



VINTON COUNTY, OHIO

SINGLE AUDIT

For the Year Ended December 31, 2008

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Vinton County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 8, 2009

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VINTON COUNTY, OHIO
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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Vinton County, Ohio, (the County) as of and for the year ended December 31, 2008, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2008, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, Mental Retardation and Developmental Disabilities Fund, Public Assistance Fund, and Motor Vehicle Gasoline Tax Fund thereof for the year then ended in conformity with accounting basis Note 2 describes.

Vinton County, Ohio
Independent Auditor's Report

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of federal awards expenditures is required by the 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. The schedule of federal awards expenditures has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

June 16, 2009

Vinton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

As management of Vinton County (the County), we offer readers this narrative overview and analysis of the financial activities of the County as a whole for the year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- Net assets of governmental activities decreased \$930,615.
- General cash receipts accounted for \$4,189,674 in receipts or 25 percent of all cash receipts. Program specific cash receipts in the form of charges for services, grants and contributions accounted for \$12,901,888 or 75 percent of total cash receipts of \$17,091,562.
- The County had \$18,022,177 in cash disbursements related to governmental activities; \$12,901,888 of these cash disbursements were offset by program specific charges for services, grants and contributions. General cash receipts (primarily grants, entitlements, and property taxes) of \$4,189,674 were not adequate to provide for these programs.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

Vinton County, Ohio
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Unaudited

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

Reporting the County as a Whole

Statement of Net Assets and Statement of Activities

The statement of net assets-cash basis and the statement of activities-cash basis reflect how the County did financially during 2008, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the County at year end. The statement of activities-cash basis compares cash disbursements with program cash receipts for each governmental program. Program cash receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the County's general receipts.

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

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

Reporting the County's Most Significant Funds

Fund Financial Statements

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

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

Vinton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
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Fiduciary Funds: Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. The County's only fiduciary funds are agency funds and a private purpose trust fund.

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

The County as a Whole

Recall that the Statement of Net Assets provides the perspective of the County as a whole. Table 1 provides a summary of the County's net assets for 2008 as compared to 2007:

Table 1
Net Assets – Cash Basis
Governmental Activities

	2008	2007
<i>Assets</i>		
Equity in Pooled Cash and Cash Equivalents	\$2,553,903	\$3,484,518
<i>Total Assets</i>	2,553,903	3,484,518
 <i>Net Assets</i>		
Restricted	2,143,135	3,129,917
Unrestricted	410,768	354,601
<i>Total Net Assets</i>	\$2,553,903	\$3,484,518

The decrease in Equity in Pooled Cash and Cash Equivalents is primarily due to a decrease in intergovernmental receipts by the County in 2008.

Vinton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Table 2 shows the highlights of the County's cash receipts and cash disbursements. These two main components are subtracted to yield the change in net assets.

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

Table 2
Change in Net Assets – Cash Basis
Governmental Activities

	2008	2007*
<i>Cash Receipts</i>		
<i>Program Cash Receipts:</i>		
Charges for Services	\$2,016,525	\$2,471,742
Operating Grants and Contributions	10,478,549	14,342,522
Capital Grants and Contributions	406,814	160,516
<i>Total Program Cash Receipts</i>	<u>12,901,888</u>	<u>16,974,780</u>
<i>General Cash Receipts:</i>		
Property Taxes	1,440,871	1,484,508
Sales Taxes	846,395	853,110
Unrestricted Grants and Entitlements	723,787	540,689
Interest	126,945	255,328
Issuance of General Obligation Bonds	0	75,000
Miscellaneous	1,051,676	1,456,494
<i>Total General Cash Receipts</i>	<u>4,189,674</u>	<u>4,665,129</u>
Total Cash Receipts	17,091,562	21,639,909
<i>Cash Disbursements</i>		
<i>Program Cash Disbursements:</i>		
<i>General Government:</i>		
Legislative and Executive	2,172,124	1,889,815
Judicial	592,066	761,998
Public Safety	904,754	846,334
Public Works	5,465,282	6,670,538
Health	1,520,766	1,627,842
Human Services	5,677,960	7,364,363
Conservation and Recreation	13,310	9,300
Community and Economic Development	13,027	67,073
Other	564,048	645,007
Capital Outlay	905,662	760,471
<i>Debt Service:</i>		
Principal Retirement	81,047	74,919
Interest and Fiscal Charges	112,131	113,368
Total Cash Disbursements	<u>18,022,177</u>	<u>20,831,028</u>
<i>Change in Net Assets</i>	(930,615)	808,881
<i>Net Assets – Beginning of Year</i>	3,484,518	2,675,637
<i>Net Assets – End of Year</i>	<u>\$2,553,903</u>	<u>\$3,484,518</u>

*Certain reclassifications were made for consistency between years.

Vinton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Net assets decreased \$930,615 in governmental activities in 2008 as a result of a large decrease in receipts which was only partially offset by a decrease in disbursements. Program cash receipts were composed of charges for services and operating and capital grants and contributions which were \$12,901,888. The largest change was the decrease in operating grants and contributions which was primarily due to decreases in intergovernmental receipts for Job and Family Services and for community development. Property taxes decreased approximately \$44,000 due mainly to the phase out of tangible personal property taxes. Unrestricted grants and entitlements increased due to the increase in reimbursements from the State related to the phase out of tangible personal property taxes and higher collections of homestead and rollback. Disbursements decreased as a direct result of decreases in funding.

