

Coshocton County Financial Condition
Coshocton County, Ohio

Single Audit

January 1, 2010 through December 31, 2010

Year Audited Under GAGAS: 2010



Balestra, Harr & Scherer, CPAs, Inc.

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Dave Yost • Auditor of State

Board of Commissioners
Coshocton County
349 Main Street
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of Coshocton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

September 14, 2011

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COSHOCTON COUNTY FINANCIAL CONDITION

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Independent Auditor's Report

Coshocton County Financial Condition
349 Main Street
Coshocton, Ohio 43812

To the Board of Commissioners

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coshocton County, Ohio, (the "County"), as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coshocton County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and respective budgetary comparisons for the General Fund, Human Services Fund, Motor Vehicle License and Gas Tax Fund, County Board of DD Fund, and Emergency Ambulance Levy Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2011, 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 result of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements taken as a whole. The schedule of expenditure of federal awards provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 3 to the basic financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.



Balestra, Harr & Scherer, CPAs, Inc.
August 3, 2011

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

The management's discussion and analysis of Coshocton County's (the "County") financial performance provides an overall review of the County's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The total net assets of the County increased \$1,531,453 which represents a 3.91% increase from 2009.
- General revenues accounted for \$14,452,912 or 37.25% of total governmental activities revenue. Program specific revenues accounted for \$24,342,819 or 62.75% of total governmental activities revenue.
- The County had \$37,264,278 in expenses related to governmental activities; \$24,342,819 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$14,452,912 were adequate to provide for these programs.
- The County has five major governmental funds. The general fund, the County's largest major governmental fund, had revenues and other financing sources of \$9,290,784 in 2010. The general fund, had expenditures and other financing uses of \$8,698,561 in 2010. The increase in revenues over expenditures contributed to the general fund's fund balance increasing \$592,223 from 2009 to 2010.
- The human services fund, a County major fund, had revenues and other financing sources of \$4,611,652 and expenditures of \$4,631,877 in 2010. The human services fund balance decreased \$20,225 from 2009 to 2010.
- The motor vehicle license and gasoline tax fund, a County major fund, had revenues of \$5,302,504 and expenditures of \$5,536,204 in 2010. The motor vehicle license and gasoline tax fund balance decreased \$233,700 from 2009 to 2010.
- The county board of developmental disabilities (the "county board of DD") fund, a County major fund, had revenues of \$6,677,062 and expenditures and other financing uses of \$6,210,540 in 2010. The county board of DD fund balance increased \$466,522 from 2009 to 2010.
- The emergency ambulance levy fund, a County major fund, had revenues of \$2,966,158 and expenditures and other financing uses of \$2,543,198 in 2010. The emergency ambulance levy fund balance increased \$422,960 from 2009 to 2010.
- In the general fund, the actual revenues and other financing sources came in \$850,018 higher than they were originally budgeted and actual expenditures and other financing uses were \$164,632 less than the amount in the original budget. The County uses a conservative budgeting process.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the County as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

The statement of net assets and statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. 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 what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of the County, there are five major governmental funds: the general, human services, motor vehicle license and gasoline tax, county board of DD, and emergency ambulance levy funds.

Reporting the County as a Whole

Statement of Net Assets and the Statement of Activities

The statement of net assets and the statement of activities answer the question, "How did we do financially during 2010?" These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the County's governmental activities include most of the County's programs and services including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and State grants and other shared revenues.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the general fund, human services fund, motor vehicle license and gasoline tax fund, the County Board of developmental disabilities (DD) fund and emergency ambulance levy fund. The analysis of the County's major governmental funds begins on page 10.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental financial statements can be found on pages 19-29 of this report.

Proprietary Funds

The County maintains proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for a self-funded health insurance program for employees of the County and several governmental units within the County. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 33 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 34-71 of this report.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the County as a whole.

The table below provides a summary of the County's net assets at December 31, 2010 and 2009.

	<u>Governmental Activities</u>	
	2010	2009
<u>Assets</u>		
Current and other assets	\$ 24,944,209	\$ 24,090,464
Capital assets, net	28,982,083	28,225,077
Total assets	53,926,292	52,315,541
<u>Liabilities</u>		
Long-term liabilities	5,266,824	5,601,465
Other liabilities	7,963,068	7,549,129
Total liabilities	13,229,892	13,150,594
<u>Net Assets</u>		
Invested in capital assets, net of related debt	24,894,778	23,665,700
Restricted	11,268,728	13,894,275
Unrestricted	4,532,894	1,604,972
Total net assets	\$ 40,696,400	\$ 39,164,947

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2010, the County's assets exceeded liabilities by \$40,696,400. The County's finances remained stable during 2010.

