FINANCIAL CONDITION
VAN WERT COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2009

Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION
VAN WERT COUNTY

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VAN WERT COUNTY

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Financial Condition
Van Wert County
121 E. Main Street
Van Wert, Ohio 45891

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the component unit, Thomas Edison Center, which represents fifty-seven percent of assets, fifty-nine percent of net assets and seventy-seven percent of revenues for the aggregate discretely presented component units. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for Thomas Edison Center on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, Ohio, as of December 31, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gas Tax, Community Development Block Grant, Thomas Edison and Brumback Library Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 5, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

Management's Discussion and Analysis

Van Wert County's discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2009.

Financial Highlights

- The County's total net assets increased $34,974 during 2009. Net assets of governmental activities increased $66,399 (.2%). Net assets of business-type activities decreased by $31,425 (3%).

- In an effort to conserve County General Funds, the Commissioners adopted a resolution effective June 12, 2009, that the County Courthouse closes at noon every Friday along with Probate/Juvenile Court, Youth Bureau, Election Board and the Commissioners' Office in the County Annex Building. This measure reduced employees' pay by one day equivalent per pay period.

- The General Fund transferred out a total of $349,721. $152,639 was for debt service obligations. $83,448 to the Department of Job and Family Services, $84,696 to the Child Support Enforcement Agency, $400 to the Richey Road Construction Fund, $26,460 to the CDBG fund and $2,078 for the County Resource Law Library.

- Business-type operations reflected an operating loss, since charges for services fell short of operating expenses. Business-type unrestricted net assets are $265,019.

- Capital assets used in governmental activities decreased $542,502 as depreciation exceeded capital asset additions. The County purchased some vehicles for County use and also resurfaced some road and replaced bridges. In addition, the County sold a portion of the Council on Aging Building during 2009 and a couple of vehicles.

Overview Of The Financial Statements

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand Van Wert County's financial situation as a whole and also give a detailed view of the County's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. 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.

Government-Wide Financial Statements

Statement of Net Assets and the Statement of Activities

The analysis of the County as a whole begins with the Statement of Net Assets and the Statement of Activities. These statements provide information that will help the reader to determine if Van Wert County is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes to those net assets. This change informs the reader whether the County's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the County's financial well being. Some of these factors include the County's tax base, and the condition of capital assets.

In the Statement of Net Assets and the Statement of Activities, the County is divided into two kinds of activities.

Governmental Activities – Most of the County's services are reported here including general government, public safety, public works, health, human services, conservation and recreation, economic development and assistance, and intergovernmental.

Business-Type Activities – These services include recycling. Service fees for this operation are charged based upon the amount of usage. The intent is that the fees charged recoup operational costs.

Fund Financial Statements

The analysis of the County's major funds begins on page 9. Fund financial statements provide detailed information about the County's major funds – not the County as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the County Auditor, with the approval of the County Commissioners, to help control, manage and report money received for a particular purpose or to show that the County is meeting legal responsibilities for use of grants. Van Wert County's major funds are General, Motor Vehicle and Gas Tax, Community Development Block Grant (CDBG), Thomas Edison, Brumback Library, and Recycling. The County chose to present the Brumback Library as a major fund due to the unique nature of the fund.

Governmental Funds – Most of the County's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund – When the County charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in enterprise funds. Enterprise funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Government-Wide Financial Analysis

As stated previously, the Statement of Net Assets looks at the County as a whole. The following table provides a summary of the County's net assets for 2009 compared to 2008.

	Governmental Activities		Business-Type Activities		Total	
	2009	**2008 - Restated**	**2009**	**2008**	**2009**	**2008 - Restated**
Assets:						
Current and Other Assets	$17,185,998	$16,595,658	$ 309,411	$ 311,282	$17,495,407	$16,906,940
Capital Assets	24,748,391	25,290,893	752,904	783,490	25,501,295	26,074,383
Total Assets	41,934,387	41,886,551	1,062,315	1,094,772	42,996,702	42,981,323
Liabilities:						
Current and Other Liabilities	4,150,520	4,030,346	34,025	27,808	4,184,545	4,058,154
Long-Term Liabilities:						
Due Within One Year	833,628	834,854	7,067	8,451	840,695	843,305
Due in More Than One Year	6,630,162	6,767,673	73,300	79,165	6,703,462	6,846,838
Total Liabilities	11,614,310	11,632,873	114,392	115,424	11,728,702	11,748,297
Net Assets:						
Invested in Capital Assets, Net of Related Debt	23,012,115	23,336,427	682,904	708,490	23,695,019	24,044,917
Restricted	10,972,085	10,440,382			10,972,085	10,440,382
Unrestricted (Deficit)	(3,664,123)	(3,523,131)	265,019	270,858	(3,399,104)	(3,252,273)
Total Net Assets	$30,320,077	$30,253,678	$ 947,923	$ 979,348	$31,268,000	$31,233,026

Total assets of governmental activities increased $47,836. Current and other assets increased $590,338.

Capital assets decreased $542,502 as a result of depreciation exceeding capital additions.

The County's total net assets increased $34,974 during 2009. Net assets of governmental activities increased .2% or $66,399.

Net assets of the County's business-type activities decreased by $31,425 during 2009, while also reporting an operating loss during 2009.

The following table shows the changes in net assets for 2009 compared with 2008:

	Governmental Activities		Business-Type Activities		Total	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Revenues:						
Program Revenues:						
Charges for Services	$3,483,510	$3,426,296	$515,849	$645,899	$3,999,359	$4,072,195
Operating Grants, Contributions and Interest	10,382,950	10,137,702			10,382,950	10,137,702
Capital Grants and Contributions	550,420	405,000	59,193		609,613	405,000
Total Program Revenues	14,416,880	13,968,998	575,042	645,899	14,991,922	14,614,897

(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Revenues:						
Property and Other Taxes	2,562,815	2,614,092			2,562,815	2,614,092
Permissive Sales Tax	3,268,999	3,542,444			3,268,999	3,542,444
Grants and Entitlements	1,416,563	1,469,512			1,416,563	1,469,512
Other	718,365	843,586	20,507		738,872	843,586
Total General Revenues	7,966,742	8,469,634	20,507		7,987,249	8,469,634
Total Revenues	22,383,622	22,438,632	595,549	645,899	22,979,171	23,084,531
Program Expenses:						
General Government:						
Legislative and Executive	4,560,556	5,132,163			4,560,556	5,132,163
Judicial	1,305,773	1,331,519			1,305,773	1,331,519
Public Safety	2,993,665	3,199,731			2,993,665	3,199,731
Public Works	4,946,521	4,552,089			4,946,521	4,552,089
Health	110,695	90,180			110,695	90,180
Human Services	6,449,771	6,929,593			6,449,771	6,929,593
Conservation and Recreation	20,507	25,438			20,507	25,438
Economic Development and Assistance	1,385,719	673,648			1,385,719	673,648
Intergovernmental	281,017	285,151			281,017	285,151
Debt Service Costs	262,999	509,025			262,999	509,025
Recycling			626,974	538,161	626,974	538,161
Total Expenses	22,317,223	22,728,537	626,974	538,161	22,944,197	23,266,698
Increase (Decrease) in Net Assets	$ 66,399	($ 289,905)	($31,425)	$107,738	$ 34,974	($ 182,167)

Governmental Activities

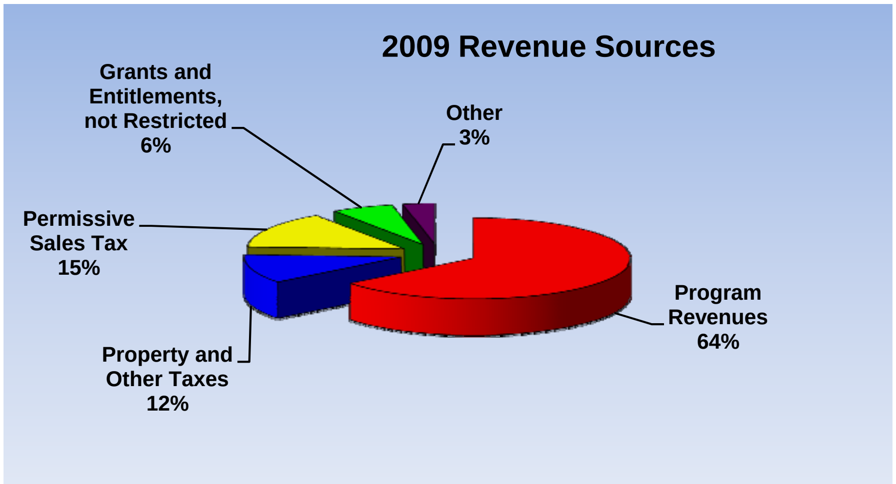
Program revenues make up 64% of total governmental revenues for 2009. The major recipients of intergovernmental program revenues were the Motor Vehicle and Gas Tax, Department of Job and Family Services, Thomas Edison, and Brumback Library Funds, as well as the Children's Services and CSEA Special Revenue Funds. During 2009, the County received Issue II monies for a road resurface project, a JAG grant that was used to purchase a new sheriff's vehicle and monies from OWDA for its sewer project that are shown as capital grants and contributions.

Property tax revenue decreased due to the reduction in personal property tax. The replacement revenue the County receives from the State in lieu of the personal property tax is shown with grants and entitlements not restricted.

The County's direct charges to users of governmental services made up around 16% of total governmental revenues for 2009. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Permissive sales tax is the second largest source of revenue for the County. The County received $3,268,999 in 2009 or about 15% of total governmental revenues. The County continued to see a reduction in sales tax revenue as the economic downturn continues to impact permissive sales tax revenue. This is the third year that the County's permissive sales tax revenue has decreased. During this time, permissive sales tax revenue has fallen almost $460,000.

The County Commissioners rely on general revenues, especially taxes, to close the gap between program revenues and expenses to furnish the quality of life to businesses and citizens to which they and previous County Commissioners have always been committed.



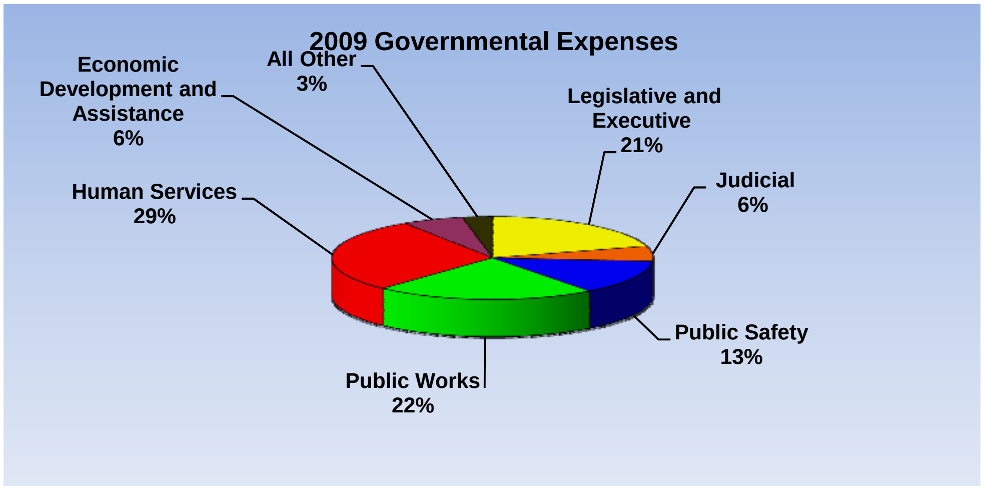
Legislative and executive, judicial, public safety and human services expenses have all decreased during 2009. As a result of the downturn in the economy and resulting decline in revenue, the County has implemented expense reduction procedures. In an effort to conserve County General Funds, the Commissioners adopted a resolution effective June 12, 2009, that the County Courthouse closes at noon every Friday along with Probate/Juvenile Court, Youth Bureau, Election Board and the Commissioners' Office in the County Annex Building. This measure reduced employees' pay by one day equivalent per pay period. In addition, the County laid-off nine employees in the Department of Job and Family Services during 2009.

Public works expenses increased during 2009. The County is working on sewer construction projects for Rt. 127, Rt. 118, and Richey which are included as public works expenses. The assets built under this construction will belong to the City of Van Wert. In addition, the County is working on a sewer construction project for Overholt addition. The County has received 0% interest loans from the OWDA to cover the work along with federal ARRA monies.

Expenses for Economic Development and Assistance increased during 2009 as a result of an increase in CDBG expenses which are paid for by operating grants.

FINANCIAL CONDITION
VAN WERT COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)

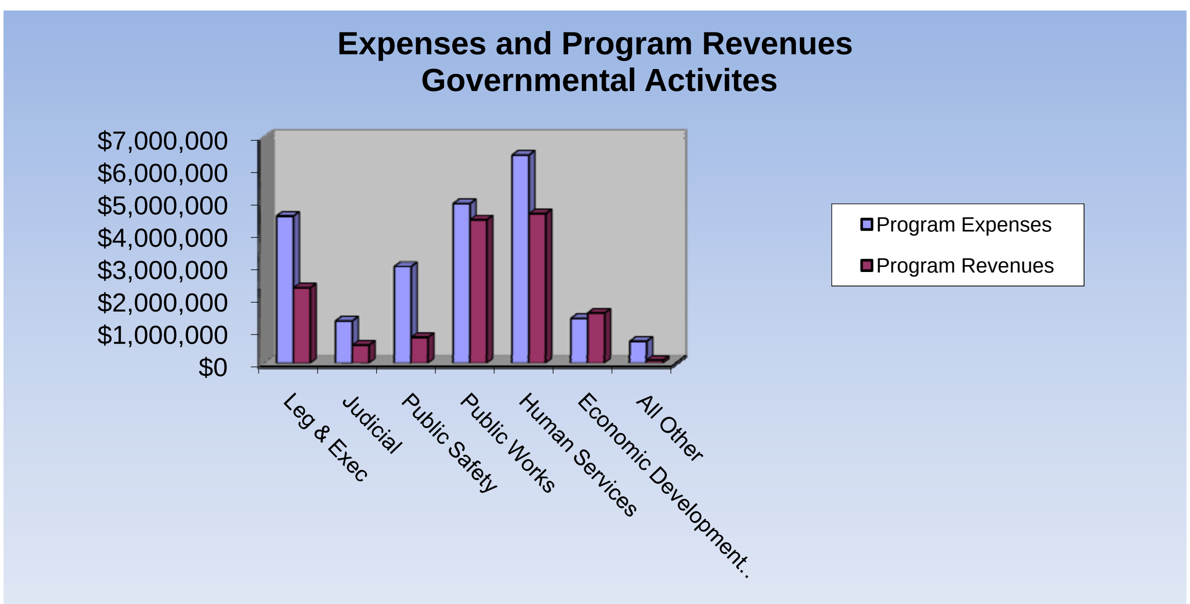


The legislative and executive expenses of the County rely heavily on general revenues to support the program. $2.2 million of legislative and executive expenses (49%) were covered by general revenues.

For public safety, the net cost of services of $2.2 million indicates the general purposes property tax levy and the permissive sales tax, support the operation of the Sheriff's Department and the Jail. To help reduce the tax burden and increase program revenues, the County has contracts for the housing of prisoners from other entities outside the County. During 2009, the County increased the rate for the boarding of prisoners from $42.50 to $45.00.

The $1.8 million in net cost of services for human services demonstrates the cost of services that are not supported from State and federal sources. As such, the taxpayers have approved property tax levies for the Thomas Edison Fund.

The Economic Development and Assistance program had a positive net cost of services for 2009. CDBG, HEAP, DOE Weatherization grants from the State and Federal Government support this program.



Business-Type Activities

The net assets for business-type activities decreased by $31,425 during 2009. Charges for services for recycling is the largest revenue source for business-type activities revenues. These charges for services fell short of the cost of operations for the recycling center for 2009, resulting in an operating loss of $89,186.

The County strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

Financial Analysis Of The County's Funds

Governmental Funds

Information about the County's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of $22.1 million and expenditures of $22.2 million. The General fund balance decreased by $18,510. Within the General Fund, revenues exceeded expenses by $200,387. Transfers to other funds such as the Debt Service funds and other Special Revenue funds totaled $349,721. The funds transferred were primarily used for debt and support of human services programs.

Unreserved, undesignated General fund balance equals $276,722, which is available for spending at the County's discretion. The remaining $37,227 fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year or a variety of other restricted purposes. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the State or federal government.

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance to total fund expenditures. Unreserved fund balance represents approximately 3.8% of total General Fund expenditures which is the same as prior year. In 2007, unreserved fund balance represented 6.7% of total General Fund expenditures.

The Motor Vehicle and Gas Tax fund balance decreased $38,877. Fund balance at December 31, 2009, was $1,669,575 of which $108,553 is encumbrances. The CDBG fund balance decreased $173,668. Fund balance at December 31, 2009, was ($121,749). Revenue that will be received from state and federal grants will cover the deficit balance. The Thomas Edison fund balance increased $261,499. Fund balance at December 31, 2009, was $1,871,538. The Brumback Library fund balance decreased $12,508, while fund balance at year-end was $475,345.

Enterprise Fund

The enterprise fund reflects an operating loss for 2009. Charges for services for Recycling services have historically been established to ensure that on a cash basis, fees are adequate to cover operations. The County Commissioners has set fees with the intention of funding operating costs and debt service.

Similarly, the statement of cash flows has a net cash decrease of 16,086. This occurred as result of expenses exceeding charges for services revenue for 2009.