Governmental Activities

Operating grants and contributions made up 60 percent of cash receipts for governmental activities of the County for 2008. Property tax receipts made up 8 percent of the total cash receipts for governmental activities for a total of 68 percent of all cash receipts coming from property taxes and operating grants and contributions.

Human services comprises 32 percent of governmental program cash disbursements. Public works disbursements make up 30 percent of governmental cash disbursements.

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

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

	2008		2007*	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government:				
Legislative and Executive	\$2,172,124	\$1,338,662	\$1,889,815	\$1,061,265
Judicial	592,066	344,709	761,998	432,019
Public Safety	904,754	574,912	846,334	441,657
Public Works	5,465,282	1,084,577	6,670,538	594,054
Health	1,520,766	303,646	1,627,842	164,246
Human Services	5,677,960	1,038,457	7,364,363	774,211
Conservation and Recreation	13,310	2,642	9,300	999
Community and Economic Development	13,027	2,585	67,073	6,037
Other	564,048	120,773	645,007	108,759
Capital Outlay	905,662	116,148	760,471	84,714
Debt Service:				
Principal Retirement	81,047	81,047	74,919	74,919
Interest and Fiscal Charges	112,131	112,131	113,368	113,368
Total Cash Disbursements	\$18,022,177	\$5,120,289	\$20,831,028	\$3,856,248

*Certain reclassifications were made for consistency between years.

Vinton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The County's Funds

The County's major funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of \$17,477,503 and cash disbursements and other financing uses of \$18,408,118. The net change in fund balance for the year was most significant in the Motor Vehicle Gasoline Tax Fund, which went from \$1,062,455 in 2007 to \$426,660 for 2008. Cash disbursements exceeded cash receipts in the amount of \$635,795, which resulted from a significant increase in cash disbursements in 2008 over 2007.

General Fund cash receipts exceeded cash disbursements by \$56,167. MRDD Fund cash receipts exceeded disbursements by \$40,177. Public Assistance Fund cash disbursements exceeded cash receipts by \$219,329.

General Fund Budgeting Highlights

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

For the General Fund, original and final budgets were not revised during 2008. Actual receipts exceeded budgeted receipts by \$319,558 due primarily to higher than expected charges for services and intergovernmental receipts. Actual disbursements fell below appropriations by \$36,423 due primarily to lower than expected disbursements for general government purposes.

The County's ending unobligated General Fund cash balance was \$401,468, which was over the final budgeted amount by \$348,275.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of \$905,662 during 2008.

Debt

Under the cash basis of accounting the County does not report bonds in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information the County's long-term obligations. At December 31, 2008, the County had \$2,108,409 in bonds for governmental activities with \$85,405 due within one year. Table 4 summarizes bonds outstanding:

Table 4
 Outstanding Debt as of December 31
 Governmental Activities

	2008	2007
County Health Department	\$22,813	\$32,909
County Courthouse Elevator	164,711	173,972
Juvenile Training District	127,656	134,657
County Job and Family Services Building	1,720,229	1,772,918
Community and Economic Development Building	73,000	75,000
Totals	\$2,108,409	\$2,189,456

Vinton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

All bonds outstanding are general obligations of the County for which the full faith and credit of the County is pledged for repayment. For additional information regarding bonds, please see Note 10 to the basic financial statements.

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

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

At December 31, 2008, the County's overall legal debt margin was \$13,728,546 with an unvoted debt margin of \$175,966. The debt is well within permissible limits.

Contacting the County's Financial Management

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

Vinton County
Statement of Net Assets - Cash Basis
December 31, 2008

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Unit</u>
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$2,553,903	\$6,245
<i>Total Assets</i>	<u>2,553,903</u>	<u>6,245</u>
NET ASSETS:		
Restricted for:		
Debt Service	669	0
Capital Projects	148,826	0
Public Assistance	94,849	0
Motor Vehicle Gasoline Tax	426,660	0
MRDD	295,128	0
Other Purposes	626,615	0
Childrens Services	55,827	0
Residential	105,486	0
County Court Research and Development	106,447	0
Community Development	171,841	0
Real Estate Assessment	110,787	0
Unrestricted	<u>410,768</u>	<u>6,245</u>
<i>Total Net Assets</i>	<u><u>\$2,553,903</u></u>	<u><u>\$6,245</u></u>

