancelled checks;
4. Monthly bank reconciliations;
5. Duplicate receipts; and
6. Documentation to support the review of invoices.

We recommend the Authority's Board of Trustees do the following:

1. Determine who is to be bonded and for what amount;
2. Adopt a set of rules and regulations to follow regarding receipting, disbursing, preparing and monitoring financial reports;
3. Obtain and retain the reverse side of cancelled checks;
4. Maintain a cash journal in order to determine the cash balances of each grant program year and to determine if adequate funds are available to meet program requirements;
5. Maintain a receipt ledger that classifies revenue sources and documents the duplicate receipt number, date, amount, and from whom the monies were received, and month-to-date and year-to-date receipt totals should be shown. This will enable the Authority to classify revenue sources on monthly/annual financial reports and to separately report the amounts on the federal draw requests and project close-out reports;
6. Maintain an appropriation ledger that classifies expenditures by function (such as airport expansion project disbursements, which the Authority must separately report to the U.S Department of Transportation) and documents the check number, date, amount, and payee, and month-to-date and year-to-date expenditure totals should be shown. This will enable the Authority to segregate expenditures by function on monthly/annual financial reports and verify the amounts on the federal draw requests and project close-out reports are accurate;

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-005 (Continued)

Noncompliance Finding / Material Weakness – Ohio Admin. Code Section 117-2-01(D) (Continued)

7. Complete and retain all monthly bank reconciliations;
8. Utilize pre-numbered duplicate receipts for all over–the-counter collections such as fuel sales;
9. Maintain all deposit tickets; and
10. Maintain and initial all invoices indicating the Secretary-Treasurer's review and that invoices are ready for payment.

Additionally, we recommend the Board of Trustees monitor the financial activity of the Authority.

Officials' Response: The Board of Commissioners will meet with the Airport Authority in a quarterly basis for the purpose of monitoring as recommended from your staff.

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2007-006
CFDA Title and Number	Community Development Block Grant – CFDA #14.228 HOME Investment Partnerships Program – CFDA #14.239
Federal Award Number / Year	B-F-06-037-1, B-C-06-037-2
Federal Agency	United States Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance Finding - Cash Management

According to the State of Ohio Department of Development, Office of Housing and Community Partnership Financial Management Rules and Regulations Handbook, Section (A)(3)(f), the grantee must develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursement of funds. This rule states that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than $5,000 within fifteen days of receipt of any funds. Lump sum draw downs are not permitted. Escrow accounts are permitted only in the case of rehabilitation of private property. For the purpose of the Fifteen Day Rule only, funds deposited into an escrow account will be considered expended, but it should be noted that funds may only be in an escrow account for 20 days.

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2007-006 (Continued)

Noncompliance Finding – Cash Management (Continued)

The following funds were drawn down but were not disbursed to a balance of less than $5,000 within fifteen days of receipt:

From Grant B-F-06-037-1 – Community Development Block Grant:

Draw number 279 dated August 23, 2007 was requested in the amount of $34,707 for sidewalk improvements and administration costs. The County received the funding on August 27, 2007; however, there were no disbursements during the 15 day period. Therefore, the money was not expended within fifteen days of receipt as required, and the balance exceeded $5,000 until October 23, 2007.

From Grant B-C-06-037-2 – HOME Investment Partnerships Program:

Draw number 280 dated September 27, 2007 was requested in the amount of $56,400 for rental assistance and rehabilitation costs. The County received the funding on September 28, 2007; however, disbursements during the 15 day period totaled $14,636, leaving $41,764 not disbursed within fifteen days. Therefore, money was not expended within fifteen days of receipt as required, and the balance exceeded $5,000 until December 12, 2007.

Additionally, during 2007, the Ohio Department of Development sent a memo to the recipients of Community Development Block Grant and HOME Partnership Investment Program awards notifying them that there would be a statewide shutdown of the accounting office for the implementation of a new statewide fiscal management system beginning June 7, 2007. As a result, award recipients were to consider their funding needs for the period June 1, 2007 through August 31, 2007 and submit Request for Payment and Status of Funds Reports by May 31, 2007. Disbursements with these draws would not be in violation of the fifteen day rule if spent by August 31, 2007.