Major Funds Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The County's budget is adopted on a line item basis. Before the budget is adopted the County Commissioners review detailed budget worksheets of each function within the General Fund and then adopts the budget at the fund, department, and object level (i.e., General Fund – Commissioners – salaries, supplies, equipment, contract repairs, travel expenses, maintenance, and other expenses).

During 2009, there were numerous revisions to the General Fund budget. The net effect of the revisions was a decrease in the appropriations of $610,241. This decrease from original appropriations resulted from a decrease in anticipated expenditures, part of which were associated with the County Courthouse closing at noon every Friday along with Probate/Juvenile Court, Youth Bureau, Election Board and the Commissioners' Office in the County Annex Building effective June 12, 2009. Original General Fund budgeted revenues were also adjusted 8% due to lower than anticipated revenues. Actual receipts were $616,235 (8%) less than what were originally estimated.

Appropriations for the Motor Vehicle and Gas Tax fund were increased $117,054. Appropriations were increased $43,435 for transfers to the Issue II fund for other expenses.

CDBG anticipated receipts increased $381,831 as monies from the State increased. Similarly, appropriations were increased as project expenditures were made.

Thomas Edison decreased anticipated receipts due to a decrease of revenues from the State and other governments. Appropriations were decreased to accommodate the decrease in revenue.

Anticipated receipts for Brumback Library decreased as funding from the State Public Library Fund decreased. By monitoring expenditures, the Library's actual expenditures were $107,091 less than appropriated.

Capital Assets And Debt Administration

Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Land	$ 248,700	$ 248,700			$ 248,700	$ 248,700
Land Improvements	20,399	20,399			20,399	20,399
Buildings	12,062,884	12,385,673	$286,123	$294,883	12,349,007	12,680,556
Machinery and Equipment	317,523	368,714	173,949	210,450	491,472	579,164
Furniture and Fixtures	31,148	41,220			31,148	41,220
Vehicles	1,752,247	2,067,348	292,832	278,157	2,045,079	2,345,505
Infrastructure	10,235,128	10,158,839			10,235,128	10,158,839
Construction in Progress	80,362				80,362	
	$24,748,391	$25,290,893	$752,904	$783,490	$25,501,295	$26,074,383

Additions to governmental capital assets included three police cruisers, vans for Home Weatherization Assistance Program, resurfacing some roads and replacing some bridges. Additions to business-type assets included a 2008 pro-roll off hook trailer. See Note 7 of the notes to the basic financial statements for more detailed capital asset information.

Long-Term Debt

At December 31, 2009, Van Wert County had $6,784,413 in long-term debt outstanding.

	Governmental Activities		Business-Type Activities	
	2009	2008	2009	2008
General Obligation Notes	$1,766,477	$1,923,987	$70,000	$75,000
OWDA Loan	727,502	485,111		
General Obligation Bonds	4,100,000	4,265,000		
Capital Leases	120,434	172,449		
	$6,714,413	$6,846,547	$70,000	$75,000

All general obligation note issues will be paid through the General Fund, Motor Vehicle and Gas Tax Fund, and debt service funds with property tax revenues, airport monies, and transfers from various funds. The Recycling Fund's note is paid from operating revenues of the recycling enterprise operation. The general obligation bonds will be paid from tax increment financing revenues. Obligations under capital lease will be paid from the Thomas Edison Special Revenue Fund and General Fund.

The County's overall legal debt margin was $8,761,844 as of December 31, 2009. The more restrictive un-voted legal debt margin was $3,135,233 as of the same date. See Note 14 of the notes to the basic financial statements for more detailed information.

Contacting The County Auditor's Office

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Nancy Dixon, County Auditor, Van Wert County, 121 East Main Street, Van Wert, Ohio 45891.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF NET ASSETS
DECEMBER 31,2009

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets:			
Equity in Pooled Cash and Cash Equivalents	$6,590,537	$54,740	$6,645,277
Cash and Cash Equivalents in Segregated Accounts	62,164		62,164
Cash and Cash Equivalents with Fiscal Agents	3,904		3,904
Short-term Investments in Segregated Accounts			
Accrued Interest Receivable	11,869		11,869
Accounts Receivable (Net, where applicable, of Uncollectible Accounts)	165,095	256,008	421,103
Other Current Assets			
Permissive Sales Tax Receivable	498,158		498,158
Due from Other Governments	5,402,729		5,402,729
Internal Balances	1,725	(1,725)	
Prepaid Items	54,185	388	54,573
Supplies Inventory	356,461		356,461
Property Taxes Receivable	2,839,023		2,839,023
Permissive Motor Vehicle License Tax Receivable	7,364		7,364
Tax Increment Financing Receivable	364,265		364,265
Loans Receivable	327,643		327,643
Special Assessments Receivable	221,651		221,651
Investments in Segregated Accounts	279,223		279,223
Depreciable Capital Assets, Net	24,398,930	752,904	25,151,834
Non-depreciable Capital Assets, Net	349,461		349,461
Total Assets	41,934,387	1,062,315	42,996,702
Liabilities:			
Accounts Payable	367,416	8,101	375,517
Accrued Salaries Payable	288,353	8,929	297,282
Contracts Payable	98,105		98,105
Due to Other Governments	579,835	16,867	596,702
Accrued Interest Payable	22,109	128	22,237
Compensatory Time Payable	43,348		43,348
Deferred Revenue	2,751,354		2,751,354
Long-Term Liabilities:			
Due Within One Year	833,628	7,067	840,695
Due in More Than One Year	6,630,162	73,300	6,703,462
Total Liabilities	11,614,310	114,392	11,728,702
Net Assets:			
Invested in Capital Assets, Net of Related Debt	23,012,115	682,904	23,695,019
Restricted for:			
Other Purposes	10,535,175		10,535,175
Capital Projects	436,910		436,910
Unrestricted (Deficit)	(3,664,123)	265,019	(3,399,104)
Total Net Assets	$30,320,077	$947,923	$31,268,000

See accompanying notes to the basic financial statements.

Component Units		
Thomas Edison Center	Van Wert County Port Authority	Van Wert County Airport Authority
	$25,939	
$83,277		$29,003
5,450		
28,544		3,214
2,000		
6,064		
3,674		200
1,313,223		
931,216	25,335	1,405,180
	56,352	214,100
2,373,448	107,626	1,651,697
32,637	130	6,396
		736
1,746		1,590
		1,352
		595
		10,680
		140,511
34,383	130	161,860
931,216	81,687	1,468,645
63,674		
1,344,175	25,809	21,192
$2,339,065	$107,496	$1,489,837

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

		Program Revenues		
	Expenses	**Charges for Services**	**Operating Grants, Contributions and Interest**	**Capital Grants and Contributions**
Governmental Activities:				
General Government:				
Legislative and Executive	$4,560,556	$1,564,758	$768,848	
Judicial	1,305,773	493,896	62,939	
Public Safety	2,993,665	296,516	484,329	$19,827
Public Works	4,946,521	535,922	3,380,157	530,593
Health	110,695	64,925		
Human Services	6,449,771	480,799	4,153,700	
Conservation and Recreation	20,507		20,507	
Economic Development and Assistance	1,385,719	42,253	1,512,470	
Intergovernmental	281,017			
Interest and Fiscal Charges	262,999	4,441		
Total Governmental Activities	22,317,223	3,483,510	10,382,950	550,420
Business-Type Activity:				
Recycling	626,974	515,849		59,193
Total Primary Government	22,944,197	3,999,359	10,382,950	609,613
Component Units:				
Thomas Edison Center	$612,176	$320,419	$322,057	
Van Wert County Port Authority	2,719	2,920		
Van Wert County Airport Authority	268,381	129,350	55,189	63,191
Total Component Units	$883,276	$452,689	$377,246	$63,191

General Revenues:
Property and Other Taxes Levied for:
General Purposes
Thomas Edison
Other Purposes
County Permissive Motor Vehicle License Taxes Levied for Public Works
Permissive Sales Taxes Levied for General Purposes
Grants and Entitlements not Restricted to Specific Programs
Unrestricted Investment Earnings
Tax Increment Financing
Other
Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-Type Activity	Total	Thomas Edison Center	Van Wert County Port Authority	Van Wert County Airport Authority
($2,226,950)		($2,226,950)			
(748,938)		(748,938)			
(2,192,993)		(2,192,993)			
(499,849)		(499,849)			
(45,770)		(45,770)			
(1,815,272)		(1,815,272)			
169,004		169,004			
(281,017)		(281,017)			
(258,558)		(258,558)			
(7,900,343)		(7,900,343)			
	($51,932)	(51,932)			
(7,900,343)	(51,932)	(7,952,275)			
			$30,300		
				$201	
					($20,651)
			30,300	201	(20,651)
934,141		934,141			
1,378,994		1,378,994			
149,020		149,020			
100,660		100,660			
3,268,999		3,268,999			
1,416,563		1,416,563			
222,290		222,290	198,892		
364,265		364,265			
131,810	20,507	152,317			
7,966,742	20,507	7,987,249	198,892		
66,399	(31,425)	34,974	229,192	201	(20,651)
30,253,678	979,348	31,233,026	2,109,873	107,295	1,510,488
$30,320,077	$947,923	$31,268,000	$2,339,065	$107,496	$1,489,837

FINANCIAL CONDITION
VAN WERT COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Motor Vehicle and Gas Tax	Community Development Block Grant
Assets:			
Equity in Pooled Cash and Cash Equivalents	$316,856	$1,148,664	$37,696
Cash and Cash Equivalents in Segregated Accounts	35,349		
Cash and Cash Equivalents with Fiscal Agents			
Investments in Segregated Accounts			
Receivables:			
Property Taxes	1,070,871		
Permissive Motor Vehicle License Tax		7,364	
Permissive Sales Tax	498,158		
Accounts (Net, where applicable, of Uncollectible Accounts)	145,677	10,401	
Special Assessments			
Interfund	10,647	111,902	
Accrued Interest	11,869		
Tax Increment Financing Receivable			
Due from Other Governments	583,597	1,731,875	1,242,400
Prepaid Items	7,796		
Supplies Inventory	12,058	337,016	
Loans Receivable			
Total Assets	2,692,878	3,347,222	1,280,096
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	$58,480	$114,682	$82,693
Contracts Payable			83,936
Accrued Salaries Payable	115,769	41,383	102
Due to Other Governments	236,475	77,447	714
Interfund Payable	7,252		
Deferred Revenue	1,960,953	1,444,135	1,242,400
Total Liabilities	2,378,929	1,677,647	1,409,845
Fund Balances:			
Reserved for Encumbrances	24,963	108,553	
Reserved for Loans Receivable			
Reserved for Unclaimed Monies	12,264		
Unreserved:			
Undesignated, Reported in:			
General Fund	276,722		
Special Revenue Funds		1,561,022	(129,749)
Debt Service Funds			
Capital Projects Funds			
Total Fund Balances (Deficit)	313,949	1,669,575	(129,749)
Total Liabilities and Fund Balances	$2,692,878	$3,347,222	$1,280,096

See accompanying notes to the basic financial statements.

Thomas Edison	Brumback Library	Other Governmental Funds	Total Governmental Funds
$1,927,724	$119,372	$3,040,225	$6,590,537
	9,615	17,200	62,164
3,904			3,904
	279,223		279,223
1,617,128	151,024		2,839,023
			7,364
			498,158
176	29	8,812	165,095
		221,651	221,651
17,498		59,449	199,496
			11,869
		364,265	364,265
660,909	400,972	782,976	5,402,729
1,323	38,398	6,668	54,185
		7,387	356,461
		327,643	327,643
4,228,662	998,633	4,836,276	17,383,767
26,029	7,102	78,430	367,416
		14,169	98,105
46,893	13,436	70,770	288,353
82,458	11,954	170,787	579,835
7,052		183,467	197,771
2,194,692	490,796	1,193,354	8,526,330
2,357,124	523,288	1,710,977	10,057,810
20,744		23,767	178,027
		248,272	248,272
			12,264
			276,722
1,850,794	475,345	2,636,048	6,393,460
		15,056	15,056
		202,156	202,156
1,871,538	475,345	3,125,299	7,325,957
$4,228,662	$998,633	$4,836,276	$17,383,767

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FINANCIAL CONDITION
VAN WERT COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009

Total Governmental Fund Balances		$7,325,957
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets reported in governmental activities are not financial resources and therefore are not reported in the funds.		24,748,391
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	$87,669	
Tax Increment Financing	364,265	
Permissive Sales Tax	244,844	
Intergovernmental	4,713,147	
Charges for Services	59,666	
Fines and Forfeitures	138,134	
Special Assessments	166,208	
Other	1,223	
Total		5,775,156
Some liabilities, including notes payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued Interest	(22,109)	
General Obligation Notes	(1,766,477)	
General Obligation Bonds	(4,100,000)	
Capital Leases	(120,434)	
Compensatory Time Payable	(43,348)	
OWDA Loan	(727,502)	
Compensated Absences	(749,377)	
Total		(7,529,247)
Net Assets of Governmental Activities		$30,320,257

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General	Motor Vehicle and Gas Tax	Community Development Block Grant
Revenues:			
Property Taxes	$936,293		
Permissive Sales Tax	3,278,578		
Permissive Motor Vehicle License Tax		$100,660	
Intergovernmental	1,350,150	3,365,008	$668,800
Charges for Services	974,400	293,562	
Licenses and Permits	1,993		
Fines and Forfeitures	133,749	67,099	
Special Assessments			
Interest	221,329	3,558	
Tax Increment Financing			
Other	588,075		7,587
Total Revenues	7,484,567	3,829,887	676,387
Expenditures:			
Current:			
General Government:			
Legislative and Executive	2,870,777		
Judicial	1,179,369		
Public Safety	2,596,923		
Public Works	10,058	3,825,329	
Health	49,405		
Human Services	228,930		
Conservation and Recreation			
Economic Development and Assistance	33,500		876,515
Capital Outlay	20,916		
Intergovernmental	281,017		
Debt Service:			
Principal Retirement	12,176		
Interest and Fiscal Charges	1,109		
Total Expenditures	7,284,180	3,825,329	876,515
Excess of Revenues Over (Under) Expenditures	200,387	4,558	(200,128)
Other Financing Sources (Uses):			
Sale of Fixed Assets	6,605		
Inception of Capital Lease	20,916		
Proceeds of OWDA Loan			
Transfers In	103,303		26,460
Transfers Out	(349,721)	(43,435)	
Total Other Financing Sources (Uses)	(218,897)	(43,435)	26,460
Net Change in Fund Balances	(18,510)	(38,877)	(173,668)
Fund Balances Beginning of Year	332,459	1,708,452	43,919
Fund Balances (Deficit) End of Year	$313,949	$1,669,575	($129,749)

See accompanying notes to the basic financial statements;

Thomas Edison	Brumback Library	Other Governmental Funds	Total Governmental Funds
$1,381,742	$149,499		$2,467,534
			3,278,578
			100,660
1,680,464	772,525	$4,207,606	12,044,553
124,830	3,535	901,599	2,297,926
		71,356	73,349
	10,183	7,880	218,911
		179,540	179,540
	24,569	2,355	251,811
		360,515	360,515
27,892	17,045	151,696	792,295
3,214,928	977,356	5,882,547	22,065,672
	989,864	610,570	4,471,211
		106,564	1,285,933
		323,581	2,920,504
		743,098	4,578,485
		56,765	106,170
2,806,104		3,224,251	6,259,285
		20,507	20,507
		510,059	1,420,074
		173,435	194,351
			281,017
60,755		346,766	419,697
6,697		274,724	282,530
2,873,556	989,864	6,390,320	22,239,764
341,372	(12,508)	(507,773)	(174,092)
			6,605
			20,916
		266,647	266,647
		615,464	745,227
(79,873)		(272,198)	(745,227)
(79,873)		609,913	294,168
261,499	(12,508)	102,140	120,076
1,610,039	487,853	3,023,159	7,205,881
$1,871,538	$475,345	$3,125,299	$7,325,957

FINANCIAL CONDITION
VAN WERT COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2009

Net Change in Fund Balances - Total Governmental Funds		$120,076
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amount are:		
Capital Outlay	$734,554	
Depreciation	(1,151,529)	
Excess of Capital Outlay Under Depreciation Expense		(416,975)
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(125,527)
Some revenues that will not be collected for several months after the County's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year:		
Property and Other Taxes	(5,379)	
Tax Increment Financing	3,750	
Permissive Sales Tax	(9,579)	
Intergovermental	264,172	
Charges for Services	52,051	
Fines and Forfeitures	16,884	
Special Assessments	(105)	
Other	(3,844)	
Total		317,950
The issuance of long-term debt provides current financial resources to governmental funds, but in the statement of net assets, the debt is reported as a liability.		
OWDA Loan	(266,647)	
Total		(266,647)
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:		
General Obligation Note Prinicpal Payments	157,510	
General Obligation Bonds Prinicpal Payments	165,000	
OWDA Loan	24,256	
Capital Lease Principal Payments	72,931	
Total		419,697
Some capital additions were financed through capital leases. In governmental funds, a capital leasse arrangement is considered a source of financing, but in the statement of net assets, the lease is reported as a liability.		(20,916)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Accrued Interest	19,531	
Compensatory Time Payable	12,607	
Compensated Absences	6,603	
Total		38,741
Change in Net Assets of Governmental Activities		$66,399