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

Vinton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts				Net Disbursements and Changes in Net Assets	
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Total	Component Unit
Governmental Activities:						
General Government:						
Legislative and Executive	\$2,172,124	\$467,839	\$365,623	\$0	(\$1,338,662)	
Judicial	592,066	82,518	164,839	0	(344,709)	
Public Safety	904,754	130,866	198,976	0	(574,912)	
Public Works	5,465,282	554,110	3,826,595	0	(1,084,577)	
Health	1,520,766	88,593	1,128,527	0	(303,646)	
Human Services	5,677,960	583,460	4,056,043	0	(1,038,457)	
Conservation and Recreation	13,310	1,349	9,319	0	(2,642)	
Community and Economic Development	13,027	1,321	9,121	0	(2,585)	
Other	564,048	58,062	385,213	0	(120,773)	
Capital Outlay	905,662	48,407	334,293	406,814	(116,148)	
Debt Service:						
Principal Retirement	81,047	0	0	0	(81,047)	
Interest and Fiscal Charges	112,131	0	0	0	(112,131)	
<i>Total Governmental Activities</i>	<u>18,022,177</u>	<u>2,016,525</u>	<u>10,478,549</u>	<u>406,814</u>	<u>(5,120,289)</u>	
Component Unit:						
Vinton Industries, Inc.	74,730	47,204	5,153	0		(22,373)
<i>Total Component Unit</i>	<u>\$74,730</u>	<u>\$47,204</u>	<u>\$5,153</u>	<u>\$0</u>		<u>(22,373)</u>
General Cash Receipts						
Property Taxes Levied for:						
General Purposes					677,730	0
MRDD					304,444	0
Special Purposes					458,697	0
Sales Taxes Levied for General Purposes					846,395	0
Grants and Entitlements Not Restricted to Specific Programs					723,787	0
Miscellaneous					1,051,676	0
Interest					126,945	389
<i>Total General Cash Receipts</i>					<u>4,189,674</u>	<u>389</u>
<i>Change in Net Assets</i>					(930,615)	(21,984)
<i>Net Assets Beginning of Year</i>					<u>3,484,518</u>	<u>28,229</u>
<i>Net Assets End of Year</i>					<u>\$2,553,903</u>	<u>\$6,245</u>

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

Vinton County
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds - Cash Basis
As of and For the Year Ended December 31, 2008

	General	MRDD	Motor Vehicle Gasoline Tax	Public Assistance	All Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS:						
Taxes	\$1,524,125	\$304,444	\$0	\$0	\$458,697	\$2,287,266
Charges for Services	351,705	0	363,209	0	982,830	1,697,744
Licenses and Permits	831	0	0	0	17,444	18,275
Fines and Forfeitures	111,882	0	33,749	0	8,805	154,436
Intergovernmental	667,327	266,897	3,156,540	4,085,996	3,387,019	11,563,779
Interest	109,441	0	15,735	0	1,769	126,945
Rent	3,625	0	0	0	142,445	146,070
Contributions & Donations	0	45,371	0	0	0	45,371
Other	229,215	16,900	22,721	320,492	462,348	1,051,676
<i>Total Cash Receipts</i>	<u>2,998,151</u>	<u>633,612</u>	<u>3,591,954</u>	<u>4,406,488</u>	<u>5,461,357</u>	<u>17,091,562</u>
CASH DISBURSEMENTS:						
General Government:						
Legislative and Executive	1,726,881	0	0	0	445,243	2,172,124
Judicial	369,306	0	0	0	222,760	592,066
Public Safety	642,615	0	0	0	262,139	904,754
Public Works	0	0	4,227,749	0	1,237,533	5,465,282
Health	3,009	590,355	0	0	927,402	1,520,766
Human Services	127,875	0	0	4,625,817	924,268	5,677,960
Conservation and Recreation	0	0	0	0	13,310	13,310
Community and Economic Development	0	0	0	0	13,027	13,027
Other	14,366	0	0	0	549,682	564,048
Capital Outlay	0	3,080	0	0	902,582	905,662
Debt Service:						
Principal Retirements	0	0	0	0	81,047	81,047
Interest and Fiscal Charges	0	0	0	0	112,131	112,131
<i>Total Cash Disbursements</i>	<u>2,884,052</u>	<u>593,435</u>	<u>4,227,749</u>	<u>4,625,817</u>	<u>5,691,124</u>	<u>18,022,177</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>114,099</u>	<u>40,177</u>	<u>(635,795)</u>	<u>(219,329)</u>	<u>(229,767)</u>	<u>(930,615)</u>
OTHER FINANCING SOURCE (USES):						
Transfers In	0	0	0	0	265,417	265,417
Advances In	0	0	0	0	120,524	120,524
Transfers Out	(49,442)	0	0	0	(215,975)	(265,417)
Advances Out	(8,490)	0	0	0	(112,034)	(120,524)
<i>Total Other Financing Sources (Uses)</i>	<u>(57,932)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>57,932</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	56,167	40,177	(635,795)	(219,329)	(171,835)	(930,615)
<i>Cash Basis Fund Balances at Beginning of Year</i>	354,601	254,951	1,062,455	314,178	1,498,333	3,484,518
<i>Cash Basis Fund Balances at End of Year</i>	<u>\$410,768</u>	<u>\$295,128</u>	<u>\$426,660</u>	<u>\$94,849</u>	<u>\$1,326,498</u>	<u>\$2,553,903</u>
CASH BASIS ASSETS AT END OF YEAR:						
Equity in Pooled Cash and Cash Equivalents	\$410,768	\$295,128	\$426,660	\$94,849	\$1,326,498	\$2,553,903
<i>Total Assets</i>	<u>\$410,768</u>	<u>\$295,128</u>	<u>\$426,660</u>	<u>\$94,849</u>	<u>\$1,326,498</u>	<u>\$2,553,903</u>
CASH FUND BALANCES AT YEAR END:						
Reserved for Encumbrances	\$9,300	\$0	\$36,331	\$0	\$0	\$45,631
Unreserved, Undesignated Report In:						
General Fund	401,468	0	0	0	0	401,468
Special Revenue Funds	0	295,128	390,329	94,849	1,177,003	1,957,309
Debt Service Funds	0	0	0	0	669	669
Capital Projects Funds	0	0	0	0	148,826	148,826
<i>Total Cash Basis Fund Balances</i>	<u>\$410,768</u>	<u>\$295,128</u>	<u>\$426,660</u>	<u>\$94,849</u>	<u>\$1,326,498</u>	<u>\$2,553,903</u>