The following funds were drawn down by May 31, 2007 but were not disbursed by August 31, 2007:

From Grant B-F-06-037-1 – Community Development Block Grant:

Draw number 276 dated May 24, 2007 was requested in the amount of $67,200 for water and sewer facilities, street improvements and fair housing costs. The County received the funding on June 14, 2007; however, subsequent disbursements were not made until April 9, 2008. Therefore, the money was not expended by August 31, 2007 as required indicating there was no need to draw down these funds prior to the statewide shutdown period.

From Grant B-C-06-037-2 – HOME Investment Partnerships Program:

Draw number 277 dated May 24, 2007 was requested in the amount of $126,472 for rental assistance, new construction, and rehabilitation costs. The County received the funding on June 14, 2007; however, disbursements through August 31, 2007 totaled $99,436, leaving $27,036 not disbursed during the statewide shutdown. Therefore, money was not expended by August 31, 2007 as required indicating excessive funds were drawn down prior to the statewide shutdown period.

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2007-006 (Continued)

Noncompliance Finding - Community Development Block Grant and HOME Investment Partnerships Program (Continued)

We recommend the County monitor the cash balances in these funds to determine when and how much cash to request. This will help ensure that the monies drawn down are expended within the required time frame.

Officials' Response: The County will contact CDC of Ohio who is responsible for the CDBG grants and see how we can make sure the money is expended within the fifteen-day rule.

Finding Number	2007-007
CFDA Title and Number	Airport Improvement Program CFDA #20.106
Federal Award Number / Year	3-39-0041-0203, 3-39-0041-0304, 3-39-0041-0405, 3-39-0041-0506, 3-39-0041-0607
Federal Agency	United States Department of Transportation
Pass-Through Agency	Not Applicable

Material Weakness

Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Procurement and Suspension and Debarment; Real Property Acquisition and Relocation Assistance; and Special Tests and Provisions

49 C.F.R 18.20(b)(3) requires non-Federal entities receiving federal awards to establish and maintain internal control designed to reasonably ensure compliance with laws, regulation, and program compliance requirements. Recipients shall adequately safeguard all assets and assure they are used solely for authorized purposes.

As noted in finding number 2007-005, the Jackson County Airport Authority (the Authority) did not have an effective internal control structure in place to provide reasonable assurance that the Authority is managing Federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements. No ledgers were maintained during the audit period. Bank reconciliations were not performed. There were no processes or procedures in place to ensure transactions were posted in the proper period or to the proper award year. The Authority must have this information to review / monitor reports its engineering firm submits to the United States Department of Transportation on its behalf. Further, there was no evidence that the Authority reviewed invoices for allowability or compliance with the federal requirements.

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2007-007 (Continued)

Material Weakness (Continued)

During the improvement project, the Authority relied on its engineering firm to complete payment requests, keep copies of invoices, and to be knowledgeable of allowable activities, allowable costs, etc. Invoices from other vendors were submitted to the engineering firm for their review and approval. Those invoices, as well as the engineering firm's own invoices, were used by the engineering firm to complete the payment requests for reimbursement and were subsequently submitted to the Authority for payment. No one at the Authority reviewed the engineering firm's documentation prior to submission for reimbursement by the Federal Aviation Administration. The engineering firm and the Authority Secretary-Treasurer were required to sign payment requests prior to submission. However, copies of the requests were not maintained by the Authority and copies signed only by the engineering firm were obtained from the engineering firm. Additionally, copies of invoices were also obtained from the engineering firm since the Authority did not keep the invoices used to make payment to the engineering firm and other vendors.

Without adequate recordkeeping and control procedures, the Authority was unable to ensure that compliance with program requirements such as Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Procurement and Suspension and Debarment; Real Property Acquisition and Relocation Assistance; and Special Tests and Provisions could be maintained. Failure to maintain effective internal controls over these requirements could result in the loss of future funding and subject the authority to a program specific audit by the granting agency.