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property Taxes	$972,000	$944,621	$944,399	($222)
Permissive Sales Tax	3,562,500	3,280,011	3,280,011	
Intergovernmental	1,510,594	1,356,479	1,363,396	6,917
Charges for Services	1,053,359	978,212	963,013	(15,199)
Licenses and Permits	2,000	2,000	1,993	(7)
Fines and Forfeitures	140,300	125,211	129,312	4,101
Interest	400,500	249,209	246,262	(2,947)
Other	487,700	563,011	584,332	21,321
Total Revenues	8,128,953	7,498,754	7,512,718	13,964
Expenditures:				
Current:				
General Government:				
Legislative and Executive	3,155,428	2,928,066	2,911,902	16,164
Judicial	1,320,624	1,214,839	1,189,737	25,102
Public Safety	2,950,176	2,668,589	2,609,931	58,658
Public Works	36,470	36,985	25,364	11,621
Health	53,686	51,847	51,645	202
Human Services	240,642	237,280	230,440	6,840
Economic Development and Assistance	33,500	33,500	33,500	
Intergovernmental	285,586	270,586	270,017	569
Total Expenditures	8,076,112	7,441,692	7,322,536	119,156
Excess of Revenues Over (Under) Expenditures	52,841	57,062	190,182	133,120
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	9,000	6,600	6,605	5
Advances In			122,802	122,802
Advances Out			(122,802)	(122,802)
Transfers - In	39,502	74,603	74,119	(484)
Transfers - Out	(330,733)	(354,912)	(354,608)	304
Total Other Financing Sources (Uses)	(282,231)	(273,709)	(273,884)	(175)
Net Change in Fund Balance	(229,390)	(216,647)	(83,702)	132,945
Fund Balance Beginning of Year	160,629	160,629	160,629	
Prior Year Encumbrances Appropriated	76,775	76,775	76,775	
Fund Balance End of Year	$8,014	$20,757	$153,702	$132,945

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
MOTOR VEHICLE AND GAS TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Permissive Motor Vehicle License Tax	$178,000	$101,000	$100,613	($387)
Intergovernmental	3,414,800	3,338,800	3,370,913	32,113
Charges for Services	68,500	68,500	195,200	126,700
Fines and Forfeitures	80,000	80,000	68,632	(11,368)
Interest	35,000	35,000	4,593	(30,407)
Total Revenues	3,776,300	3,623,300	3,739,951	116,651
Expenditures:				
Current:				
Public Works	4,594,009	4,667,628	3,991,202	676,426
Excess of Revenues Under Expenditures	(817,709)	(1,044,328)	(251,251)	793,077
Other Financing Sources:				
Transfers Out		(43,435)	(43,435)	
Net Change in Fund Balance	(817,709)	(1,087,763)	(294,686)	793,077
Fund Balance at Beginning of Year	1,210,310	1,210,310	1,210,310	
Prior Year Encumbrances Appropriated	83,009	83,009	83,009	
Fund Balance at End of Year	$475,610	$205,556	$998,633	$793,077

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL COMMUNITY DEVELOPMENT BLOCK GRANT FUND FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Intergovernmental	$301,000	$675,831	$668,800	($7,031)
Other		7,000	7,587	587
Total Revenues	301,000	682,831	676,387	(6,444)
Expenditures:				
Current:				
Economic Development and Assistance	342,356	727,770	724,295	3,475
Excess of Revenues Under Expenditures	(41,356)	(44,939)	(47,908)	(2,969)
Other Financing Sources:				
Transfers - In			26,460	26,460
Total Other Financing Sources			26,460	26,460
Net Change in Fund Balance	(41,356)	(44,939)	(21,448)	23,491
Fund Balance at Beginning of Year	4,589	4,589	4,589	
Prior Year Encumbrances Appropriated	40,555	40,555	40,555	
Fund Balance at End of Year	$3,788	$205	$23,696	$23,491

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL THOMAS EDISON FUND FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property Taxes	$1,380,000	$1,380,000	$1,390,531	$10,531
Intergovernmental	2,213,918	1,651,668	1,725,628	73,960
Charges for Services	100,500	100,500	111,501	11,001
Other	13,500	13,500	27,716	14,216
Total Revenues	3,707,918	3,145,668	3,255,376	109,708
Expenditures:				
Current:				
Human Services	3,480,145	3,275,715	2,947,050	328,665
Excess of Revenues Over (Under) Expenditures	227,773	(130,047)	308,326	438,373
Other Financing Uses:				
Transfers Out	(80,000)	(80,000)	(79,873)	127
Net Change in Fund Balance	147,773	(210,047)	228,453	438,500
Fund Balance at Beginning of Year	1,445,255	1,445,255	1,445,255	
Prior Year Encumbrances Appropriated	118,665	118,665	118,665	
Fund Balance at End of Year	$1,711,693	$1,353,873	$1,792,373	$438,500

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
BRUMBACK LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property Taxes	$150,000	$150,000	$151,143	$1,143
Intergovernmental	856,600	792,801	784,026	(8,775)
Charges for Services	2,000	2,000	3,535	1,535
Fines and Forfeitures	12,000	12,000	10,224	(1,776)
Other	8,100	8,100	17,100	9,000
Total Revenues	1,028,700	964,901	966,028	1,127
Expenditures:				
Current:				
General Government:				
Legislative and Executive	1,171,529	1,105,978	998,887	107,091
Net Change in Fund Balance	(142,829)	(141,077)	(32,859)	108,218
Fund Balance at Beginning of Year	136,280	136,280	136,280	
Prior Year Encumbrances Appropriated	6,661	6,661	6,661	
Fund Balance at End of Year	$112	$1,864	$110,082	$108,218

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF FUND NET ASSETS
ENTERPRISE FUND
DECEMBER 31, 2009

	Recycling
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$54,740
Accounts Receivable	256,008
Prepaid Items	388
Total Current Assets	311,136
Non-current Assets:	
Depreciable Capital Assets, Net	752,904
Total Assets	1,064,040
Liabilities:	
Current Liabilities:	
Accounts Payable	8,101
Accrued Salaries Payable	8,929
Interfund Payable	1,725
Due to Other Governments	16,867
Accrued Interest Payable	128
Compensated Absences Payable	4,567
Note Payable	2,500
Total Current Liabilities	42,817
Long-Term Liabilities:	
Compensated Absences Payable	5,800
Note Payable	67,500
Total Long-Term Liabilities	73,300
Total Liabilities	116,117
Net Assets:	
Invested in Capital Assets	682,904
Unrestricted	265,019
Total Net Assets	$947,923

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Recycling
Operating Revenues:	
Charges for Services	$515,849
Other	20,507
Total Operating Revenues	536,356
Operating Expenses:	
Personal Services	398,348
Contractual Services	76,307
Materials and Supplies	61,108
Depreciation	89,779
Total Operating Expenses	625,542
Operating Loss	(89,186)
Non-Operating Expenses:	
Interest and Fiscal Charges	(1,432)
Loss Before Capital Contribution	(90,618)
Capital Contributions	59,193
Total Non-Operating Expenses	(1,432)
Change in Net Assets	(31,425)
Net Assets Beginning of Year	979,348
Net Assets End of Year	$947,923

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Recycling
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Customers and Support	$508,524
Cash Payments for Employee Services and Benefits	(396,742)
Cash Payments to Suppliers	(121,195)
Net Received Used for Operating Activities	(9,413)
Cash Flows from Capital and Related Financing Activities:	
Note Principal Payments	(5,000)
Note Interest Payments	(1,673)
Net Cash Used for Capital and Related Financing Activities	(6,673)
Net Decrease in Cash and Cash Equivalents	(16,086)
Cash and Cash Equivalents Beginning of Year	70,826
Cash and Cash Equivalents End of Year	54,740
Reconciliation of Operating Loss to Net Cash Received from Operating Activities:	
Operating Loss	(89,186)
Adjustments to Reconcile Operating Loss to Net Cash Received From Operating Activities:	
Depreciation	89,779
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(27,832)
Decrease in Prepaid Items	428
Decrease in Supplies Inventory	13,129
Increase in Accounts Payable	2,603
Increase in Accrued Salaries Payable	572
Increase in Due to Other Governments	3,283
Increase in Interfund Payable	60
Decrease in Compensated Absences Payable	(2,249)
Net Cash Received Used for Operating Activities	($9,413)

Non-Cash Transaction:

During 2009, the Recycling Fund had a capital contribution for capital assets of $59,193.

See accompanying notes to the basic financial statements.

FINANCIAL CONDITION
VAN WERT COUNTY

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2009

Assets:	
Equity in Pooled Cash and Cash Equivalents	$1,770,890
Cash and Cash Equivalents in Segregated Accounts	666,679
Investments	20,000
Receivables:	
Property and Other Taxes	17,912,062
Accounts (Net of Uncollectible Accounts)	168,528
Special Assessments	538,253
Due from Other Governments	1,711,421
Tax Increment Financing Receivable	112,703
Supplies Inventory	173,782
Total Assets	23,074,318
Liabilities:	
Accounts Payable	52,628
Due to Other Governments	21,231,296
Undistributed Monies	1,790,394
Total Liabilities	$23,074,318

See accompanying notes to the basic financial statements.

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1. DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

Van Wert County, Ohio (The County), was created in 1820 but was not organized until 1837. 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 who manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a joint Probate/Juvenile 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 budgeting and taxing authority, contracting body and the chief administrators of public services for the County, including each of these departments.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Van Wert County, this includes the Children's Services Board, the Board of Mental Retardation and Developmental Disabilities, the Child Support Enforcement Agency, the Community Corrections Planning Board, the Van Wert County Veterans Services, Van Wert County Election Board and all departments and activities that are directly operated by the elected County officials. Van Wert County Brumback Public Library is included as part of the primary government.

B. Van Wert County Brumback Public Library

The Brumback Library was constructed and donated to Van Wert County per the will of the late J. S. Brumback and a contract made between the heirs of the estate and the Van Wert County Commissioners in 1898. The Library was established as a free public library for the benefit of the citizens of Van Wert County, Ohio, at that time. The law was enacted under Section 891a Revised Statute. The Statute provides: "Any County accepting such a bequest, donation or gift shall be bound to faithfully carry out the agreement so made to provide and maintain such a library." It is therefore the legal duty of the Board of County Commissioners to faithfully comply with the terms of the contract and maintain and operate the library as a County Library.

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

C. Blended Component Unit

The Library Enrichment Foundation of the Brumback Library is a component unit that is blended with the primary government. It is blended with the primary government because it is so intertwined with the primary government that it is, in substance, the same as the primary government.

1. DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

Library Enrichment Foundation of the Brumback Library - The Library Enrichment Foundation of the Brumback Library was formed for the purpose of supporting and promoting charitable, educational, scientific, and literary purposes of the Brumback Library. Membership in the Foundation consists solely of the Trustees of the Brumback Library and the Director of the Brumback Library. The board of the Foundation and the Brumback Library are the same. The Brumback Library is part of the primary government, and the primary government may affect the activities, programs and projects of the Foundation; therefore, it would be misleading to exclude the Library Enrichment Foundation of the Brumback Library from the financial statements of the primary government. The Foundation is considered a component unit and blended with the primary government.

D. Discretely Presented Component Units

The component unit column in the entity-wide financial statements identifies the financial data of the County's discretely presented component units: the Thomas Edison Center, which is a consolidation of the entities of Thomas Edison Center, Van Wert Housing Services, Inc., the Thomas Edison Memorial Endowment, the Van Wert County Port Authority, and the Van Wert County Airport Authority. They are reported separately to emphasize that they are legally separate from the County. Condensed financial information for the component units is presented in Note 16.

Thomas Edison Center - The Thomas Edison Center is a legally separate, not-for-profit corporation, served by a board appointed by the Van Wert County Board of MRDD. The workshop, under contractual agreement with the Van Wert County Board of Mental Retardation and Developmental Disabilities, provides sheltered employment for mentally retarded or handicapped individuals in Van Wert County. The Van Wert County Board of MRDD provides the workshop with personnel necessary for the operation of the habilitation services to the clients, land and buildings for the operation of the center, maintenance and repair of the buildings, and professional staff to supervise and train clients of the Thomas Edison Center. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the retarded and handicapped adults of Van Wert County, the workshop is reflected as a component unit of Van Wert County. Separately issued financial statements can be obtained from the Thomas Edison Center at P.O. Box 604, Van Wert, Ohio 45891.

Van Wert Housing Services, Inc. - The Van Wert Housing Services, Inc. is a legally separate not-for-profit corporation served by a board appointed by the Van Wert County Board of MRDD. The corporation, under contractual agreement with the Van Wert County Board of MRDD, has agreed to acquire, manage and maintain residential properties. The Van Wert County Board of MRDD makes grants available to assist in the purchase of the properties. The Van Wert County Board of MRDD is financially accountable for the Van Wert Housing Services, Inc. The Van Wert County Board of MRDD has maintained a legal interest through a note and a second mortgage on the property purchased by the corporation. In the event of default or violation of the contract terms, the Van Wert County Board of MRDD has the right to assume the mortgage and the right to insist on the transfer of title of the property. Due to control arising from common membership of board of directors, the Van Wert Housing Services, Inc. has been consolidated with the Thomas Edison Center. Separately issued financial statements can be obtained from the Van Wert Housing Services, Inc. at P.O. Box 604, Van Wert, Ohio 45891.

1. DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

Thomas Edison Memorial Endowment - The Thomas Edison Memorial Endowment was organized in 1975 as a not-for-profit corporation. The Van Wert County Board of MRDD authorized the formation of a foundation that would build funds over the years through donations and bequests. The foundation was established in order to receive gifts and memorial monies that are intended to provide long range support for the programs of the Thomas Edison Center. The foundation was designed so only the interest of this money would be available for use as determined by a non-profit board of directors. The Van Wert County Board of MRDD called this foundation the Thomas Edison Memorial Endowment. The Board formed a non-profit board of directors to conduct the operations of the Thomas Edison Endowment. The five board members are appointed by the Van Wert County Board of Mental Retardation and Development Disabilities. Due to control arising from common membership of board of directors, the Thomas Edison Memorial Endowment has been consolidated with the Thomas Edison Center. Separately issued financial statements can be obtained from the Thomas Edison Memorial Endowment at P.O. Box 604, Van Wert, Ohio 45891.

Van Wert County Port Authority - The Van Wert County Port Authority is a legally separate organization created to maintain and operate the rail property located within the County. The Board of the Port Authority is appointed by the Van Wert County Commissioners. The Van Wert County Commissioners have potential to receive financial benefit from the Port Authority, since the County is entitled to any surplus of the Port Authority. The County is also financially accountable for the Authority. The Van Wert County Auditor is the fiscal agent for the Port Authority. Separately issued financial statements can be obtained from Nancy Dixon, the County Auditor, at 121 E. Main Street, Van Wert, Ohio 45891.

Van Wert County Airport Authority - The Van Wert County Airport Authority is a legally separate organization created by resolution of the Van Wert County Commissioners on December 20, 1974. The Board of the Airport Authority is made up of five members, each with a term of five years. The members were originally appointed by the Van Wert County Commissioners; subsequent appointments are made by the Board of Trustees of the Regional Airport Authority, subject to the approval of the Board of Van Wert County Commissioners. The County has issued debt for the Airport Authority in the County's name, making the County financially accountable for the Airport Authority. Separately issued financial statements can be obtained from Clair Dudgeon at 114 E. Main Street, Suite 200, Van Wert, Ohio 45891.

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

Van Wert County General Health District
Van Wert County Soil and Water Conservation District
Van Wert County Community Action Commission
Van Wert County Park District
Van Wert County Family and Children First Council

1. DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (Continued)

The County participates in certain organizations which are defined as Joint Ventures, Jointly Governed Organizations, Related Organizations, and Insurance Pools.

The County's Joint Ventures, the Van Wert County Emergency Management Agency (EMA) and the Van Wert County Regional Planning Commission (the Commission) are presented in Note 17. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

The Jointly Governed Organizations of the County, the Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board), the Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio (the CIC), the Van Wert County Council on Aging, Inc. (the Council), the West Central Partnership, Inc. (the Partnership), the Maumee Valley Resource Conservation and Development Area (the MV-RCD Area), and the Northwest Ohio Waiver Administration Council, are presented in Note 18. A jointly governed organization is governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility on the part of the participating governments.

The Related Organizations, the Van Wert County Hospital Commission (Commission) and the Local Emergency Planning Committee (LEPC) are presented in Note 19. A related organization is an organization for which the County appoints a majority of the governing board but for which there is no potential benefit or burden and no authority to impose the will of the County. The Insurance Pools, the Mid West Pool Risk Management Agency, Inc. (the Pool), the Midwest Employee Benefit Consortium (MEBC), and the County Commissioners' Association of Ohio Service Corporation (CCAOSC) are presented in Note 20. The Pool and the MEBC are risk-sharing pools, while the CCAOSC is an insurance purchasing pool. A risk-sharing pool is an organization formed by a group of governments to combine risks and resources and share in the cost of losses. An insurance purchasing pool is an organization formed by a group of governments to pool funds or resources to purchase commercial insurance policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Van Wert County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The County also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund provided they do not conflict with or contradict GASB pronouncements. The County has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and to its enterprise fund. The most significant of the County's accounting policies are described below.

A. Basis of Presentation

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 which provide a more detailed level of financial information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the County.

2. Fund Financial Statements

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

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the County: governmental, proprietary, and fiduciary.

1. Governmental Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund - This fund accounts for all financial resources except those required to be accounted for in another fund. The General fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle and Gas Tax Fund – This fund is used to account for revenue derived from motor vehicle licenses, gasoline taxes and investment income. Expenditures in this fund are restricted by State law to County road and bridge repair and improvement programs. The County Engineer currently expends the majority of the revenues in this fund for road and bridge repairs and operating costs for the Engineer's Office.