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

Vinton County
Statement of Receipts, Disbursements, And Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Taxes	\$1,503,828	\$1,503,828	\$1,524,125	\$20,297
Charges for Services	312,049	312,049	351,705	39,656
Licenses and Permits	737	737	831	94
Fines and Forfeitures	99,267	99,267	111,882	12,615
Intergovernmental	459,025	459,025	667,327	208,302
Interest	97,101	97,101	109,441	12,340
Rent	3,216	3,216	3,625	409
Other	203,370	203,370	229,215	25,845
<i>Total Receipts</i>	<u>2,678,593</u>	<u>2,678,593</u>	<u>2,998,151</u>	<u>319,558</u>
DISBURSEMENTS:				
Current:				
General Government:				
Legislative and Executive	1,754,258	1,754,258	1,736,181	18,077
Judicial	375,161	375,161	369,306	5,855
Public Safety	652,803	652,803	642,615	10,188
Health	3,057	3,057	3,009	48
Human Services	129,902	129,902	127,875	2,027
Other	14,594	14,594	14,366	228
<i>Total Disbursements</i>	<u>2,929,775</u>	<u>2,929,775</u>	<u>2,893,352</u>	<u>36,423</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(251,182)</u>	<u>(251,182)</u>	<u>104,799</u>	<u>355,981</u>
OTHER FINANCING USES:				
Transfers Out	(50,226)	(50,226)	(49,442)	784
Advances Out	0	0	(8,490)	(8,490)
<i>Total Other Financing Uses</i>	<u>(50,226)</u>	<u>(50,226)</u>	<u>(57,932)</u>	<u>(7,706)</u>
<i>Net Change in Fund Balance</i>	(301,408)	(301,408)	46,867	348,275
<i>Fund Balance at Beginning of Year</i>	<u>354,601</u>	<u>354,601</u>	<u>354,601</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$53,193</u>	<u>\$53,193</u>	<u>\$401,468</u>	<u>\$348,275</u>

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

Vinton County
Statement of Receipts, Disbursements, And Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
MRDD Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Taxes	\$276,703	\$276,703	\$304,444	\$27,741
Intergovernmental	54,887	87,322	266,897	179,575
Contributions and Donations	9,330	14,844	45,371	30,527
Other	3,475	5,529	16,900	11,371
<i>Total Receipts</i>	<u>344,395</u>	<u>384,398</u>	<u>633,612</u>	<u>249,214</u>
DISBURSEMENTS:				
Current:				
Health	596,235	636,032	590,355	45,677
Capital Outlay	3,111	3,317	3,080	237
<i>Total Disbursements</i>	<u>599,346</u>	<u>639,349</u>	<u>593,435</u>	<u>45,914</u>
<i>Net Change in Fund Balance</i>	(254,951)	(254,951)	40,177	295,128
<i>Fund Balance at Beginning of Year</i>	<u>254,951</u>	<u>254,951</u>	<u>254,951</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$295,128</u></u>	<u><u>\$295,128</u></u>

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

Vinton County
Statement of Receipts, Disbursements, And Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Motor Vehicle Gasoline Tax Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Charges for Services	\$226,511	\$328,996	\$363,209	\$34,213
Fines and Forfeitures	21,047	30,570	33,749	3,179
Intergovernmental	1,968,537	2,859,208	3,156,540	297,332
Interest	9,813	14,253	15,735	1,482
Other	14,170	20,581	22,721	2,140
<i>Total Receipts</i>	<u>2,240,078</u>	<u>3,253,608</u>	<u>3,591,954</u>	<u>338,346</u>
DISBURSEMENTS:				
Current:				
Public Works	<u>3,300,000</u>	<u>4,313,531</u>	<u>4,264,080</u>	<u>49,451</u>
<i>Total Disbursements</i>	<u>3,300,000</u>	<u>4,313,531</u>	<u>4,264,080</u>	<u>49,451</u>
<i>Net Change in Fund Balance</i>	(1,059,922)	(1,059,923)	(672,126)	387,797
<i>Fund Balance at Beginning of Year</i>	1,027,524	1,027,524	1,027,524	0
<i>Prior Year Encumbrances Appropriated</i>	<u>34,931</u>	<u>34,931</u>	<u>34,931</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$2,533</u>	<u>\$2,532</u>	<u>\$390,329</u>	<u>\$387,797</u>