Additionally, the Authority was unable to verify the accuracy of draw requests and project close out reports prepared by the engineering firm. A cash journal, receipts ledger and appropriation ledger would have assisted the Authority in tracking the amount of federal funds received for each grant award, the amount spent or obligated on each award, and the cash balance of each award. Without tracking this information, the Authority would be unable to prepare the required reports themselves if the engineering firm failed to do so. This could also result in the Authority running short on funds by not budgeting for the amount of local match money needed.

The Authority Secretary-Treasurer performed all accounting functions, including receipting, depositing and disbursing federal funds. It is therefore important that the Authority's Board of Trustees monitor financial activity closely. Additionally, since this grant was awarded to both the Authority and the Jackson County Commissioners, monitoring of activities should have been performed by the County Commissioners.

We recommend the Authority's Board of Trustees and the Jackson County Commissioners do the following:

1. Create and enforce policies and procedures to ensure compliance with laws, regulations and program compliance requirements;
2. Maintain a cash journal, receipts ledger and appropriation ledger in order to prepare or review reports required by the Federal Aviation Administration;
3. Review detailed financial reports and bank reconciliations on a monthly basis;
4. Maintain copies of the signed draw requests showing their approval of the requests and their agreement to the ledgers maintained by the Authority; and
5. Maintain invoices showing review and approval of all invoices for allowability, and specifically document approval of invoices from the engineering firm since the engineering firm cannot approve their own invoices.

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2007-007 (Continued)

Material Weakness (Continued)

Officials' Response: The Board of Commissioners will meet with the Airport Authority in a quarterly basis for the purpose of monitoring as recommended from your staff.

Finding Number	2007-008
CFDA Title and Number	Airport Improvement Program CFDA #20.106
Federal Award Number / Year	3-39-0041-0203, 3-39-0041-0506, 3-39-0041-0607
Federal Agency	United States Department of Transportation
Pass-Through Agency	Not Applicable

Noncompliance Finding / Significant Deficiency

Cash Management

The Airport Improvement Program Handbook, Chapter 13, Section 1302, 49 C.F.R. Section 18.21 and 2 C.F.R. Section 215.22 state payments should be made on a reimbursable basis for actual work completed, material delivered to the site, or land acquired. Per inquiry of the Federal Aviation Administration, an informal policy exists permitting grant sponsors to request and receive payments prior to payment of invoices. However, invoices must be paid the same day funds are received or no later than the next business day. Late payment of invoices cannot be permitted.

The Jackson County Airport Authority (the Authority) did not follow procedures to minimize the time elapsing between receipt of funds from the United States Treasury and the subsequent disbursement as follows:

AIP-3-39-0041-0203
Draw #9 in the amount of $89,964 was received on August 8, 2007. Payments of $3,265 were made within two months of receipt of funds; however, the remaining payment of $86,699 was not made until November 2008, more than a year after receipt of funds.

AIP-3-39-0041-0506
Draw #2 in the amount of $224,484 was received on February 15, 2007. Payment was made on the invoices supporting this draw from April 17-May 3, 2007, more than two months after receipt of funds.

AIP-3-39-0041-0506
Draw #7 for $1,673 received October 26, 2007, $13,736 of Draw #8 received November 23, 2007, and $11,570 of Draw #9 received on November 29, 2007 and December 28, 2007 was not disbursed until March 2008, with a time elapsing of three to five months after receipt of funds.

AIP-3-39-0041-0607
$2,998 of Draw #2 received October 26, 2007 and Draw #3 for $11,986 received on November 23, 2007 was not disbursed until March 2008, with a time elapsing of four to five months after receipt of funds.

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2007-008 (Continued)

Noncompliance Finding / Significant Deficiency (Continued)

With the exception of AIP-3-39-0041-0203, invoices were on hand when the funds were drawn, indicating payments could be made immediately upon receipt of funds. For AIP-3-39-0041-0203, an agreement for services to be performed was used to draw funds, but services were not performed until 2008, indicating the funds were drawn prior to being needed.