Community Development Block Grant (CDBG)) Fund - This fund is used to account for grant revenue received from the federal government used for intergovernmental expenditures to the local governments for fire protection facilities and equipment, street improvements, public services and fair housing programs.

Thomas Edison Fund – This fund is used to account for money received from a County-wide property tax levy and several federal and state grants and subsidies for Mental Retardation and Developmental Disabilities, its operations and activities.

Brumback Library Fund – This fund is used to account for the operation of the Brumback Library. Revenue is received from bequests and donations and from money received from the operations of the Library. A county-wide tax levy also provides support for the Library.

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

2. Proprietary Fund

Proprietary funds focus on the determination of operating income, changes in net assets, financial position, and cash flows. The County's only proprietary fund is an enterprise fund.

Enterprise Fund – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the County's major enterprise fund:

Recycling Fund – This fund is used to account for the provision of recycling service to certain residents and businesses within the County.

3. 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. Trust funds are used by the County to account for assets held under a trust agreement for individuals, private organizations or other governments, and are therefore, not available to support the County's own programs. Agency funds are used to report resources held by the County in a purely custodial capacity. The County's only fiduciary funds are agency funds. The County's agency funds are primarily established to account for the collection of various taxes, receipts and fees and to account for funds of the County General Health District, Soil and Water Conservation District, Family and Children First Council, Regional Planning Commission, and Emergency Management Agency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Component Units

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

C. Measurement Focus

1. Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its enterprise activity.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; the enterprise fund and agency funds also uses the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenues - Exchange and Non-exchange Transaction

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty days of year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales tax, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). On an accrual basis, revenue from permissive sales tax is recognized in the period when the exchange transaction on which the tax is imposed occurs (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax (See Note 6), accounts, interest, federal and state subsidies, grants, and state-levied locally shared taxes.

F. Deferred Revenues

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of December 31, 2009, but were levied to finance 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

G. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled. Monies for all funds, except cash held in segregated accounts and held by fiscal agents, are maintained in this pool. Individual fund integrity is maintained through County records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

Cash and cash equivalents that are held separately by the component units and within departments of the County and not held with the County Treasurer are recorded on the balance sheet as "cash and cash equivalents in segregated accounts."

Investments that are held separately by the Thomas Edison Endowment and the Library Enrichment Foundation of the Brumback Library and within the departments of the County and not held with the County Treasurer are recorded on the balance sheet as "investments in segregated accounts."

During 2009, the County invested in certificates of deposits, a repurchase agreement and the State Treasury Asset Reserve of Ohio (STAR Ohio). The Library Enrichment Foundation of the Brumback Library invests in First Financial Bancorp, Vanguard Growth and Income Fund, Vanguard Mid-Cap Index Fund, Vanguard Small-Cap Growth Index Fund and Vanguard Value Index Fund.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating investment contracts such as nonnegotiable certificates of deposit and nonparticipating repurchase agreements which are reported at cost.

The County has invested funds in STAR Ohio during 2009. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2009.

Interest income is distributed to the funds according to statutory requirements. Interest revenue of $221,329 was credited to the General Fund during 2009, which includes $215,121 assigned from other County funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

I. Receivables and Payables

Receivables and payables to be recorded on the County's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Using this criterion the County has elected to not record child support arrearages within the special revenue and agency fund types. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method. A current asset is recorded for the prepaid amount at the time of purchase and reflects the expenditure/expense in the year in which services are consumed.

K. Inventory of Supplies

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when used.

Inventory consists of expendable supplies held for consumption.

L. Capital Assets

General capital assets are capital assets that are associated with and generally rise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets used by the enterprise fund are reported in both the business-type activities column of the government-wide statement of net assets and in the fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values on the date donated. The County maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All capital assets except for land, land improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacements.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	40-100 years
Machinery and Equipment	10-20 years
Furniture and Fixtures	10-20 years
Vehicles	3-15 years
Infrastructure	10-70 years

The County's infrastructure consists of roads and bridges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund Receivables/Payables

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” Interfund balances are eliminated on the government-wide statement of net assets except for any net residual amounts due between governmental and business-type activities, which are presented as “internal balances”.

N. Compensated Absences

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation and compensatory time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at year-end, taking into consideration any limits specified in the County's termination policy. The County records a liability for accumulated unused sick leave for all employees after 20 years of current service with the County.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the funds from which the employees will be paid. In the enterprise fund, the entire amount of compensated absences is reported as a fund liability.

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise fund are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes and capital leases are recognized as liabilities on the governmental fund financial statements when due.

P. Capital Contributions

Contributions of capital arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction or transfers of capital assets between governmental and business-type activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include funds for the operation of a school; resident homes for the mentally retarded and developmentally disabled; the medical, financial, and social support to general relief recipients; the support and placement of children; and County road and bridge repair/improvement programs.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the County, these revenues are charges for services for recycling services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

S. Fund Balance Reserves

The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, loans receivable and unclaimed monies are recorded as a reservation of fund balance.

T. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

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

U. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. Budgetary information has not been presented for the Library Enrichment Foundation of the Brumback Library (blended component unit) because it is not included in the entity for which the "appropriated budget" is adopted nor does the entity maintain separate budgetary records. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, department, and object level (i.e., General Fund – Commissioners – salaries, supplies, equipment, contract repairs, travel expenses, maintenance, and other expenses).

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2009.

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

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, presented for the General Fund, and Motor Vehicle and Gas Tax, CDBG, Thomas Edison and Brumback Library Special Revenue Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

3. BUDGETARY BASIS OF ACCOUNTING

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

3. BUDGETARY BASIS OF ACCOUNTING (Continued)

4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

5. Although not part of the appropriated budget, the Library Enrichment Foundation of the Brumback Library Special Revenue Fund is included as part of the reporting entity when preparing financial statements that conform with GAAP.

6. The change in the fair value of investments is not included on the budget basis operating statement. This amount is included as revenue on the GAAP basis operating statement.

7. Cash that is held by the agency funds on behalf of County funds on a budget basis are allocated allocated and reported on the balance sheet (GAAP basis) in the appropriate County fund.

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund, and the Motor Vehicle and Gas Tax, DJFS, Thomas Edison, and the Brumback Library Special Revenue Funds are as follows:

Net Change in Fund Balance

	General	Motor Vehicle and Gas Tax	CDBG	Thomas Edison	Brumback Library
GAAP Basis	($18,510)	($ 38,877)	($173,668)	$261,499	($12,508)
Revenue Accruals	32,535	(90,940)		31,659	51,514
Expenditure Accruals	51,247	(17,584)	166,220	23,721	(12,031)
2009 Unrecorded Cash	(24,176)	(245)			
2008 Unrecorded Cash	49,043	1,249		51,203	
Change in Fair Value of Investments - 2009					(19,093)
Change in Fair Value of Investments - 2008					(35,949)
Agency Fund Allocation	(29,251)			(42,414)	
Activity of Non-budgeted Funds					(2,754)
Transfers	(34,071)				
Prepaid Items	(792)	1,497		(4,278)	2,703
Encumbrances	(109,727)	(149,786)	(14,000)	(92,937)	(4,741)
Budget Basis	($83,702)	($294,686)	($ 21,448)	$228,453	($32,859)

4. ACCOUNTABILITY

The Federal EPP Special Revenue Fund, the Community Development Block Grant Special Revenue Fund, the Rt. 118 Sanitary Sewer Capital Project Fund, and the Overholt Addition Sanitary Sewer Capital Project Fund had deficit fund balances of $1,846, $129,749, $18,692, and $14,170, respectively. The General Fund is liable for any deficit in these funds and will provide operating transfers when cash is required, not when accruals occur.

5. DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State Statute into two categories. Active monies are public monies determined to be necessary to meet current demand upon the County treasury. Active 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. Monies held by the County which are not considered active are classified as inactive.

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 County Auditor by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

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

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

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

4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;

5. 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) of this section 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 five percent of the County’s total average portfolio; and

10. Bankers’ acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County’s total average portfolio.

5. DEPOSITS AND INVESTMENTS (Continued)

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the County's cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 % of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third parties of the financial institution.

At year-end, the carrying amount of the County's deposits was $9,104,352, which includes $25,939 for the Port Authority component unit's deposits and the bank balance was $9,767,176. Of the bank balance, $2,049,956 was covered by federal deposit insurance. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", $7,717,220 of the County's bank balance of $9,767,176 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the County's name.

B. Investments

At year-end, the County had the following investments:

Investment Type	Value
First Financial Bancorp	$ 19,248
Vanguard Growth and Income Fund	15,162
Vanguard Mid-Cap Index Fund	18,838
Vanguard Small-Cap Growth Index Fund	21,081
Vanguard Value Index Fund	16,438
Repurchase Agreement	207,360
STAR Ohio	71,597
Total	$369,724

C. Interest Rate Risk – The County's investment policy states that the maximum maturity is five years from the settlement date. All of the County's investments have a maturity within one year.

D. Credit Risk – The County's investment policy does not address credit risk. The County's investment in STAR Ohio has an AAAm credit rating. The County's investment in a repurchase agreement is exposed to credit risk due to the underlying securities are held by the investment's counterparty or its trust department or agent, not in the County's name. The investment in First Financial Bancorp is a common stock and is not rated.

5. DEPOSITS AND INVESTMENTS (Continued)

E. Concentration of Credit Risk – The County's investment policy states the investment authority will diversify the investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. Investment percentage is as follows:

Investment Type	Percentage
First Financial Bancorp	5%
Vanguard Growth and Income Fund	4%
Vanguard Mid-Cap Index Fund	5%
Vanguard Small-Cap Growth Index Fund	6%
Vanguard Value Index Fund	5%
Repurchase Agreement	56%
STAR Ohio	19%

6. RECEIVABLES

Receivables at December 31, 2009, consisted of property and other taxes, permissive sales tax, tax increment financing, accounts (billings for user charged services), special assessments, accrued interest, interfund, intergovernmental receivables arising from grants, and loans. All receivables are considered collectible in full except Court receivables. A summary of accounts receivable for Court receivables, as well as other receivables owed to the County governmental funds is as follows:

	Common Pleas/ Juvenile/Probate Court Receivable	Other Accounts Receivable	Total Accounts Receivable
Receivable	$223,813	$26,961	$250,774
Allowance for Un-collectibles	(85,679)		(85,679)
Net Accounts Receivable	$138,134	$26,961	$165,095

For the agency funds, the total receivable for the Common Pleas Court was $159,477, with an allowance for uncollectibles of $547, making net accounts receivable of $158,930. The board of health, regional planning commission, CSBG agency funds had receivables of $4,344, $329, and $4,925, respectively, making the total agency funds receivable $168,528.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property (other than public utility) located in the County. Property tax revenue received during 2009 for real and public utility property taxes represents collections of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility) are for 2009 taxes.

2009 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% of appraised market value. 2009 real property taxes are collected in and intended to finance 2009.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

6. RECEIVABLES (Continued)

2009 tangible personal property taxes are levied after October 1, 2008, on the value as of December 31, 2008. Collections are made in 2009. Tangible personal property assessments were 12.5% of true value for 2007, reduced to 6.25% for 2008 and reduced to 0% for 2009.

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

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

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to each subdivision its portion of the taxes collected. Accrued property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009, and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2009 operations. The receivable is therefore offset by deferred revenue. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

The full tax rate for all County operations for the year ended December 31, 2009, was $7.15 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Category	Assessed Value	Percent
Agricultural/Residential Real Property	$402,466,400	84.71%
Other Real Property	52,732,550	11.10%
Tangible Personal Property	586,320	0.12%
Public Utility Personal Property	19,322,180	4.07%
Total Assessed Valuation	$475,107,450	100.00%

B. Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a 1.5% tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month.

Proceeds of the tax are credited entirely to the General Fund. A receivable is recognized at year-end for amounts that will be received from sales which occurred during 2009. On a full accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable that will be received outside of the available period is deferred. Sales and use tax revenue in 2009 amounted to $3,278,578 in the General Fund.

6. RECEIVABLES (Continued)

C. Due from Other Governments

A summary of intergovernmental receivables follows:

Governmental Activities:	Amounts
Boarding Fees	$ 16,695
Local Government	344,180
Homestead and Rollback	285,355
Election Costs	45,998
Advertising for Delinquent Taxes	4,849
Electric Deregulation Reimbursement	36,796
Personal Tax Replacement	310,841
Motor Vehicle License Tax	552,849
Gasoline Excise Tax	781,968
Gasoline Cents per Gallon	371,858
Undivided Library	374,637
Municipal Court Fees	7,955
Thomas Edison Reimbursements for Bus Drivers	2,040
MVGT Reimbursements	21,166
Indigent Defense Reimbursement	18,236
Assigned Council Reimbursement	1,542
Attorney General Sheriff Reimbursement	1,837
Ohio Job and Family Services FY 09 close-out	107,949
4th Quarter Cobra Reimbursement	3,832
OJFS - July-Sept Reimbursement	1,684
Child Abuse Prevention Grant	7,500
Home Weatherization Assistance Grant - DOE ARRA	66,570
Home Weatherization Assistance Grant - HHS ARRA	550
PSCA close-out	12,547
KPIP	1,233
PSCA SCPA	76,064
Feisel	13,372
OWDA	400
DARE Grant	19,850
Thomas Edison Subsidy Payment	173,820
Thomas Edison Title XX	25,304
911 Wireless	15,000
CSEA July-Dec closeout	64,468
Youth Bureau Reclaim Ohio Grant	134,970
Youth Services Grant	56,221
Community Corrections Grant	28,680
State Help Me Grow Grants	73,104
State Help Me Grow ARRA	14,653
JAG Grant	19,827
CDBG Grants	1,242,400
Federal HEAP Program	56,533
Federal Visitation Center	4,657
Indigent Drivers Alcohol Reimbursement	2,739
Total Intergovernmental Receivables	$5,402,729

6. RECEIVABLES (Continued)

D. Loans Receivable

The County has the following loans receivable at December 31, 2009:

Date of Issue	Description	Interest Rate	Balance at 12/31/2008	Increases	Decreases	Balance at 12/31/2009	Due in One Year
1996	Airport Construction	4.64%	$ 27,850		$ 3,000	$ 24,850	$ 3,000
1999	Airport Construction	4.98%	38,795		2,510	36,285	2,680
2003	Airport Improvement	2.20%	93,500		4,000	89,500	5,000
2003	Fair Board	0.00%	11,000		11,000		
various	Revolving Loans	various	131,067	$62,466	16,525	177,008	68,691
			$302,212	$62,466	$37,035	$327,643	$79,371

The first 1996 and 1999 Airport Construction, and the 2003 Airport Improvement are with the Van Wert County Airport Authority. Two of the loans are for construction of T-hangars and the third loan is for the removal of underground fuel tanks. The loans are repaid yearly as principal and interest come due. The receivable for these loans is reported in the Airport Note Debt Service Fund.

The 2003 Fair Board loan was made to the Van Wert County Fair Board for improvements at the Fairgrounds. During 2009, the Commissioners forgave the remaining amount of $11,000 due on the loan. This was shown as intergovernmental expenditure during 2009. The activity for this loan is shown in the General Fund.

The Revolving Loans are due from various businesses in the local community. Van Wert County partnered with the Van Wert County Port Authority to receive a micro-enterprise CDBG grant that was loaned to various start-up businesses in the local community. The loans have various repayment terms and interest rates. The receivable for the loan is shown in the Revolving Loan Special Revenue Fund.

7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009, was as follows:

	Restated Balance at 1/1/09	Additions	Deletions	Balance at 12/31/09
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	$ 248,700			$ 248,700
Land Improvements	20,399			20,399
Construction in Progress		$80,362		80,362
Total Assets, not being Depreciated	269,099	80,362		349,461
Depreciable Capital Assets:				
Buildings	17,766,552		($55,750)	17,710,802
Machinery and Equipment	990,386			990,386
Furniture and Fixtures	181,070			181,070
Vehicles	4,707,252	120,788	(184,672)	4,643,368

(Continued)

7. CAPITAL ASSETS (Continued)

	Restated Balance at 1/1/09	Additions	Deletions	Balance at 12/31/09
Infrastructure:				
Roads	4,437,441	315,876		4,753,317
Bridges	11,410,419	217,528		11,627,947
Total Depreciable Capital Assets	39,493,120	654,192	(240,422)	39,906,890
Less Accumulated Depreciation:				
Buildings	(5,380,879)	(296,293)	29,254	(5,647,918)
Machinery and Equipment	(621,672)	(51,191)		(672,863)
Furniture and Fixtures	(139,850)	(10,072)		(149,922)
Vehicles	(2,639,904)	(336,858)	85,641	(2,891,121)
Infrastructure:				
Roads	(1,770,106)	(209,843)		(1,979,949)
Bridges	(3,918,915)	(247,272)		(4,166,187)
Total Accumulated Depreciation	(14,471,326)	(1,151,529)	114,895	(15,507,960)
Depreciable Capital Assets, Net	25,021,794	(497,337)	(125,527)	24,398,930
Governmental Activities Capital Assets Net	25,290,893	(416,975)	(125,527)	24,748,391
Business-Type Activities:				
Depreciable Capital Assets:				
Buildings	361,032			361,032
Machinery and Equipment	372,806			372,806
Furniture and Fixtures	11,357			11,357
Vehicles	555,861	59,193		615,054
Total Depreciable Capital Assets	1,301,056	59,193		1,360,249
Less Accumulated Depreciation:				
Buildings	(66,149)	(8,760)		(74,909)
Machinery and Equipment	(162,356)	(36,501)		(198,857)
Furniture and Fixtures	(11,357)			(11,357)
Vehicles	(277,704)	(44,518)		(322,222)
Total Accumulated Depreciation	(517,566)	(89,779)		(607,345)
Business-Type Activities Capital Assets, Net	$ 783,490	($30,586)	$ 0	$752,904

Depreciation expense was charged to governmental programs as follows:

General Government	
Legislative and Executive	$ 112,622
Judicial	2,101
Public Safety	139,197
Public Works	718,505
Health	4,058
Human Services	169,550
Economic Development and Assistance	5,496
Total Depreciation Expense	$1,151,529

8. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs, and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10 percent of covered payroll and 10.1 percent for public safety members and law enforcement members.