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

Vinton County
Statement of Receipts, Disbursements, And Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Public Assistance Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Intergovernmental	\$5,093,706	\$4,072,336	\$4,085,996	\$13,660
Other	633,617	318,793	320,492	1,699
<i>Total Receipts</i>	<u>5,727,323</u>	<u>4,391,129</u>	<u>4,406,488</u>	<u>15,359</u>
DISBURSEMENTS:				
Current:				
Human Services	6,041,500	4,705,306	4,625,817	79,489
<i>Total Disbursements</i>	<u>6,041,500</u>	<u>4,705,306</u>	<u>4,625,817</u>	<u>79,489</u>
<i>Net Change in Fund Balance</i>	(314,177)	(314,177)	(219,329)	94,848
<i>Fund Balance at Beginning of Year</i>	<u>314,178</u>	<u>314,178</u>	<u>314,178</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$94,849</u>	<u>\$94,848</u>

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

Vinton County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
As of December 31, 2008

	Private Purpose Trust	
	Fund	Agency Funds
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$15,839	\$1,543,714
Cash and Cash Equivalents in Segregated Accounts	0	166,447
<i>Total Assets</i>	\$15,839	\$1,710,161
NET ASSETS:		
Unrestricted	\$0	\$1,710,161
Held in Trust for Private Purposes	15,839	0
<i>Total Net Assets</i>	\$15,839	\$1,710,161

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

Vinton County
Statement of Changes in Fiduciary Net Assets - Cash Basis
Private Purpose Trust Fund
For the Year Ended December 31, 2008

	Sheppard-Dunkle Scholarship Trust
ADDITIONS:	
Interest	\$680
<i>Total Additions</i>	680
DEDUCTIONS:	
Scholarship's Awarded	750
<i>Decrease in Net Assets</i>	(70)
<i>Net Assets Beginning of Year</i>	15,909
<i>Net Assets End of Year</i>	\$15,839

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

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

Reporting Entity:

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

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

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

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

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

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

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

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

- Soil and Water Conservation District
- Vinton County Health District

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

Government-wide Financial Statements

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

Fund Financial Statements

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

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

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

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

MRDD Fund This fund accounts for funding from various federal and state grants and a property tax levy used to provide assistance and training to mentally retarded and developmentally disabled individuals.

Motor Vehicle Gasoline Tax Fund This fund accounts for state gasoline tax and motor vehicle registration fees for maintenance and improvement of County roads.

Public Assistance Fund This fund accounts for funding from various federal and state grants used to provide job training and public assistance to qualified clients, to pay their medical assistance providers and for certain public social services.

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

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

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

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

C. Basis of Presentation

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Cash Receipts-Exchange and Non-exchange Transactions

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

Cash Disbursements

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

D. Budgetary Process

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

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

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

E. Cash and Cash Equivalents

To improve cash management, all cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. For 2008, interest receipts amounted to \$127,625 in which \$109,441 was recorded in the General Fund, \$15,735 in the Motor Vehicle Gasoline Tax Major Special Revenue Fund, \$1,769 in all other governmental funds, and \$680 in the Private Purpose Trust Fund.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

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

G. Compensated Absences

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

H. Long-Term Obligations

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

I. Interfund Transactions

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

J. Net Assets

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

Of the County's \$2,143,135 of restricted net assets, none is restricted by enabling legislation.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

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

Deposits

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

As of December 31, 2008, the County’s bank balance of \$4,418,254 is either covered by FDIC or collateralized by the financial institutions’ public entity deposit pools in the manner as described above.

NOTE 4 - BUDGETARY BASIS FUND BALANCES

Differences between the budgetary basis fund balances and fund cash balances are due to encumbrances. The table below presents those differences for the County’s major funds:

	General Fund	MRDD	Motor Vehicle Gasoline Tax	Public Assistance
Budgetary Basis Fund Balances	\$401,468	\$295,128	\$390,329	\$94,849
Encumbrances	9,300	0	36,331	0
Fund Cash Balances	<u>\$410,768</u>	<u>\$295,128</u>	<u>\$426,660</u>	<u>\$94,849</u>

NOTE 5 - 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 2008 for real and public utility property taxes represents collection of 2007 taxes. Property tax receipts received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 5 - PROPERTY TAXES (Continued)

2008 real property taxes are levied after October 1, 2008 on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are intended to finance 2009.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2006. Collections are made in 2008. Tangible personal property taxes are being phased-out and for 2008 were assessed on 6.25% of true value and will be reduced to zero for 2009.

The assessed value for the taxes levied in 2008 was \$175,966,170 of which real property represented 79 percent (\$139,527,420) of the total, public utility property represented 17 percent (\$29,193,650) of the total, and tangible personal property represented 4 percent (\$7,245,100) of the total. The full tax rate for all County operations for taxes collected in 2008 was \$14.75 per \$1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due by 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 by April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

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

NOTE 6 - PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolution and vote of the people, imposed a one percent tax on certain retail sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax cash receipts for 2008 amounted to \$846,395.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 7 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008, the County contracted with Buckeye Joint-County Self Insurance Council (a public entity shared risk pool, see note 12) for liability, auto, and crime insurance. The program has a \$0 to \$5,000 deductible per occurrence:

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

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of \$14,163,635, other property insurance including \$10,000 for extra expenses and \$100,000 for valuable papers and records insurance.