We recommend the Authority follow procedures to minimize the time elapsing between the transfer of funds from the United States Treasury and their disbursement. We recommend invoices be paid at least monthly to assist in this process. Further, we recommend funds not be drawn until services have been performed and payment is required.

Officials' Response: The Board of Commissioners will meet with the Airport Authority in a quarterly basis for the purpose of monitoring as recommended from your staff.

JACKSON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 §.315(b)
DECEMBER 31, 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2005-001	A Finding for Recovery for public monies illegally expended against former MR/DD Superintendent, Ann Ogletree for payroll and severance pay overpayments	No	Not Corrected.
2005-002	A Finding for Recovery for public monies illegally expended against former MR/DD Administrative Assistant, Lori Bailey for payroll overpayments and severance pay overpayments	No	Not Corrected.
2005-003	A Finding for Recovery for public monies illegally expended against former MR/DD Service Support Administrator, Catherine Rippeth for payroll overpayments and severance pay overpayments	No	Not Corrected.
2005-004	A Finding for Recovery for receipts collected and unaccounted for against former J-VAC Director, Richard Moore, Penny Blackburn, Administrative Secretary, and Western Surety Company, the bonding company	No	Partially Corrected. Penny Blackburn has re-paid the finding amount issued against her. J-VAC is trying to resolve the finding against Richard Moore through the County Prosecutor.
2006-001	A Finding for Recovery for public money not accounted for against former Dog Warden, Tamela Spencer	Yes	
2006-002	A citation was issued under Ohio Rev. Code Section 5705.10 (H) for negative fund balances throughout the year.	No	Not Corrected. Reissued in the current audit as Finding Number 2007-002.
2006-003	A citation was issued under Ohio Rev. Code Section 5705.41(D)(1) for not properly encumbering	No	Not Corrected. Reissued in the current audit as Finding Number 2007-004.
2006-004	A citation and material weakness was issued under Ohio Admin. Code Section 117-2-01(D) relating to the Airport Authority for the lack of policies, security of assets, and not providing sufficient accounting records	No	Not Corrected. Reissued in the current audit as Finding Number 2007-005.

JACKSON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 §.315(b)
DECEMBER 31, 2007
(Continued)

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2006-005	A citation was issued under Ohio Rev. Code Section 117.38 for not filing the annual financial report on a GAAP basis	No	Not Corrected. Reissued in the current audit as Finding Number 2007-001.
2006-006	A citation was issued under Ohio Rev. Code Section 5705.41(B) for the County not amending appropriations for note debt and not recording resulting payoff of the old note debt	No	Not Corrected. Reissued in the current audit as Finding Number 2007-003.
2006-007	A citation and material weakness was issued under 49 C.F.R. 18.20(b)(3) and 2 C.F.R. 215.21(b)(3) relating to the Airport Authority for lack of internal controls over federal program requirements	No	Not Corrected. Reissued in the current audit as Finding Number 2007-007.

JACKSON COUNTY

CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §.315(c)
DECEMBER 31, 2007

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2007-001	The County has contracted with Local Government Services to file in accordance with GAAP for 2009.	December 31, 2009	Clyde Holdren, County Auditor
2007-002	The County Auditor will continue to review fund balances.	December 31, 2008	Clyde Holdren, County Auditor
2007-003	The County Auditor will record the proceeds of new debt and payoff old debt.	December 31, 2008	Clyde Holdren, County Auditor
2007-004	Would have to hire a purchase order clerk; however, budget constraints have prohibited this.	Unknown	Clyde Holdren, County Auditor
2007-005	The County Commissioners will meet with the Airport Authority Trustees quarterly to monitor compliance.	January 1, 2009	Jackson County Commissioners
2007-006	The County will work with CDC of Ohio to ensure compliance with the 15-day rule.	December 31, 2008	Clyde Holdren, County Auditor
2007-007	The County Commissioners will meet with the Airport Authority Trustees quarterly to monitor compliance	January 1, 2009	Jackson County Commissioners
2007-008	The County Commissioners will meet with the Airport Authority Trustees quarterly to monitor compliance	January 1, 2009	Jackson County Commissioners

Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

JACKSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 18, 2008

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us