The County's contribution rate for 2009 was 14 percent of covered payroll, except for those plan members in law enforcement or public safety, for whom the County's contribution was 17.63 percent of covered payroll. The County's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment health care plan for the period January 1 through March 31, 2009, and 5.5 percent for the period April 1 through December 31, 2009. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the County of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The County's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 was $792,539, $657,066, and $828,277, respectively; 95 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

9. POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

To qualify for postemployment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14 percent of covered payroll (17.63 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The County's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment health care plan for the period January 1 through March 31, 2009, and 5.5 percent for the period April 1 through December 31, 2009.

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

The County's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2009, 2008, and 2007 was $531,708, $635,616, and $544,951, respectively; 95 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

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

10. OTHER EMPLOYEE BENEFITS

A. Deferred Compensation Plans

County employees and elected officials may elect to participate in the Ohio Public Employees Deferred Compensation Plan or the Ohio County Commissioners Association Deferred Compensation Plan. Both plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency. Beginning in 2003, the Ohio County Commissioners Association Deferred Compensation Plan allows plan participants to receive their monies for loans. The minimum loan amount is $2,500, while the maximum amount is $50,000 or 50% of the vested account balance, whichever is less. Two types of loans are available. The general purpose loan has a duration of one to five years. The principal residence loan has a duration of six to fifteen years. The interest rate for both loans is 2% over the prime rate published in the Wall Street Journal. Scheduled loan payments are made through payroll deduction, while lump sum early loan payoffs can be done by check. If a plan participant leaves employment before the loan is fully repaid, the plan participant is required to pay off the loan at the time of separation from service.

B. Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. Overtime hours can be accrued as compensatory time at one and one half times the amount of hours worked. All compensatory time must be used within 180 days; otherwise, it is paid out. All accumulated, unused vacation and compensatory time is paid upon separation if the employee has at least one year of service with the County.

The County's current leave policy states that all full-time employees working eighty hours in active pay status are entitled to 4.6 hours of sick leave with pay for every full pay period worked. Employees working less or more than the required amount for the pay period shall receive a pro-rated share of sick leave. Any County employee who has ten years of service with the state, any political subdivision, or combination thereof, will be paid for 25% of the value of his accrued but unused sick leave up to a maximum of 240 hours. The Engineer Office’s employees with 10-20 years of services are paid 25% up to a maximum of 30 days, and 20+ years a maximum of 75 days. The Brumback Library’s employees are paid up to 100 hours of their accrued, unused vacation balance. Such payment is based upon the employee's rate of pay at the time of his retirement and is paid to the employee in one lump sum payment upon retirement.

11. RISK MANAGEMENT

A. Insurance

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 2009, the County contracted with the Mid West Pool Risk Management Agency, Inc. for liability, property and crime insurance. The listing below is a general description of insurance coverage. All policy terms, conditions, restrictions, exclusions, etc. are not included.

Coverage provided by Mid West Pool Risk Management Agency, Inc. (MRRMA) is as follows:

11. RISK MANAGEMENT (Continued)

Property:
$250,000,000 limit per occurrence, subject to following limits:
Building and Contents at 140% of reported value for location
Flood and Earthquake at $50,000,000 combined annual aggregate for all MPRMA Members
Boiler and Machinery
$50,000,000 per occurrence
Liability – General, Auto, Law Enforcement, Employee Benefits, Public Official Liability
$7,000,000 per occurrence ($2,000,000 primary + $5,000,000 excess)
Liability – Nursing Home
$3,000,000 per occurrence + $3,000,000 excess aggregate for all MPRMA members
Crime
$500,000

All limits except Boiler and Machinery are inclusive of MPRMA $100,000 retention. Van Wert insurance is subject to $1,000 property deductible. Nursing home liability insurance is still provided as insurance is on a claim made form.

In addition to the coverage above, the County has insurance under the Ohio School Plan for the Van Wert County Board of MRDD.

The County pays all elected officials' bonds by statute. Settled claims have not exceeded coverage in the last three years. There have been no material reductions in this coverage from the prior year.

B. Health Care Benefits

The County participates in the Midwest Employee Benefit Consortium (MEBC), a risk-sharing pool consisting of five counties (See Note 20). Each member pays premiums to the MEBC for employee medical and life insurance premiums. The MEBC is responsible for the management and operation of the program. Upon withdrawal, the County is obligated for the payment of supplementary payments attributable to years during which the County was a member of the MEBC. Such supplementary payments may include, but are not limited to, sums sufficient to pay claims, retain reserve levels and pay for continuing claims administration. In addition, the County will continue to be responsible for all other obligations of membership attributable to such prior years. The MEBC Board of Trustees has the right to return monies to an exiting member subsequent to the settlement of all expenses and claims.

The Brumback Library contracts with Aetna U.S. Healthcare for medical insurance.

The County Engineer contracts with Business Administrators and Consultants, Inc. for health care and dental coverage. The county sheriff’s department, administration at the jail, corrections cooks, and corrections supervisors contract with the Ohio Conference of Teamsters and Industry Health and Welfare Fund for health, dental, vision, and disability coverage.

C. Workers’ Compensation

For 2009, the County participated in the County Commissioners’ Association of Ohio Workers’ Compensation Group Rating Program provided by the County Commissioners’ Association of Ohio Service Corporation (CCAOSC), a workers’ compensation insurance purchasing pool (See Note 20). The intent of the CCAOSC is to achieve lower workers’ compensation rates while establishing safe working conditions and environments for the participants.

11. RISK MANAGEMENT (Continued)

The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the CCAOSC. Each participant pays its workers' compensation premium to the State based on the rate for the CCAOSC rather than its individual rate. In order to allocate the savings derived by formation of the CCAOSC, and to maximize the number of participants in the CCAOSC, annually the CCAOSC's executive committee calculates the total savings which accrued to the CCAOSC through its formation. This savings is then compared to the overall savings percentage of the CCAOSC. The CCAO's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the CCAOSC is limited to counties that can meet the CCAOSC's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the CCAOSC. Each year, the County pays an enrollment fee to the CCAOSC to cover the costs of administering the CCAOSC.

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

12. LEASES

A. Operating Leases

The County entered into several non-cancelable operating leases during 2004. The County leased a copier from Xerox for 60 months. Terms of the agreement require the County to pay a base monthly charge of $130. The County leases another copier from Xerox for 60 months. The County is required to pay a base monthly charge of $203. The County entered into a lease with Perry Corporation for a third copier. The County pays a rate of $742 per month for 63 months. Finally, during 2009 the County Engineer entered into a 5 year lease for a John Deere Loader with an annual payment of $20,669. Total costs paid during 2009 on these leases were $32,300.

The following schedule is the future minimum rental payments for the non-cancelable operating leases:

For the Year Ending:	Amount
2010	$24,382
2011	20,669
2012	20,669
2013	20,669
	$86,389

12. LEASES (Continued)

B. Capital Leases

The County holds leases from prior years for buses for Thomas Edison. In 2009, the County entered into a lease for a sheriff's car. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Vehicles acquired by lease have been capitalized in the governmental activities general capital assets at amounts equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the governmental activities general long term debt.

Principal payments made during 2009 for the buses totaled $60,755, in the Thomas Edison Special Revenue Fund. The Thomas Edison buses have a total historical cost of $244,588, with accumulated depreciation of $76,255 as of December 31, 2009, with a book value of $168,333.

Principal payments on the Sheriff's car lease for 2009 totaled $12,176 in the General Fund. The car was capitalized during 2009 at a cost of $20,916.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2009:

For the Year Ending	Amount
2010	$ 74,368
2011	29,694
2012	20,094
2013	3,349
Total	127,505
Less: Amount Representing Interest	(7,071)
Present Value of Minimum Lease Payments	$120,434

13. SHORT-TERM OBLIGATIONS

A summary of the short-term transactions for the year ended December 31, 2009, follows:

Date of Issue	Description	Interest Rate	Balance at 12/31/2008	Increases	Decreases	Balance at 12/31/2009
2008	General Fund Equipment	3.90%	$ 28,075		($ 28,075)	
2008	Dog Warden Truck	3.90%	10,100		(10,100)	
2008	Rt. 118 Sewer Construction**	3.90%	111,810		(111,810)	
2008	Rt. 127 Sewer Construction***	3.90%	69,078		(69,078)	
2008	Rickey Road Sewer Construction	3.90%	28,444		(28,444)	
2008	Overholt Addition Sewer Const.	3.90%	100,991		(100,991)	
	Total Bond Anticipation Notes		$348,498	$0	($348,498)	$0

13. SHORT-TERM OBLIGATIONS (Continued)

On December 31, 2008, the County issued various purpose general obligation notes in the amount of $348,500. The notes carried an interest rate of 3.90% and matured December 30, 2009. The General Fund Equipment portion was paid from the General Fund. The Dog Warden portion was paid from the Dog and Kennel Special Revenue Fund. The sewer construction portion was paid from assessments that will be charged to benefited properties. The City of Van Wert collects the assessments on their sewer bills and forwards the collections to the County.

14. LONG-TERM OBLIGATIONS

The changes in the County's long-term obligations of the governmental activities of the County during 2009 follow:

Date of Issue	Description	Interest Rate	Balance at 12/31/2008	Increases	Decreases	Balance at 12/31/2009	Amounts Due in One Year
	General Obligation Notes						
1996	Airport Construction	4.64%	$ 27,850		($ 3,000)	$24,850	$ 3,000
1999	Airport Construction	5.69%	38,795		(2,510)	36,285	2,680
2002	County Annex	1.33%	910,000		(65,000)	845,000	65,000
2002	Thomas Edison Improvement	1.33%	160,000		(40,000)	120,000	40,000
2003	Airport Improvement	2.20%	93,500		(4,000)	89,500	5,000
2003	Probate Court Computer	2.20%	11,500		(7,700)	3,800	3,000
2003	County Annex/County Home	2.20%	382,342		(4,300)	378,042	3,000
2003	Thomas Edison Improvement	2.20%	300,000		(31,000)	269,000	24,000
	Total General Obligation Notes		1,923,987		(157,510)	1,766,477	145,680
	OWDA Loan						
2007	Washington Twp/Delphos Sewers	0.00%	485,111		(24,256)	460,855	24,256
2009	OWDA Loan - 127 Sewer	0.00%		$103,496		103,496	
2009	OWDA Loan - 118 Sewer	0.00%		163,151		163,151	
			485,111	266,647	(24,256)	727,502	24,256
	General Obligation Bonds						
2008	Capital Facilities Bond Series A	Various	3,580,000		(150,000)	3,430,000	150,000
2008	Capital Facilities Bond Series B	9.375%	685,000		(15,000)	670,000	20,000
	Total General Obligation Bonds		4,265,000		(165,000)	4,100,000	170,000
	Total Notes, Loans and Bonds		6,674,098	266,647	(346,766)	6,593,979	339,936
	Other Long-Term Obligations:						
	Compensated Absences		755,980	424,111	(430,714)	749,377	424,111
	Capital Leases		172,449	20,916	(72,931)	120,434	69,581
	Total - Other Long-Term Obligations		928,429	445,027	(503,645)	869,811	493,692
	Total - General Long-Term Obligations		$7,602,527	$711,674	($850,411)	$7,463,790	$833,628

14. LONG-TERM OBLIGATIONS (Continued)

The following table discloses the original issue amounts for the debt issued:

Issue	Amount
General Obligation Notes:	
1996 Airport Construction	$49,850
1999 Airport Construction	55,390
2002 County Annex	1,300,000
2002 Thomas Edison Improvements	400,000
2003 Airport Improvement	108,000
2003 Probate Court Computer	50,000
2003 County Annex/County Home	495,334
2003 Thomas Edison Improvement	400,000
General Obligation Bonds:	
2008 Capital Facilities Bonds	4,265,000
OWDA Loan:	
2007 Washington Twp/Delphos Sewers	485,111

All of the notes are general obligation notes and they are backed by the full faith and credit of Van Wert County. The Airport Construction and Improvement Notes are being paid with reimbursements from the Van Wert Count Airport Authority. The Thomas Edison Improvement Notes are being paid with monies from the Thomas Edison Center. All other note issues will be paid through the debt service funds transfers from the General Fund. The note liability is reflected as long-term since the notes are similar to serial bonds where annual payments are made each year and there is no rollover of principal from year to year. All of the notes are pre-payable without penalty at the option of the County at any time prior to maturity.

In 2008, the County issued capital facilities general obligation bonds to retire the general obligation notes for Towne Center. Series A bonds have a par value of $3,580,000 and Series B bonds have a par value of $685,000. The bonds will be paid from revenues received under a City tax financing agreement entered into with the City of Van Wert on October 5th, 2004.

In 2007, the County entered into a loan agreement with the Ohio Water Development Authority. The total amount of the loan was finalized in 2009 at $485,111. The loan is an interest free loan and will be paid semi-annually for 20 years. The City of Delphos will collect a flat fee for debt retirement from those owners of the properties benefiting from the construction of the sewer system. The City of Delphos will remit the fees to the County quarterly and these fees will be used to retire the debt.

On March 26, 2009, the County entered into a loan agreement for with the Ohio Water Development Authority for a Wastewater Treatment Plant Upgrade (Rt. 127 & 118 Sewer). The total project is $800,385. As of December 31, 2009, the County had only received $266,647 in loan proceeds. The loan is an interest free loan and will be paid semi-annually for 20 years. Once the construction has been completed and the loan has been finalized, an amortization schedule will be issued to notify the County when payments will begin on the loan. The City of Van Wert will collect a flat fee for debt retirement from those owners of the properties benefiting from the construction of the sewer system. The City of Van Wert will remit the fees to the County quarterly and these fees will be used to retire the debt.

14. LONG-TERM OBLIGATIONS (Continued)

On August 27, 2009, the County entered into a loan agreement for $78,855 with the Ohio Water Development Authority for a Sewer Design. As of December 31, 2009, the County had not received any loan proceeds. The loan is an interest free loan and will be paid semi-annually for 20 years. Once the construction has been completed and the loan has been finalized, an amortization schedule will be issued to notify the County when payments will begin on the loan. The City of Van Wert will collect a flat fee for debt retirement from those owners of the properties benefiting from the construction of the sewer system. The City of Van Wert will remit the fees to the County quarterly and these fees will be used to retire the debt

The compensated absences payable will be paid from the General, Motor Vehicle and Gas Tax, Dog and Kennel, DJFS, Real Estate Assessment, Thomas Edison, Youth Bureau, Federal DOE, Federal HHS, CSEA, Certificate of Title Administration, 911 Equipment, Community Corrections, and Brumback Library Funds. Obligations under capital lease are paid from the Thomas Edison Special Revenue Fund and the General Fund.

Changes in the long-term obligations reported in business-type activities of the County during 2009 were as follows:

Date of Issue	Description	Interest Rate	Balance at 12/31/2008	Increases	Decreases	Balance at 12/31/2009	Amounts Due in One Year
2003	Recycling Bldg and Trucks	2.2%	$75,000		($5,000)	$70,000	$2,500
	Compensated Absences		12,616	$3,702	(5,951)	10,367	4,567
	Totals		$87,616	$3,702	($10,951)	$80,367	$7,067

The note payable for the recycling building and trucks was issued in 2003 for $100,000 and will be paid from the Recycling Enterprise Fund with operating revenues. The note is pre-payable without penalty at the option of the County at any time prior to maturity. The note will mature in 2023.

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 should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and un-voted net debt of the County less the same exempt debt should not 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. The effects of the debt limitations at December 31, 2009, are an overall debt margin of $8,761,844 and an un-voted debt margin of $3,135,233.

Principal and interest requirements to retire the County's long-term obligations outstanding at December 31, 2009, were as follows:

14. LONG-TERM OBLIGATIONS (Continued)

Governmental Activities

	General Obligation Notes		General Obligation Bonds	
Year	**Principal**	**Interest**	**Principal**	**Interest**
2010	$ 156,680	$ 41,198	$ 170,000	$ 226,013
2011	160,650	38,707	180,000	218,138
2012	165,040	36,148	190,000	210,263
2013	131,250	33,521	200,000	201,319
2014	140,440	31,308	210,000	191,975
2015-2019	681,240	123,775	1,195,000	789,939
2020-2024	331,477	44,961	1,580,000	407,614
2025			375,000	22,781
Totals	$1,766,777	$349,618	$4,100,000	$2,268,042

Business-Type Activities

	General Obligation Notes	
Year	**Principal**	**Interest**
2010	$ 2,500	$ 1,650
2011	3,000	1,595
2012	3,500	1,529
2013	4,000	1,452
2014	4,500	1,364
2015-2019	28,000	5,104
2020-2022	24,500	1,166
Totals	$70,000	$13,860

During 1996, the County issued a health care facilities revenue bond with the principal amount of $271,000 outstanding at December 31, 2009, for facilities used by the Stepping Stones Center, Inc.

During 2007, Series 2007 Health Care Facilities Revenue Bonds were issued for the Van Wert Area Visiting Nurses Association, with the principal amount of $955,900 outstanding at December 31, 2009.