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

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

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

NOTE 8 - RETIREMENT SYSTEM

Ohio Public Employees Retirement System (OPERS)

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
 - 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
 - 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
 - 3) The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

- B. OPERS provides retirement, disability, and survivor and death benefits and annual cost-of-living adjustments to qualifying members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 8 - RETIREMENT SYSTEM (Continued)

- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans.

The member contribution rates were 10.0%, 9.5% and 9.0% for 2008, 2007, and 2006, respectively, for the County.

The employer contribution rates were 14.0%, 13.85%, and 13.70% of covered payroll for 2008, 2007, and 2006, respectively, for the County.

The County's contributions to OPERS for the years ended December 31, 2008, 2007, and 2006 were \$1,063,641, \$1,024,491, and \$971,451, respectively, which were equal to the required contributions for those years.

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

OPERS issues a stand-alone financial report. Interest parties may obtain a copy by writing OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer's contributions are expressed as a percentage of the covered payroll of active members. In 2008, the County contributed at 14.0% of covered payroll. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contributions allocated to the health care plan was 7.0% of covered payroll. For 2007, these percentages were 5.0% for January through June 2007 and 6.0% for July through December 2007. For 2006, this percentage was 4.5%. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The employer contributions that were used to fund post-employment benefits were \$531,820 for 2008, \$406,825 for 2007, and \$387,827 for 2006.
- D. The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 10 - LONG-TERM DEBT

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding such changes in the County's long-term obligations during 2008 is as follows:

Types/Issues	Outstanding At 12/31/07	Increases	Decreases	Outstanding At 12/31/08	Due in One Year
1994 - 7.0%					
County Health Department Building General Obligation Bonds	\$32,909	\$0	(\$10,096)	\$22,813	\$10,803
2000 - 5.75%					
County Courthouse Elevator Project General Obligation Bonds	173,972	0	(9,261)	164,711	9,801
2001 - 5.50%					
Juvenile Training District General Obligation Bonds	134,657	0	(7,001)	127,656	7,391
2002 - 5.1%					
County Job & Family Services Building General Obligation Bonds	1,772,918	0	(52,689)	1,720,229	55,410
2007 - 4.125%					
Community & Economic Development Building General Obligation Bonds	75,000	0	(2,000)	73,000	2,000
Total:	\$2,189,456	\$0	(\$81,047)	\$2,108,409	\$85,405

The County issued General Obligation Bonds in 1994 for the Vinton County Health Building in the amount of \$210,000.

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 10 - LONG-TERM DEBT (Continued)

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

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

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

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

At December 31, 2008, the County's overall legal debt margin was \$13,728,546 with an unvoted debt margin of \$175,966.

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

	Health Department		Elevator Project		Detention & Rehabilitation	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$10,803	\$1,596	\$9,801	\$9,277	\$7,391	\$6,975
2010	12,010	391	10,373	8,704	7,804	6,562
2011	0	0	10,978	8,099	8,238	6,128
2012	0	0	11,618	7,459	8,698	5,668
2013	0	0	12,296	6,781	9,183	5,183
2014-2018	0	0	73,008	22,275	54,189	17,640
2019-2023	0	0	36,637	2,593	32,153	2,782
Totals	\$22,813	\$1,987	\$164,711	\$65,188	\$127,656	\$50,938

	Community & Economic			
	Job & Family Services		Development	
	Principal	Interest	Principal	Interest
2009	\$55,410	\$87,034	\$2,000	\$3,011
2010	58,274	84,170	2,000	2,929
2011	61,284	81,162	2,000	2,846
2012	64,448	77,996	2,000	2,764
2013	67,776	37,334	2,000	2,681
2014-2018	395,154	158,538	12,000	12,128
2019-2023	508,300	101,962	15,000	9,282
2024-2028	509,583	30,097	18,000	6,065
2029-2032	0	0	18,000	1,940
Totals	\$1,720,229	\$658,293	\$73,000	\$43,646

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 11 - INTERFUND TRANSACTIONS

A. Interfund Advances

Advances in and out during the year ended December 31, 2008 consisted of the following:

	Advances In	Advances Out
General Fund	\$0	\$8,490
Non-Major Funds	120,524	112,034
Total All Funds	\$120,524	\$120,524

During 2008, the General Fund advanced monies to non-major governmental funds in anticipation of intergovernmental grant revenue. Advances among nonmajor funds were between grant funds with similar activity, functions and funding sources, and were made in anticipation of intergovernmental revenue.

B. Interfund Transfers

The following transfers in and out were made during 2008:

	Transfers In	Transfers Out
General Fund	\$0	\$49,442
Non-Major Funds	265,417	215,975
Total All Funds	\$265,417	\$265,417

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt.

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

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

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

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

South Central Regional Juvenile Detention Center

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

The Center's revenue is from per diem charges for inmates to the respective Counties and a percent of the County tax base to the total tax base. Ross County is the fiscal officer of the Center. Vinton County does not have any financial interest or responsibility. During 2008, Vinton County contributed \$56,689 to the Center.

Buckeye Joint-County Self Insurance Council

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

The degree of control exercised by any participating government is limited to its representation on the Board. The Governing Board is composed of at least one County Commissioner from each of the participating Counties. The Governing Board annually elects officers which include President, Vice President, Second Vice-President and two Governing Board Members.