During 2004, $3,604,000 in Series 2004A Hospital Facilities Revenue Refunding Bonds was issued in order to refund and retire the outstanding Series 1997 bonds and Series 2000 bonds. These bonds were paid off during 2009.

Also during 2004, $4,750,000 in Series 2004B Hospital Facilities Revenue Refunding and Improvement Bonds were issued in order to refund and retire the outstanding Series 1991 Bonds and finance the acquisition, construction, installation, renovation and equipping the second floor of the Hospital's facilities. During 2009, $10,755,255 in Series 2009 Hospital Facilities Revenue Refunding and Improvement Bonds were issued to refinance the 2004B Series bonds and to finance the acquisition, construction, renovation, and installation of the Hospital Facilities. Payments on the new bonds will begin in 2010.

The proceeds of the hospital bonds do not constitute a general obligation, debt or bonded indebtedness of the County. The County is not obligated in any way to pay debt charges on the bonds from any of its funds; therefore, they have been excluded entirely from the County's debt presentation. Neither is the full faith and credit or taxing power of the County pledged to make repayment.

15. INTERFUND ASSETS/LIABILITIES

Interfund balances at December 31, 2009, consisted of the following amounts and resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting, and (3) payments between funds are made. All are expected to be paid within one year.

Interfund Payable	Interfund Receivable				
	General	**Motor Vehicle and Gas Tax**	**Thomas Edison**	**Other Governmental**	**Total**
General		$ 7,252			$ 7,252
Thomas Edison		7,052			7,052
Other Governmental	$10,647	95,873	$17,498	$59,449	183,467
Recycling		1,725			1,725
Total	$10,647	$111,902	$17,498	$59,449	$199,496

Interfund transfers for the year ended December 31, 2009, consisted of the following:

Transfers to:	Transfers From				
	General	**Motor Vehicle and Gas Tax**	**Thomas Edison**	**Other Governmental**	**Total**
General				$103,303	$103,303
CDBG				26,460	26,460
Other Governmental	$349,721	$43,435	$79,873	142,435	615,464
Total	$349,721	$43,435	$79,873	$272,198	$745,227

The General Fund transferred $152,639 for debt service obligations. The transfers for debt service obligations included a transfer of $29,185 to the Equipment Note Fund. Since this transfer was to cover a short-term note obligation of the General Fund, the transfer was also reported as transfer into the General Fund on the GAAP financial statements to provide the necessary resources to eliminate the liability.

The General Fund transferred $83,448 to the Department of Job and Family Services. The General Fund transferred $84,696 to the Child Support Enforcement Agency. In addition, the General Fund transferred $400 to the Richey Road Construction Fund and $26,460 to the CDBG fund. Finally, the General Fund transferred $2,078 for the County Resource Law Library.

The MVGT fund transferred $43,435 to the Issue II fund for the County share of a road resurfacing project.

The Thomas Edison Capital Projects transferred $79,873 to the Thomas Edison Special Revenue for the payment of principal and interest.

The Indigent Guardianship Fund transferred $1,480 to the General Fund for a correction of an error.

The County Home Operation Levy Special Revenue Fund transferred $39,018 to the General Fund for reimbursement of amount needed to pay debt.

15. INTERFUND ASSETS/LIABILITIES (Continued)

Construction funds transferred $198,080 to debt service funds to pay for notes related to the construction.

Finally, the Building Construction and Improvement Fund transferred $33,620 to the General Fund. This represents the money from the proceeds of the sale of the County Home.

16. DISCRETELY PRESENTED COMPONENT UNITS

Summary of Significant Accounting Policies

A. Nature of Organizations

1. The Thomas Edison Center – Due to control arising from common membership of boards of directors, the Thomas Edison Center financial statements include the accounts of the Thomas Edison Center and those of closely related entities of Thomas Edison Memorial Endowment and Van Wert Housing Services, Inc. Inter-company transactions and balances have been eliminated in consolidation.

   The Thomas Edison Center is a non-profit sheltered workshop providing residential, vocational, habilitation and family resource services to mentally retarded and developmentally disabled adults in Van Wert County and other counties. The Thomas Edison Center is primarily funded by the Van Wert County Board of MRDD as disclosed in Note 21. The Thomas Edison Center is exempt under Internal Revenue Code Section 501(c)(3) from federal income tax. It is also currently exempt from federal unemployment tax and Ohio franchise, personal property, and sales taxes. The payroll of the Thomas Edison Center became subject to the social security (FICA) coverage due to the Social Security Amendments of 1983.

   Van Wert Housing Services, Inc. was organized in 1992 as a not-for-profit corporation. The purpose is to develop dwellings and provide affordable housing in Van Wert County or other counties for occupancy by disabled persons from Van Wert County. Van Wert Housing Services, Inc. is primarily funded by the Van Wert County Board of MRDD as disclosed in Note 21. Van Wert Housing Services, Inc. is exempt under Internal Revenue Code Section 501(c)(3) from federal income tax. It is also currently exempt from federal unemployment tax and Ohio franchise, personal property, and sales taxes. The payroll of Van Wert Housing Services, Inc. became subject to social security (FICA) coverage due to the Social Security Amendments of 1983.

   The Thomas Edison Memorial Endowment is a not-for-profit corporation organized in 1975. The organization is classified as a public charity by the Internal Revenue Service Code Section 501(c)(3) and 509(a)(1).

2. The Port Authority is a legally separate organization created to maintain and operate the rail property located within the County.

3. The Airport Authority is a legally separate organization. It was created in 1974 by resolution of the Van Wert County Commissioners.

16. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

B. Classification of Net Assets

Unrestricted net assets are comprised of the amount upon which donors have placed no restriction on expenditure of these assets themselves or their investment income.

Temporarily restricted net assets and investment income generated by these assets comprise those amounts the expenditure of which has been restricted by donors for use during a specific time period or for a particular purpose. When such a restriction expires; that is, when a stipulated time restriction ends or a program restriction is accomplished, temporarily restricted capital assets are released to unrestricted net assets and are reported in the statement of activities and changes in net assets.

Permanently restricted net assets comprise those assets contributed to the component units by donors who have indicated an intention that the assets are to remain in perpetuity as permanent endowments of the component units. Investment income generated by these assets is reported as unrestricted or temporarily restricted, depending upon whether the donors have limited the expenditure of income to a particular purpose or purposes or have indicated that such income is to be available for the general purposes of the component units. At December 31, 2009, $63,674 of the Thomas Edison Center's net assets are temporarily restricted to use by program recipients for as long as the donor's beneficiary is able to live in the house.

C. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. All of the component units' contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt.

Contributed services have been recognized as contributions to the extent the total amount that could have been charged for these services exceeds the amount actually charged.

D. Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. Credit is generally extended for short periods of time to customers of the sheltered workshop for the Thomas Edison Center. These receivables do not bear interest or finance charges. Management periodically reviews open receivables for collection issues. Accounts are written off only after reasonable collection efforts have been made and require board approval.

E. Inventories

Inventories are valued at the lower of cost or market using the average cost method of determining cost.

16. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

F. Capital Assets

It is Thomas Edison Center's policy to capitalize expenditures in excess of $500 with an estimated life of more than one year. The Airport Authority capitalizes expenditures in excess of $1,000 with an estimated life of more than one year. Property, equipment, and vehicle accounts are stated at cost or donated value and are being depreciated using the straight-line method over their estimated useful lives. Thomas Edison Center uses 12-40 year useful life for buildings and improvements and 10-12 years for equipment and fixtures. The Port Authority depreciates its capital assets over an estimated useful life of 38-40 years, and 4 to 40 years for the Airport Authority.

When sold, retired, or otherwise disposed of, the related cost and accumulated depreciation are removed from the applicable accounts and any gain or loss resulting there from is included in the statement of activities. Routine maintenance, repairs and renewals are charged to operating cost and expenses as incurred. Property and equipment additions and expenditures which materially increase values or extend useful lives are capitalized.

During the year ended December 31, 2009, depreciation expense for Thomas Edison Center, Port Authority, and the Airport Authority is $53,440, $2,103, and $95,187, respectively. A summary of the component units' capital assets at December 31, 2009, follows:

Thomas Edison Center	
Workshop equipment	$168,829
Workshop buildings	148,590
Deliver equipment	35,249
Houses and related improvements	938,433
Home furnishings	21,981
Total	1,313,082
Accumulated Depreciation	(381,866)
Book Value	$ 931,216

	Port Authority	Airport Authority
Capital Assets, not being depreciated:		
Land	$56,352	$ 214,100
Capital Assets, being depreciated:		
Buildings	2,159	105,575
Vehicles		1,500
Furniture and Fixtures		3,035
Equipment		43,000
Fueling System		116,150
Rental Plane		62,000
Taxiways		1,439,224
Infrastructure	77,835	
Capital Assets Being Depreciated	79,994	1,770,484

(Continued)

16. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

	Port Authority	Airport Authority
Less: Accumulated Depreciation		
Buildings	(1,403)	(31,527)
Vehicles		(1,200)
Furniture and Fixtures		(2,926)
Equipment		(24,109)
Fueling System		(31,942)
Rental Plane		(16,533)
Taxiways		(257,067)
Infrastructure	(53,256)	
Accumulated Depreciation	(54,659)	(365,304)
Total Capital Assets Being Depreciated, Net	25,335	1,405,180
Total Capital Assets, Net	$81,687	$1,619,280

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

H. Major Customer and Concentration of Credit Risk

In prior years, approximately 53% of Thomas Edison Center's workshop program revenues were derived from service contracts with one industrial customer. Due to economic conditions, this customer did not provide significant revenues to the workshop operations in 2009. The Thomas Edison Center grants credit to customers of its workshop operations most of whom are based in western Ohio.

I. Bad Debt

For the Thomas Edison Center, management periodically reviews receivables for collection status. Since at the balance sheet date management has determined that all receivables would be collected, no allowance for doubtful accounts was made. The Center does not charge interest on past due accounts. Should any receivable become past due, management's policy is to write-off accounts only after all reasonable collection efforts have been made. Such write-offs require board approval.

J. Deposits and Investments

Cash and cash equivalents held by the Thomas Edison Center and the Airport Authority are classified as "Cash and Cash Equivalents in Segregated Accounts," meaning any investment with an original maturity of three months or less. Cash and cash equivalents held by the Port Authority is presented in the account "Equity in Pooled Cash and Cash Equivalents" because its funds are included in the County Treasurer's cash management pool. Investments held by Thomas Edison Center are classified as "Investments in Segregated Accounts."

16. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

1. At year-end, the carrying amount of deposits for Thomas Edison Center was $83,277 and the bank balance was $83,277. The entire balance was covered by federal deposit insurance. There are no statutory guidelines regarding the deposit and investment of funds for the not-for-profit corporation. The Board of Trustees has adopted an investment policy with regards to the Thomas Edison Memorial Endowment Fund. The purpose of the policy is to document fund objectives and provide guidelines for achieving those objectives. The objectives are to provide principal security, maximize income (while maintaining principal security), diversify asset holdings and have earnings available when needed for the support of the Thomas Edison Center and its affiliates. The rate of return target established by the policy is not less than 1% over annual certificate of deposit return rates. Investments primarily consist of U.S. government obligations, corporate obligations and common stocks.

	Cost	Fair Value	Unrealized Gain (Loss)
Money Market Funds	$ 113,967	$ 113,967	
Corporate Bonds	365,571	377,514	$11,943
Government Securities	130,056	137,008	6,952
Common Stocks	373,281	412,604	39,323
Mutual Funds	260,753	272,130	11,377
	$1,243,628	$1,313,223	$69,595

The stock and bonds are not rated.

2. Since the County Auditor is the fiscal agent for the Port Authority, the Port Authority follows the same investment guidelines as the County Treasurer. Information concerning deposits for the Port Authority can be found in Note 5.

3. At year-end, the Airport Authority had $93 in un-deposited cash on hand. The carrying amount of deposits was $25,939, and the bank balance was $28,910. The entire bank balance was covered by federal depository insurance. The Airport Authority follows the same investment guidelines as the County Treasurer which can be found in Note 5.

K. Notes Payable

A summary of the note transactions for the component units for the year ended December 31, 2009, follows:

	Interest Rate	Balance at December 31, 2008	Increases	Decreases	Balance at December 31, 2009
Thomas Edison Center					
Residential Property #3	8.00%	$11,451		$11,451	
Residential Property #4	8.00%	18,359		18,359	
Residential Property #5	7.00%	16,783		16,783	
Residential Property #6	5.75%	27,662		27,662	
Total		$74,255	$0	$74,255	$0

16. DISCRETELY PRESENTED COMPONENT UNITS (Continued)

Terms on residential property #3 note call for 180 monthly payments of $343. It is secured by a consumer residential house with a cost of $56,156. Terms on residential property #4 note call for 180 monthly payments of $306. It is secured by a consumer residential house with a cost of $64,934. Terms on residential property #5 note call for 180 monthly payments of $243. It is secured by a consumer residential house with a cost of $74,848. Terms on residential property #6 note call for180 monthly payments of $309. It is secured by a consumer residential house with a cost of $83,708. The notes were paid in full during 2009.

L. Loans Payable

A summary of the loan transactions for the component units for the year ended December 31, 2009, follows:

	Interest Rate	Balance at December 31, 2008	Increases	Decreases	Balance at December 31, 2009
Airport Authority					
Airport Hangar #1	4.64%	$ 27,850		$3,000	$ 24,850
Fuel Tank Removal	2.20%	93,500		4,000	89,500
Airport Hangar #2	4.98%	38,795		2,510	36,285
Total Loans Payable		$160,145	$0	$9,510	$150,635

The interest rates on the airport loans are adjusted annually on the date that the annual payment is due. The adjusted rate is the prime rate multiplied by 65 %. The interest rate shall never exceed the lesser of 12 % or the maximum interest rate permitted by law. Terms on the Airport Hangar loan #1 due to the County call for a total of 20 annual payments starting on August 1, 1997, at varying amounts based on the interest rate and principal due at that time. Terms on the Fuel Tank loan due to the County call for five annual payments starting on August 2, 2001, at varying amounts based on the interest rate and principal due at that time. Terms on the Airport Hangar loan #2 due to the County call for a total of 20 annual payments starting on October 1, 2001, at varying amounts based on the interest rate and principal due at that time.

M. Uncertainties

In early 2008, the Thomas Edison Center was named as a defendant in a civil court case involving monetary damage for personal injury. In 2009, it became apparent that the case will most likely settle. The insurance deductible that will be paid by Thomas Edison Center upon final settlement, in the amount of $2,500, has been accrued at December 31, 2009.

17. JOINT VENTURES

A. Van Wert County Emergency Management Agency

The Van Wert County Emergency Management Agency (EMA) is a joint venture among Van Wert County, the City of Van Wert, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is composed of the following seven members: one County Commissioner representing the board of county commissioners entering into the agreement; five chief executives representing the municipal corporations and townships entering into the agreement; and one non-elected representative.

17. JOINT VENTURES (Continued)

During 2009, the County contributed $15,000 for the operation of the agency. The EMA is a joint venture since it cannot continue to exist without the financial support of the County. The County does not have an equity interest in the joint venture. The EMA is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the EMA located at 1300 Old Route 30, Post Office Box 602, Van Wert, Ohio 45891.

B. Van Wert County Regional Planning Commission

The Van Wert County Regional Planning Commission (the Commission) is a joint venture among the County, the City of Van Wert, and townships and villages within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of thirty members of which two-thirds are elected officials. The County must be represented by the three County Commissioners, a County Health Official, the County Engineer, the County Recorder, the County Auditor, the Sheriff and the County Extension Agent. Other members include: a representative from all participating Boards of Township Trustees; the Mayor or a Council member of each participating incorporated village; two representatives from the City of Van Wert, one being the Mayor or his designee and one being appointed by City Council. The remaining members of the Commission are representatives from public utility, minority groups, business, industry, Ministerial Association, farm organizations, Chamber of Commerce and other representatives as deemed necessary by the Commission.

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. The County contributed $5,000 during 2009 for the operations of the Commission. The Commission is a joint venture since it cannot continue to exist without the financial support of the County. The County does not have an equity interest in the joint venture. The Commission is not accumulating significant financial resources and is not experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Complete financial statements can be obtained from the Commission located at 114 East Main Street, Van Wert, Ohio 45891.

18. JOINTLY GOVERNED ORGANIZATIONS

A. Alcohol, Drug Addiction and Mental Health Services Board of Mercer, Paulding and Van Wert Counties (Tri County Mental Health Board)

The Tri County Mental Health Board is a jointly governed organization among Mercer, Paulding and Van Wert counties. The Tri County Mental Health Board provides leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services.

18. JOINTLY GOVERNED ORGANIZATIONS (Continued)

The ability to influence operations depends on the County's representation on the Board. The Board of Trustees consists of eighteen members: four members are appointed by the Director of the Ohio Department of Mental Health, four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services and the remaining ten members are appointed by the County Commissioners of Mercer, Paulding and Van Wert counties in the same proportion as the County's population bears to the total population of the three counties combined. The majority of the Tri County Mental Health Board's revenue comes from a property tax levied by the Tri County Mental Health Board. During 2009, the tax levy provided $431,942 for the operations of the organization. These monies were collected and distributed by the County on behalf of the Tri County Mental Health Board. There were no County contributions.

B. Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio

The Community Improvement Corporation of the City of Van Wert and County of Van Wert, Ohio (the CIC) is a jointly governed organization between the City and the County. The general purpose of the CIC is to pursue and maintain economic development within the County. The CIC is governed by a Board of Trustees made up of fifteen members, who include: three elected or appointed officers of the City, to be designated annually by the City Council; three elected or appointed officers of the County, to be designated annually by the Board of County Commissioners; six people to be designated annually by the Board of Trustees of The Van Wert Area Chamber of Commerce; the President of the Van Wert Industrial Development Corporation (in ex officio status); and two people who are residents of the County, to be elected at the annual meeting of the members by a majority of the members listed previously. During 2009, the County contributed $11,500 to the CIC.

C. Van Wert County Council on Aging, Inc.

The Van Wert County Council on Aging, Inc. (the Council) is a jointly governed organization among the County, the City of Van Wert, neighboring townships, and local related organizations. The Council was formed to secure and maintain maximum independence and dignity for older persons (1) in a home environment for older persons capable of self-care with appropriate supportive services by providing such services and to remove individual and social barriers to economic and personal independence, (2) in a home-like environment for older persons not capable of self-care with adequate institutional situations by providing assistance to these institutions in developing policy. The Board of Directors consists of thirteen members, who represent, as nearly as possible, a cross section of the entire county population. Representatives of local health services, low income persons, the clergy, government officials, consumers and other concerned citizens shall be appointed to the Board. The majority of the Council's revenue comes from a property tax levied by the Council. During 2009, the tax levy provided $206,675 for the operations of the organization. These monies were collected and distributed by the County on behalf of the Council. There were no County contributions.

18. JOINTLY GOVERNED ORGANIZATIONS (Continued)

D. West Central Partnership, Inc.

The West Central Partnership, Inc. (the Partnership) is a jointly governed organization among Allen, Auglaize, Darke, Hancock, Hardin, Mercer, Miami, Logan, Paulding, Putnam, Shelby, Union and Van Wert counties. The Partnership was formed to administer local loan programs in these counties for the State of Ohio Department of Development using 166 funds and locally raised money. The Board of Trustees consists of nine members, including a County Commissioner from each of the member counties and the Director of Region 3, West Central SBDC Partnership. The counties do not contribute any money for the operation of the Partnership.

E. Maumee Valley Resource Conservation and Development Area

The Maumee Valley Resource Conservation and Development Area (the MV-RCD Area) is a jointly governed organization among the Counties of Allen, Defiance, Fulton, Henry, Paulding, Putnam, Van Wert, and Williams. The MV-RCD Area is organized to accelerate local efforts toward improving the social and economic conditions of the area through the conservation, development and utilization of natural resources. The Executive Council consists of twenty-four members. Each county appoints three members, with a member from each of the following: Board of County Commissioners, Soil and Water Conservation District, and a member at large. The member at large may represent one of the following interests: cities and villages, township trustees, Regional Planning, business, industry, labor, Chamber of Commerce, economic development, environmental groups, league of women voters, specialty growers, farm organizations, and concerned citizens. For 2009, the County contributed $500 to the MV-RCD Area for its operation.

F. Northwest Ohio Waiver Administration Council

The Northwest Ohio Waiver Administration Council (NOWAC) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. NOWAC is a council of governments directed by a seven-member Board of Council Members. The Board consists of the Superintendents of the member County Boards of Mental Retardation and Developmental Disabilities (County Boards of MR/DD). The member County Boards of MR/DD include: Allen, Defiance, Fulton, Henry, Paulding, Van Wert and William Counties.

NOWAC provides quality assurance reviews for various member County Boards of MR/DD residential programs and also administers the residential programs for Defiance, Van Wert and Williams County Boards of MR/DD. NOWAC provides investigation of Major Unusual Incidents (MUIs) for the Defiance, Henry, Fulton, Paulding, Van Wert, and Williams County Boards of MR/DD.

19. RELATED ORGANIZATIONS

A. Van Wert County Hospital Commission

The Van Wert County Hospital Commission (Commission) is a legally separate body politic. The nine board members of the Commission are appointed by the Van Wert County Commissioners: one member each from the townships of Willshire-Liberty, Harrison-Pleasant, Tully-Union, Hoaglin-Jackson, Ridge-Washington, and York-Jennings, along with three members from the City of Van Wert. The County is not able to impose its will on the Commission and no financial benefit and/or burden relationship exists. The Commission is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. The Commission was organized under Ohio Revised Code 339.14. The purpose is to oversee the total operation of the Van Wert County Hospital to insure the residents of the County are receiving total care.

B. Local Emergency Planning Committee

The Local Emergency Planning Committee (LEPC) is a legally separate body politic. The fifteen committee members of the LEPC are appointed by the Van Wert County Commissioners. As near as practical, the LEPC will be comprised of an equal number of representatives from the following categories: Elected Officials, Law Enforcement, Emergency Management, Fire Fighter, First Aid/Red Cross, Health, Local Environmental, Hospital, Transportation, Broadcast or Print Media, Community Group, Facility Owner/Operator. The County is not able to impose its will on the LEPC and no financial benefit and/or burden relationship exists. The LEPC is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. The LEPC was organized under the Superfund Amendments and Reauthorization Act (SARA TITLE III), United States Public Law 99-499, and the Emergency Planning and Community Right-to-Know Act (EPCRA) Section 301c. The purpose is to prepare a comprehensive and coordinated chemical emergency response plan for the County; to receive and process requests from the public for information under SARA TITLE II; to implement the LEPC rules and requirements of SARA TITLE III; and to receive and dispense funds generated by SARA TITLE III.

20. INSURANCE POOLS

A. Mid West Pool Risk Management Agency, Inc.

The Mid West Pool Risk Management Agency, Inc., (the Pool) is an Ohio nonprofit corporation established by five counties for the purpose of establishing a risk-sharing insurance program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by the Pool. Coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' error and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Pool are managed by an elected board of not more than five trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of the Pool is limited to its voting authority and any representation it may have on the board of trustees.

20. INSURANCE POOLS (Continued)

B. Midwest Employee Benefit Consortium

The County participates in the Midwest Employee Benefit Consortium (MEBC), a risk-sharing pool consisting of five counties. The MEBC is responsible for the administration of the program and processing of all claims for each member. The County pays premiums to the MEBC for employee medical and life insurance benefits. During 2009, the County paid $1,644,165 to MEBC.

The MEBC is governed by a Board of Trustees consisting of one county commissioner from each participating member. Each participant decides which plans offered by the Board of Trustees will be extended to its employees. Participation in the MEBC is by written application subject to acceptance by the Board of Trustees and payment of the monthly premiums.

C. The County Commissioners' Association of Ohio Service Corporation

The County is participating in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners' Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners' Association of Ohio (CCAO) as an insurance purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates; approving the selection of a third party administrator; reviewing and approving proposed third party fees, fees for risk management services, and general management fees; determining ongoing eligibility of each participant; and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of the CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member on the group executive committee in any year, and each elected member shall be a County Commissioner.

21. RELATED PARTY TRANSACTIONS

Thomas Edison Center, Inc., a discretely presented component unit of Van Wert County, has entered into a contractual agreement with the Van Wert County Board of Mental Retardation/Developmental Disabilities (MRDD), whereby the MRDD provides sheltered employment for mentally retarded or handicapped individuals in Van Wert County. The MRDD provides the workshop with personnel who provide habilitation services to the clients, land and buildings for the operation of the center, maintenance and repair of the buildings and professional staff to supervise and train clients of Thomas Edison Center, Inc. The contributions and related expenses are reflected in the financial statements of the component unit. In 2009, the contributions to Thomas Edison Center, Inc. for salaries, fringes, maintenance and repairs of buildings and administrative costs were $198,726.

Van Wert Housing Services, Inc., a discretely presented component unit of Van Wert County, has entered into a contractual agreement with the Van Wert County Board of MRDD. It had agreed to acquire, manage and maintain residential properties. The MRDD makes grants available to assist in the purchase of the properties and has maintained a legal interest through a note and a second mortgage in the acquired properties. In the event of default or violation of the contract terms, the MRDD has the right to assume the mortgage and the right to insist on the transfer of title.

22. PRIOR PERIOD RESTATEMENT

In 2009, the County restated beginning net assets $51,015. The County discovered some infrastructure assets that were left off the previous year's capital assets. As a result, net assets of governmental activities increased from $30,202,663 to $30,253,678.

23. CONTINGENT LIABILITIES

A. Grants

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

B. Litigation

The County was party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The County management is of the opinion that the ultimate disposition will not have a material effect on the financial statements.

24. SUBSEQUENT EVENTS

On January 6, 2010, the County entered into an agreement with the Ohio Water Development Authority for HSTS. This project will be funded by the WPCLF ARRA Fund. The project amount is $11,445.

Also during 2010, a portion of the principal outstanding on OWDA loan for the Wastewater Treatment Plant Upgrade was forgiven with the WPCLF AARA Fund. The outstanding balance on the loan as of June 30, 2010, was $196,694. A total of $557,143 in principal forgiveness payments have been made on the loan as of this date.

As of May 27, 2010, the County had received $63,040 in OWDA loan proceeds for sewer design.

On April 23, 2010, the Common Pleas Court Judge decided a case filed by the Fraternal Order of Police, Ohio Labor Council, Inc. against the Van Wert County Commissioners. The court found that the arbitrator did not exceed his authority when he awarded the FOP's proposals on wage and pension pickup, that the award does not violate public policy and the County' motion to vacate the award was denied. The County must pay the award granted, including interest at the statutory rate from May 1, 2009, together with court costs. The approximate cost of the judgment would have been $110,000 to the County. However to resolve the outstanding collective bargaining matters between the parties a negotiated resolution to this case was reached, agreeing to implement wage increases awarded by the conciliator in 2011 and 2012, in addition to lump sum payments costing approximately $57,000.

FINANCIAL CONDITION
VAN WERT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures	Non-Cash Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
(Passed through Ohio Department of Development)				
Community Development Block Grant/State's Program	BF-07-074-1	14.228	$295,983	
Community Development Block Grant/State's Program	BF-08-074-1	14.228	1,039	
Community Development Block Grant/State's Program	BW-08-074-1	14.228	368,448	
Total Community Development Block Grant/State's Program			665,470	
Total United States Department of Housing and Urban Development			665,470	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
(Passed through Ohio Department of Development)				
Low-Income Home Energy Assistance	H08-136	93.568	13,120	
Low-Income Home Energy Assistance	H09-136	93.568	9,871	
Low-Income Home Energy Assistance	H08-136 RU	93.568	63,179	
Low-Income Home Energy Assistance	08-HA-153	93.568	1,820	
Low-Income Home Energy Assistance	09-HA-153	93.568	42,251	
Low-Income Home Energy Assistance	10-HA-153	93.568	19,350	
Low-Income Home Energy Assistance	10-HE-253	93.568	39,717	
Low-Income Home Energy Assistance	09-HE-253	93.568	59,259	
Low-Income Home Energy Assistance	09-HC-253	93.568	27,692	
ARRA Low-Income Home Energy Assistance	***ARRA***	93.568	2,328	
Total Low-Income Home Energy Assistance			278,587	
(Passed through Ohio Department of Job and Family Services)				
Caseworker Visits Admin	JFSFMC10-3270	93.556	16	
Caseworker Visits	JFSFMC10-3270	93.556	145	
Caseworker Visits	JFSFMC09-3270	93.556	363	
Caseworker Visits	JFSFMC08-3270	93.556	(363)	
Preservation Operating Promoting Safe and Stable Families	JFSFPF09-3270	93.556	3,377	
Preservation Operating Promoting Safe and Stable Families	JFSFPF10-3270	93.556	909	
Preservation Safe and Stable Families	JFSFPF09-3270	93.556	3,449	
Preservation Safe and Stable Families	JFSFPF10-3270	93.556	359	
Reunification Operating Safe and Stable Families	JFSFPF09-3270	93.556	2,926	
Reunification Operating Safe and Stable Families	JFSFPF10-3270	93.556	759	
Reunification Safe and Stable Families	JFSFPF09-3270	93.556	3,063	
Reunification Safe and Stable Families	JFSFPF10-3270	93.556	997	
Total Promoting Safe and Stable Families			16,000	
Temporary Assistance for Needy Families				
KPIP - Admin/Outreach	JFSFTF09-3V60	93.558	1,139	
KPIP - Admin/Outreach	JFSFTF08-3V60	93.558	(1,139)	
Childcare Services CCDF	JFSFTF09-3V60	93.558	101,093	
Childcare Services TANF	JFSFTF10-3V60	93.558	24,000	
Early Start (Help Me Grow)	JFSFTF08-3V60	93.558	21,000	
Early Start (Help Me Grow)	JFSFTF09-3V60	93.558	57,435	
TANF Administration	JFSFTF09-3V60	93.558	27,597	
TANF Administration	JFSFTF10-3V60	93.558	10,836	
TANF Regular	JFSFTF08-3V60	93.558	60,000	
TANF Regular	JFSFTF09-3V60	93.558	280,759	
TANF Regular	JFSFTF10-3V60	93.558	44,101	
Total Temporary Assistance for Needy Families			626,821	
ARRA Child Support Enforcement	JFSFCS09S-3970	93.563	121,006	
Child Support Enforcement - Local Match	JFSFCS09-3970	93.563	257,986	
Child Support Enforcement - State Match	JFSCS09-3970	93.563	33,440	
Child Support Enforcement - State Match	JFSCS10-3970	93.563	13,946	
Total Child Support Enforcement			426,378	

FINANCIAL CONDITION
VAN WERT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures	Non-Cash Disbursements
Child Care Cluster:				
Child Care and Development Block Grant	JFSFCD08-3H70	93.575	25	
Child Care and Development Block Grant	JFSFCD09-3H70	93.575	2,360	
Child Care and Development Block Grant	JFSFCD10-3H70	93.575	10	
Total Child Care and Development Block Grant			2,395	
Child Care Mandatory and Matching Funds of the Child Care	JFSFCM10-3H70	93.596	3,164	
and Development Fund	JFSFCM09-3H70	93.596	(1,670)	
	JFSFCD09-3H70	93.596	6,860	
	JFSFCM10-3H70	93.596	3,165	
	JFSFCM09-3H70	93.596	2,511	
	JFSFCM10-3H70	93.596	22,408	
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			36,438	
ARRA Child Care and Development Block Grant	JFSFCD09S-3H70	93.713	15,000	
Total Child Care Cluster			53,833	
IVB Administration Child Welfare Services	JFSFCW09-3270	93.645	2,667	
IVB Administration Child Welfare Services	JFSFCW10-3270	93.645	817	
IVB Child Welfare Services	JFSFCW09-3270	93.645	27,043	
IVB Child Welfare Services	JFSFCW10-3270	93.645	8,545	
Total Child Welfare Services			39,072	
ARRA Foster Care Title IV-E Contract Services Payment	JFSFFC09-3980	93.658	15	
Foster Care Title IV-E Foster Care Administration		93.658	976	
Total Foster Care Title IV-E			991	
ARRA Adoption Assistance Contract Services Payment	JFSFFC09-3980	93.659	15	
Adoption Assistance Administration		93.659	14,270	
Total Adoption Assistance			14,285	
Social Services Block Grant	JFSFSS09-3960	93.667	168,148	
Social Services Block Grant	JFSFSS10-3960	93.667	62,051	
(Passed through Ohio Department of Developmental Disabilities)				
Social Services Block Grant	MR-81	93.667	26,093	
Total Social Services Block Grant			256,292	
(Passed through Ohio Department of Job and Family Services)				
Child Abuse and Neglect Prevention	JFSFSTF0-1980	93.669	1,696	
	JFSFMT09-3F00	93.778	125,347	
Medical Assistance Program	JFSFMT10-3F00	93.778	49,300	
Medical Assistance Program	JFSFMT09-GRF (50%)	93.778	28,695	
Medical Assistance Program	JFSFMT08-GRF (50%)	93.778	8,900	
(Passed through Ohio Department of Developmental Disabilities)				
Medical Assistance Program	8100012	93.778	85,230	
Total Medical Assistance Program			297,472	
Total United States Department of Health and Human Services			2,011,427	
U.S. DEPARTMENT OF HOMELAND SECURITY				
(Passed through Ohio Department of Emergency Management Agency)				
Homeland Security Grant Program	2007-GE-T8-0025	97.067	5,954	
Total United States Department of Homeland Security			5,954	

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures	Non-Cash Disbursements
U.S. ELECTION ASSISTANCE COMMISSION				
(Passed through Ohio Secretary of State)				
Help America Vote Act Requirements Payments	2008 Pollworker Training	90.401	2,450	
Total United States Election Assistance Commission			2,450	
U.S. DEPARTMENT OF EDUCATION				
(Passed through Ohio Department of Health)				
ARRA Special Education Grants for Infants & Families with Disabilities	08110021HA0110	84.393	7,326	
Special Education Grants for Infants & Families	08110021HG0209	84.181	17,683	
Total United States Department of Education			25,009	
UNITED STATES DEPARTMENT OF ENERGY				
(Passed through the Ohio Department of Development)				
Weatherization Assistance for Low-Income Persons	D09-136	81.042	41,394	
Weatherization Assistance for Low-Income Persons	D08-136	81.042	5,337	
Weatherization Assistance for Low-Income Persons	D09-136	81.042	43,182	
ARRA Weatherization Assistance for Low-Income Persons	D08-136	81.042	133,517	
Total Weatherization Assistance for Low-Income Persons			223,430	
Total United States Department of Energy			223,430	
UNITED STATES DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICES				
(Passed through the Ohio Department of Education)				
Nutrition Cluster:				
School Breakfast Program	140285	10.553	6,201	
Food Distribution	N/A	10.555		$3,920
National School Lunch Program	140285	10.555	9,430	
Total Nutrition Cluster			15,631	3,920
(Passed through Ohio Department of Job and Family Services)				
Food Stamp Cluster:				
FAET	JFSFF109-3840	10.561	3,552	
Food Assistance	JFSFFB09-3840	10.561	75,001	
Food Assistance	JFSFFB10-3840	10.561	24,922	
ARRA Food Stamp	JFSFFB09S-3840	10.561	11,029	
			114,504	
Total United States Department of Agriculture			130,135	3,920
UNITED STATES DEPARTMENT OF JUSTICE				
(Passed through the Ohio Office of Criminal Justice Services)				
Edward Byrne Memorial Foundatin Grant	2006-JG-D01-6440A	16.579	31,347	
Total United States Department of Justice			31,347	
Total Federal Assistance			$3,095,222	$3,920

See Accompanying Notes to the Schedule of Federal Awards Expenditures.