The expenditures and investments of funds by the officer must be approved by the Governing Board unless specific limits have been set by the Governing Board.

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

In the event of the termination of the Council, current members shall be paid in an amount they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is, therefore, not possible. During 2008, Vinton County paid \$113,543 to the Council for insurance coverage. This jointly governed organization is a cost-sharing pool.

Ohio Government Risk Management Plan

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

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

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

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

Vinton County Community Improvement Corporation

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

NOTE 13 – COMPONENT UNIT

Vinton Industries, Inc. (Corporation)

Vinton Industries, Inc., a discretely presented component unit of Vinton County, prepared their financial statements on a modified basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Corporation maintains checking and savings accounts. The Corporation has no investments or non-cash holdings other than certificates of deposit. At December 31, 2008, the carrying amount of the Corporation's deposits was \$6,245 and the bank balance was \$6,245. Deposits are categorized into one of three categories of credit risk:

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

The entire bank balance was covered by federal deposit insurance. There are no statutory guidelines regarding the deposit and investment of funds by the Corporation.

The Corporation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required.

Vinton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

NOTE 14 - CONTINGENT LIABILITIES

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

The County had several pending litigation cases at December 31, 2008. Management believes that the financial impact of these cases, if any, would not be material to the basic financial statements of the County.

NOTE 15 – COMPLIANCE

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

VINTON COUNTY FINANCIAL CONDITION
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. Department of Agriculture</u>			
<i>Direct from Federal Government</i>			
Rural Business Enterprise Grant (RBEG)	(2)	10.769	\$ 25,000
Rural Housing Preservation Grants	(2)	10.433	132,514
Community Facilities Grant	(2)	10.766	113,600
Total US Department of Agriculture			<u>271,114</u>
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the Ohio Department of Development/State's Program</i>			
Community Development Block Grants:			
HUD Disaster Recovery Program	B-P-06-075-2	14.228	265
New Horizons Fair Housing Assistance Program	B-N-07-075-1	14.228	18,444
FY07 Economic Development Program	B-E-07-075-1	14.228	4,234
FY07 Formula	B-F-07-075-1	14.228	138,367
FY05 Formula	B-F-05-075-1	14.228	15,000
FY06 Microenterprise Program	B-M-06-075-1	14.228	16,486
FY08 CHIP	B-C-08-075-1	14.228	61,261
FY06 CHIP	B-C-06-075-1	14.228	200,334
Appalachian Regional Commission - Harrison Water	B-P-06-075-1	14.228	250,000
Appalachian Regional Commission - Hamden Water	B-P-06-075-1	14.228	11,574
Total Community Development Block Grants			<u>715,965</u>
Total U.S. Department of Housing and Urban Development			715,965
<u>U.S. Department of Justice</u>			
<i>Passed through the Ohio Department of Youth Services</i>			
Drug Court Discretionary Grant Program			
Edward Byrne Justice Asst. Grant Formula Program	2005-JG-LLE-5115	16.738	18,000
Total U.S. Department of Justice			<u>18,000</u>
<u>U.S. Department of Transportation</u>			
Airport Improvement Program			
Total Airport Improvement Program	(2)	20.106	<u>228,471</u>
<u>U.S. Department of Labor</u>			
<i>Passed through the Ohio Department of Human Services</i>			
<i>Workforce Allocation Cluster</i>			
WIA - Local - Adult	(1)	17.258	73,588
WIA - Local - Youth	(1)	17.259	80,309
WIA - Local - Dislocated	(1)	17.260	61,733
WIA - Local - Administration	(1)	17.2xx	7,353
WIA - Area 14 - Adult	(1)	17.258	735,545
WIA - Area 14 - Youth	(1)	17.259	1,107,916
WIA - Area 14 - Dislocated	(1)	17.260	583,291
WIA - Area 14 - Administration	(1)	17.2xx	157,046
Total U.S. Department of Labor			<u>2,806,781</u>

VINTON COUNTY FINANCIAL CONDITION
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. Elections Commission</u>			
Help America Vote Act	(2)	90.401	15,000 <u>15,000</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through the State Department of MRDD</i>			
Social Services Block Grant	8200011	93.667	12,772
Voting Access for Individuals with Disabilities	(2)	93.617	<u>6,395</u>
Total U.S. Department of Health and Human Services			19,167
<u>U.S. Department of Homeland Security</u>			
<i>State Domestic Preparedness Equipment Support Program:</i>			
<i>Passed through the Ohio Emergency Management Agency</i>			
FY06 State Homeland Security Program, Regional	2006-GE-T6-0030	97.067	17,825
FY07 State Homeland Security Program, Regional	2007-GE-T7-0030	97.067	<u>6,751</u>
Total State Domestic Preparedness Equipment Support Program			24,576
Total Federal Expenditures			<u>\$ 4,099,074</u>

(1) - Passthrough entity number not available

(2) - Direct from the federal government

See accompanying notes to the schedule of federal awards expenditures.