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NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2009

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Van Wert County (the County's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B – SUB-RECIPIENTS

The County passes certain federal awards received from Ohio Department of Job and Family Services to other governments or not-for-profit agencies (sub-recipients). As Note A describes, the County reports expenditures of Federal awards to sub-recipients when paid in cash.

As a sub-recipient, the government has certain compliance responsibilities, such as monitoring its sub-recipients to help assure they use these sub-awards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that sub-recipients achieve the award's performance goals.

NOTE C - CHILD NUTRITION CLUSTER

The County commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the County assumes it expends federal monies first.

NOTE D – FOOD DONATION PROGRAM

The County reports commodities consumed on the Schedule at the fair value. The County allocated donated food commodities to the Sheriff's department respective program that benefitted from the use of those donated food commodities.

NOTE E - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The County has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the County, passed through the Ohio Department of Development. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property, personal guarantees, and personal assets.

Activity in the CDBG revolving loan fund during 2009 is as follows:

Beginning loans receivable balance as of January 1, 2009	$131,067
Loans made in 2009	37,000
Loan issued December 2009 and closed January 2010	25,000
Loan principal repaid	(15,015)
Miscellaneous adjustments	(1,044)
Ending loans receivable balance as of December 31, 2009	$177,008
Cash balance on hand in the revolving loan fund as of December 31, 2009	$11,513

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2009, $19,030 are more than 60 days past due and $71,530 are in default status.

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE F - MATCHING REQUIREMENTS

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

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

Financial Condition
Van Wert County
121 E. Main Street
Van Wert, Ohio 45891

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Van Wert County, (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 5, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Other auditors audited the financial statements of the Thomas Edison Center, a discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated August 5, 2010.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 5, 2010

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Financial Condition
Van Wert County
121 E. Main Street
Van Wert, Ohio 45891

To the Board of County Commissioners:

Compliance

We have audited the compliance of Van Wert County, (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

As described in findings 2009-001 through 2009-003 in the accompanying schedule of findings, the County did not comply with requirements regarding cash management and reporting applicable to its Community Development Block Grant. Compliance with these requirements is necessary, in our opinion, for the County to comply with requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above applicable to each of its major federal programs for the year ended December 31, 2009.

The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists these instances as Finding 2009-004 and 2009-005.

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Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2009-001 through 2009-005 to be material weaknesses.

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

We also noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated August 5, 2010.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 5, 2010

FINANCIAL CONDITION
VAN WERT COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant/State's Program CFDA # 14.228 Temporary Assistance for Needy Families CFDA # 93.558 Child Support Enforcement CFDA # 93.563
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	**2009-001**
CFDA Title and Number	CFDA #14.228 – Community Development Block Grant
Federal Award Number / Year	BW-08-074-1, BF-08-074-1 and BF-07-074-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness - Ohio Department of Development Rules and Regulations – Cash Management

Ohio Department of Development, Office of Housing and Community Partnerships Financial Management Rules and Regulations, Section (A)(3)(f) states, in part, that the Grantee must develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursement of funds. This rule states that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than $5,000 within fifteen days of receipt of any funds.

On September 22, 2009, the County had a BF-08-074-1 grant balance of $6,873 prior to receiving an additional $35,000. The County maintained a balance in excess of $40,000 throughout the remainder of the year. As of December 31, 2009, the grant still had a balance of $40,948.

On February 18, 2009, the County had a BF-07-074-1 grant balance of $14,681 prior to receiving an additional $43,300. The County also received $197,400 on May 22, 2009 and $14,500 on September 22, 2009. The County maintained a balance in excess of $11,000 during the months of January 2009 through September 2009.

On September 22, 2009, the County received $375,000 for grant BW-08-074-1. The County maintained a balance in excess of $5,000 throughout the year and as of December 31, 2009, the grant still had a balance of $7,152.

The failure to comply with the cash management requirements per the Ohio Department of Development Rules and Regulations could result in a loss of grant funding.

Procedures should be implemented by the County Grant Coordinator and Commissioners to monitor Ohio Department of Development cash management requirements. A cash management system should be developed to monitor the fifteen day rule regarding the prompt disbursement of funds. Requests for Payments should be submitted for current cash needs. Procedures should be established to monitor the receipts, disbursements, and balances of the Community Development Block Grant funds to avoid excessive federal fund cash balances.

Officials Response:

The Ohio Department of Development cash management requirement and the 15 day rule concerning disbursing funds will be monitored and reported per procedures approved by the Board of Commissioners. Individual grant accounting will avoid excessive federal fund cash balances. The Ohio Department of Development and the Rural Community Assistance Program will be providing technical assistance and training.

Finding Number	**2009-002**
CFDA Title and Number	CFDA #14.228 – Community Development Block Grant
Federal Award Number / Year	BF-07-074-1, BF-08-074-1 BW-08-074-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness

Ohio Department of Development Rules and Regulations -- Reporting

Ohio Department of Development Grant Agreements, B-F-07-074-1, B-F-08-074-1, B-W-08-074-1, Attachment C states grantees shall submit to Grantor a Status Report beginning six months after the effective date of the Agreement and the grantee shall submit a Final Performance Report at the conclusion of the program which is the subject of this Agreement. The Status Report is used to report the funds disbursed to date by project and activity number.

The effective date of the BW-08-074-1 agreement was September 1, 2008. The Status Report that was to be submitted on March 1, 2009, was not prepared and as of our opinion date the report has not been filed. The Status Report that was to be submitted on September 1, 2009, was not prepared and as of the opinion date the report has not been filed.

The effective date of the BF-08-074-1 agreement was September 1, 2008. The Status Report that was to be submitted on March 1, 2009, was not prepared and submitted until April 28, 2009. The Status Report that was to be submitted on September 1, 2009, was not prepared and as of our opinion date the report has not been filed.

The effective date of the BF-07-074-1 agreement was September 1, 2007. The Status Report that was to be submitted on March 1, 2009, was not prepared and submitted until April 24, 2009. The Status Report that was to be submitted on September 1, 2009, was not prepared and as of our opinion date the report has not been filed.

Failure to comply with grant agreements could lead to un-allowed costs or loss of grant funding. Grant award letters and grant agreements should be carefully reviewed to determine that the grant requirements are understood and met.

Procedures should be implemented by the County Grant Coordinator and Commissioners to monitor Ohio Department of Development reporting deadlines. The Status Reports should be prepared and filed by the required dates that accurately reflect the actual expenditures incurred. In addition, the amounts reported should be reconciled to the amounts reported on the County's financial accounting system.

Officials Response:

Procedures will be put in place to monitor reporting deadlines. Expenditure information from individual grant accounts will assist with timely and accurate reporting. Individual grant accounting will also allow amounts reported to be reconciled with the individual grant account. The Ohio Department of Development and the Rural Community Assistance Program will be providing technical assistance and training.

Finding Number	**2009-003**
CFDA Title and Number	CFDA #14.228 – Community Development Block Grant
Federal Award Number / Year	BF-07-074-1, BF-08-074-1 and BW-08-074-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness

Ohio Department of Development Rules and Regulations - Reporting

Ohio Department of Development, Office of Housing and Community Partnerships Financial Management Rules and Regulations, Section (A)(1) (Required Financial Records) states that Grantees must establish financial records and financial management and recordkeeping systems that are in accordance with state and federal guidelines (24 CFR Subpart C, Section 85.20). Records must be maintained by activity as awarded on Attachment A of the grant agreement or as later amended. Required records include:

a. General Ledger: This ledger must be maintained to summarize cash receipts and disbursements on an activity basis.
b. Cash Receipts Journal: This journal must be maintained to record the receipt of all funds (local, state, and federal) used for program activities. The journal must include the date funds were received, the amount of funds received, the source of funds, and the activities for which the funds were received.
c. Cash Disbursements Journal: This journal must be maintained to record checks issued for payment of program costs. It must include the date of payment, the payee, check number, amount, and the activity which the disbursement was made against.

The Grant Coordinator provided subsidiary accounting records for each activity as indicated above to facilitate the preparation for the Required Financial Reports throughout the 2009 grant audit period; however, the subsidiary accounting records were not prepared timely and were found to be inaccurate. All grant activity for the Community Development Block Grant and the Home Investment Partnership Program (which did not have activity in 2009) are recorded in one fund on the County's accounting system. Upon request the Grant Coordinator completed a set of ledgers; however, they did not include all required financial reports.

The failure to comply with the reporting requirements per the Ohio Department of Development Rules and Regulations could result in a loss of grant funding.

Procedures should be implemented by the County Grant Coordinator and Commissioners to monitor Ohio Department of Development reporting requirements. Separate accounting records should be maintained by the grant coordinator to facilitate the preparation of the Required Financial Reports for the Community Development Block Grant and the Home Investment Partnership Program as stated in the Financial Management Rules and Regulations. The Ohio Department of Development has provided software which should be utilized by the County to produce computer generated reports. Reports should be prepared on a timely basis and reconciled monthly to the County's accounting system records.

Officials Response:

Procedures will be put in place to monitor reporting requirements. Separate accounting records will be maintained for the Community Development Block Grant and the Home Investment Partnership Program. Software provided by the Ohio Department of Development will be used to submit timely reports that will be reconciled to the County Auditor's individual grant accounts. The Ohio Department of Development and the Rural Community Assistance Program will be providing technical assistance and training.

Finding Number	**2009-004**
CFDA Title and Number	CFDA #93.568 – Low Income Home Energy Assistance Grant
Federal Award Number / Year	08-HA-153, 09-HA-153, 10-HA-153, 10-HE-253, 09-HE-253
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness

45 CFR 92.20 (a)(2) and (b)(2) states that fiscal control and accounting procedures must be sufficient to permit the tracing of funds to the level of expenditure adequate to establish that such funds have not been used in violation of the restriction and prohibitions of applicable statutes and that identify adequately the source and application of funds for Federally sponsored activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income and interest.

Receipts and expenditures related to this grant/program were tracked on the County's books; however the various programs and grant years were co-mingled into one fund. Some of the non-payroll expenditures were identified by program in the County appropriation ledger, while the payroll expenditures which relate to the HA programs, were not identified. In addition, the non-payroll expenditures, in some instances, were not charged to the program that was identified in the County's appropriation ledger. Copies of the vouchers had been maintained in file folders by month in which they were reported, with a hand-written spreadsheet for payroll and fringes, but subsidiary ledgers were not maintained that listed the revenues and expenditures charged to each program, nor was a program balance available at any point in time.

The failure to maintain adequate records and comply with the reporting requirements per the Ohio Department of Development Rules and Regulations and grant agreements could result in the loss of, or limited grant funding.

Separate subsidiary ledgers should be maintained for each program and should be updated, at a minimum, on a monthly basis. These records should contain all receipts, payroll and non-payroll expenditures and the current available balance per program. The subsidiary ledgers for these programs should be reconciled to the appropriate fund per the County's revenue and appropriation ledger on a monthly basis.

Officials Response:

Ancillary ledgers for each program will be maintained and updated on a monthly basis. These ledgers will be reconciled with the County Auditor's revenue and appropriation ledger on a monthly basis. The Ohio Department of Development and the Rural Community Assistance Program will be providing technical assistance and training.

Finding Number	**2009-005**
CFDA Title and Number	CFDA #93.568 – Low Income Home Energy Assistance Grant
Federal Award Number / Year	09-HE-253, 09-HA-153, 10-HA-153, H08-136 & H09-136
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness

Ohio Department of Development Grant Agreements, OCS Form 212, 213, 215 and any other monthly request for reimbursement are due the 10th of each subsequent month. The grant agreements also outline the filing deadlines for the final performance reports. The following monthly request for reimbursement reports were filed from two to five months late:

09-HE-253 – January through April reports filed 06/29/09
09-HA-153 – January through April report filed in May 2009
10-HA-153 – November report filed 02/13/10
H08-136 – January through March reports filed in July 2009
H09-136 – April through June reports filed in July 2009

The final performance report for 09-HA-153 was due 11/10/09, but not filed until 02/12/10 and the final performance report for H08-136 was due 6/10/08, but not filed until 09/02/09. The failure to comply with the reporting requirements per the Ohio Department of Development Rules and Regulations and grant agreements could result in the loss of or limited grant funding.

The monthly request for reimbursement should be filed by the 10th of the following month in order to receive timely reimbursement for the expenditures incurred for the previous month. The final performance reports should be filed by the required date in order to receive the final draw request or remit back to the grantor any unused funds.

Officials Response:

All monthly requests for reimbursement of expenses incurred in any month will be filed by the 10th day of the following month. Final performance reports will be filed by the date set aside in the grant agreement. The Ohio Department of Development and the Rural Community Assistance Program will be providing technical assistance and training.

FINANCIAL CONDITION
VAN WERT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2008-001	Ohio Department of Development Grant Procurement: Low Income Home Energy Assistance Grant - CFDA #93.568	Yes	
2008-002	Ohio Department of Development Grant Reporting: Low Income Home Energy Assistance Grant – CFDA # 93.568	No	Repeated as Finding 2009-005 This finding was reported in 2008 and is being repeated due to corrective action not being taken by the grant coordinator
2008-003	Ohio Department of Development Grant Reporting: Low Income Home Energy Assistance Grant – CFDA #93.568	No	Repeated as Finding 2009-004 This finding was reported in 2008 and is being repeated due to corrective action not being taken by the grant coordinator
2008-004	Questioned Cost Ohio Department of Development Grant Allowable Costs/Cost Principles and Period of Availability: Community Development Block Grant - CFDA #14.228	Yes	Repaid during 2009
2008-005	Ohio Department of Development Grant Reporting - Agreements Attachment C: Community Development Block Grant CFDA #14.228	No	Repeated as Finding 2009-002 This finding was reported in 2008 and is being repeated due to corrective action not being taken by the grant coordinator.
2008-006	Ohio Department of Development Reporting - Rules and Regulations, Section (A)(1): Home Investment Partnership Program CFDA #14.239	No	Repeated as Finding 2009-003 This finding was reported in 2008 and is being repeated due to corrective action not being taken by the grant coordinator.
2008-007	Ohio Department of Development Cash Management - Rules and Regulations Section (A)(3)(f): Home Investment Partnership Program CFDA # 14.239	No	Repeated as Finding 2009-001 This finding was reported in 2008 and is being repeated due to corrective action not being taken by the grant coordinator.
2008-008	Ohio Department of Development Reporting – Attachment C(2) Home Investment Partnership Program CFDA # 14.239	Yes	No HOME grant activity in 2009

FINANCIAL CONDITION
VAN WERT COUNTY

CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (C)
DECEMBER 31, 2009

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2009-01	The Ohio Department of Development cash management requirement and the 15 day rule concerning disbursing funds will be monitored by a trained and qualified person or organization to be selected in the near future. The County Auditor will maintain future individual grant accounting which will provide an immediate and accurate fund balance to avoid excessive federal fund cash balances. At least one County Commissioner will review and approve any submittals to the Department of Development.	12/31/10	Commissioner, Clair Dudgeon
2009-02	A trained and qualified person or organization, to be selected in the near future, will develop procedures, approved by the Board, to monitor reporting deadlines. Through new administration and policy, timely and accurate reporting will reflect the actual expenditures as reflected by the individual grant accounts maintained by the County Auditor. At least one County Commissioner will review and approve any submittals to the Department of Development.	12/31/10	Commissioner, Clair Dudgeon
2009-03	Procedures will be put in place and a trained and qualified person or organization will monitor the Department of Development's reporting requirements. To facilitate the required financial reports for CDBG and HIPP individual accounts will be maintained by a trained and qualified person or organization yet to be named. Software, provided by the Department of Development, will be utilized by the County to produce computer generated reports on a timely basis and monthly reconciled to the County Auditor's individual grant reports. At least one County Commissioner will review and approve any submittals to the Department of Development.	12/31/10	Commissioner, Clair Dudgeon
2009-04	Ancillary ledgers for each program will be maintained and updated, at minimum, on a monthly basis by a qualified person or organization yet to be named. The records will contain all receipts, payroll and non-payroll expenditures and current balance per program. These ledgers will be reconciled with the County Auditor's revenue and appropriation ledger on a monthly basis. At least one County Commissioner will review and approve any submittals to the Department of Development.	12/31/10	Commissioner, Clair Dudgeon
2009-05	All monthly requests for reimbursement of expenses incurred in any month will be filed by the 10^{th} day of the following month by a qualified person or organization yet to be named. In order to receive final draws or to remit unused funds; the final performance report will be filed by the date set aside in the grant agreement. At least one County Commissioner will review and approve any submittals to the Department of Development.	12/31/10	Commissioner, Clair Dudgeon

Mary Taylor, CPA
Auditor of State

VAN WERT COUNTY

VAN WERT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 16, 2010

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