VINTON COUNTY FINANCIAL CONDITION
Notes to the Schedule of Federal Awards Expenditures
For the year ended December 31, 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

NOTE C - REVOLVING LOAN FUNDS

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

These loans are collateralized by mortgages of property and equipment and by guarantees. At December 31, 2008, the gross amount of loans outstanding under this program were \$1,411,430.

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 16, 2009. The County's basic financial statements have been prepared on the cash basis of accounting rather than the generally accepted accounting principles. We did audit the financial statements of Vinton Industries, Inc., the discretely presented component unit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion 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 internal control deficiencies that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be material weakness.

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 deficiency described as finding 2008-001 in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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.

Board of Commissioners
Vinton County, Ohio
Independent Accountant's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Required by
Government Auditing Standards

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that the significant deficiency described as finding 2008-001 in the accompanying schedule of findings, is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as 2008-001 and 2008-002.

We noted certain matters that we have reported to the management of the County in a separate letter dated June 16, 2009.

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

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

June 16, 2009

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

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

Compliance

We have audited the compliance of Vinton County, Ohio (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, Vinton County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weakness as defined below. We did not identify any deficiencies in the internal control over compliance that we consider to be a material weakness.

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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results 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.

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

June 16, 2009

VINTON COUNTY, OHIO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

A. SUMMARY OF AUDITOR'S RESULTS

1. Type of Financial Statement Opinion	Unqualified
2. Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	Yes
3. Were there any other significant deficiencies in internal controls reported at the financial statement level (GAGAS)?	No
4. Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes
5. Were there any material internal control weaknesses reported for major federal programs?	No
6. Were there any other reportable internal control weaknesses reported for major federal programs?	No
7. Type of Major Programs' Compliance Opinion	Unqualified
8. Are there any reportable findings under § .510?	No
9. Major Programs (list):	Workforce Allocation Cluster: CFDA #17.258, 17.259, 17.260
10. Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Other Programs
11. Low Risk Auditee?	No

VINTON COUNTY, OHIO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

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

Finding Number 2008-001

Financial Statement Adjustments - Significant Deficiency/Material Weakness/Material Noncompliance

Rule 117-2-01(A) and 117-2-01(B)(1) of the Ohio Administrative Code directs all public offices to design and operate a system of internal control that is adequate to provide reasonable assurance regarding the reliability of financial reporting.

Sound financial reporting is the responsibility of the County Auditor and Board of Commissioners and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. It is also important to note that independent auditors are not part of an entity's internal control structure and should not be relied upon by management to detect misstatements in the financial statements.

Thus, it is important that management develop control procedures related to drafting financial statements and footnotes that enable management to prevent and detect potential misstatements in the financial statements and footnotes prior to audit.

The following audit adjustments were made to the December 31, 2008 financial statements:

1. To reclassify \$65,776 of charges for services revenues in the Other Governmental Funds to intergovernmental revenue.
2. To reclassify \$167,000 of other revenue in the Public Assistance Fund to intergovernmental revenue.
3. To reclassify \$232,776 to operating grant and contributions for Governmental Activities: \$65,776 from charges for services, and \$167,000 from miscellaneous revenue.

The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the County properly follow the policies and procedures established for controls over recording of financial transactions and over financial reporting to help ensure the information accurately reflects the activity of the County and thereby increasing the reliability of the financial data throughout the year.

VINTON COUNTY, OHIO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

Officials' Response

Vinton County is currently, and will continue to practice sound financial reporting. The County did not make any audit adjustments, or reclassifications related to the December 31, 2008 Cash Basis Financial Statement. We feel that we have reported all information correctly. The financial report, which is prepared by Balestra, Harr & Scherer, had the funds classified incorrectly. All money has been accounted for and reported. We will meet with Balestra, Harr & Scherer to discuss ways of improving this matter in future years.

Finding Number 2008-002

Annual Financial Report - Noncompliance Citation

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

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

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

Officials Response

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

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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

VINTON COUNTY, OHIO
Corrective Action Plan
For the Year Ended December 31, 2008

Finding Number	Planned Corrective Action	Anticipated Completion Date	Contact Person
2008-001	The County will review accrual journal entries to attempt to correct any issues prior to future audits.	N/A	Cindy Owings, Auditor County Commissioners: Jerry Zinn, President Thomas Morgan, Member Michael Bledsoe, Member
2008-002	The County does not anticipate filing on a GAAP basis until financial conditions improve.	No estimated date.	Cindy Owings, Auditor County Commissioners: Jerry Zinn, President Thomas Morgan, Member Michael Bledsoe, Member

VINTON COUNTY, OHIO
Schedule of Prior Audit Findings
For the Year Ended December 31, 2008

Finding Number	Description	Status	Comments
<i>Government Auditing Standards:</i>			
2007-001	Ohio Admin Code Section 117-2-03(A) requires the County to design and operate a system of internal control adequate to provide reasonable assurance regarding the reliability of financial reporting. Audit adjustments were required to correctly reflect the revenue classifications in the County's financial statements.	Not Corrected	Re-issued in current Schedule of Audit Findings as item 2008-001.
2007-002	Ohio Admin Code Section 117-22-03(B) requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. The County filed its report using the cash basis of accounting.	Not Corrected	Re-issued in current Schedule of Audit Findings as item 2008-002.



Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

VINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 21, 2009**