Capital assets reported on the government-wide statements represent the largest portion of the County's net assets. At year-end, capital assets represented 53.74% of total assets. Capital assets include land, construction in progress, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. Capital assets, net of related debt to acquire the assets at December 31, 2010, were \$24,894,778. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the County's net assets, \$11,268,728 or 27.69% of total net assets, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the government-wide unrestricted net assets is \$4,532,894.

COSHOCTON COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

The table below shows the changes in net assets for 2010 and 2009.

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 4,557,057	\$ 4,505,468
Operating grants and contributions	16,308,637	20,620,618
Capital grants and contributions	3,477,125	1,123,462
General revenues:		
Property taxes	6,303,792	6,056,994
Sales tax	4,320,073	4,080,862
Payment in lieu of taxes	4,148	4,241
Unrestricted grants	2,958,230	1,434,992
Investment earnings	248,228	280,377
Miscellaneous	618,441	431,666
Total revenues	<u>38,795,731</u>	<u>38,538,680</u>
<u>Expenses</u>		
General government	5,155,209	5,148,795
Public safety	5,099,786	5,299,819
Public works	7,694,867	6,374,341
Health	9,299,171	9,010,252
Human services	9,279,663	10,534,432
Conservation and recreation	155,398	338,619
Other	394,795	387,607
Interest and fiscal charges	185,389	210,825
Total expenses	<u>37,264,278</u>	<u>37,304,690</u>
Change in net assets	1,531,453	1,233,990
Net assets at beginning of year	<u>39,164,947</u>	<u>37,930,957</u>
Net assets at end of year	<u>\$ 40,696,400</u>	<u>\$ 39,164,947</u>

Governmental Activities

Governmental activities increased \$1,531,453 or 3.91% during 2010.

Governmental activities capital grants and contributions revenue increased 209.50% from \$1,123,462 in 2009 to \$3,477,125 in 2010.

The State and federal government contributed to the County revenues of \$16,308,637 in the form of operating grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$7,054,255, or 43.25% subsidized human services programs. Operating grants and contributions decreased 20.91% in 2010 due to a decrease in funding for programs related to public works and human services. General revenues totaled \$14,452,912, and amounted to 37.25% of total revenues. These revenues primarily consist of

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

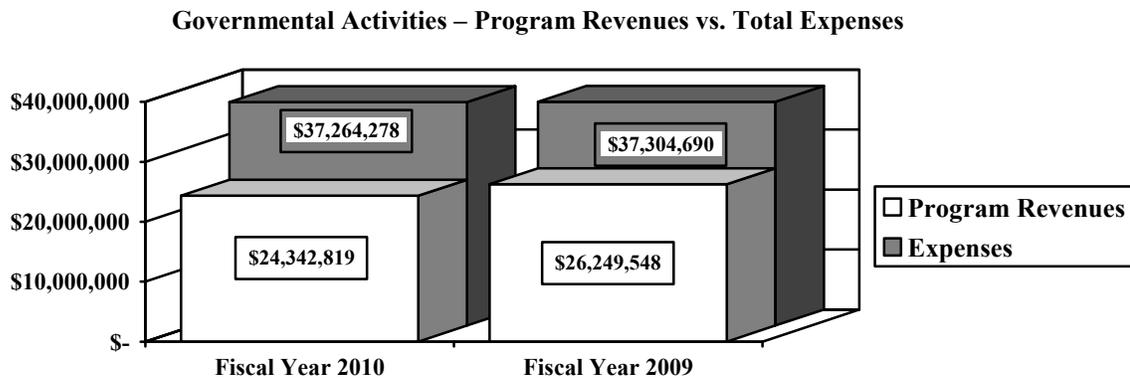
property and sales tax revenue of \$10,623,865 or 73.51% of total general revenues in 2010. Property tax revenue increased \$246,798 from 2009 to 2010. The County sales tax revenue increased \$239,211 from 2009 to 2010. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with local government revenue and property tax reimbursement received from the State making up \$2,958,230, or 20.47% of general revenues. Other revenues increased \$186,775 from miscellaneous refunds and reimbursements.

General government expenses include legislative and executive and judicial programs, totaled \$5,155,209 or 13.83% of total governmental expenses. General government expenses were covered by \$1,131,564 of direct charges to users in 2010.

Public works expenses primarily relate to road and bridge construction and repair projects undertaken by the County. The increase in this expense versus the prior year relates primarily to the increase in projects related to construction in progress. The County performed more road and bridge projects in 2010 versus the prior year.

Human services expenses support the operations of public assistance and the children services board, and accounts for \$9,279,663 of expenses, or 24.90% of total governmental expenses of the County. These expenses were funded by \$535,819 in charges to users of services and \$7,054,255 in operating grants and contributions in 2010.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The graph below shows the County's total expenses and the portion of those expenses which are offset by specific program revenues:



COSHOCTON COUNTY, OHIO

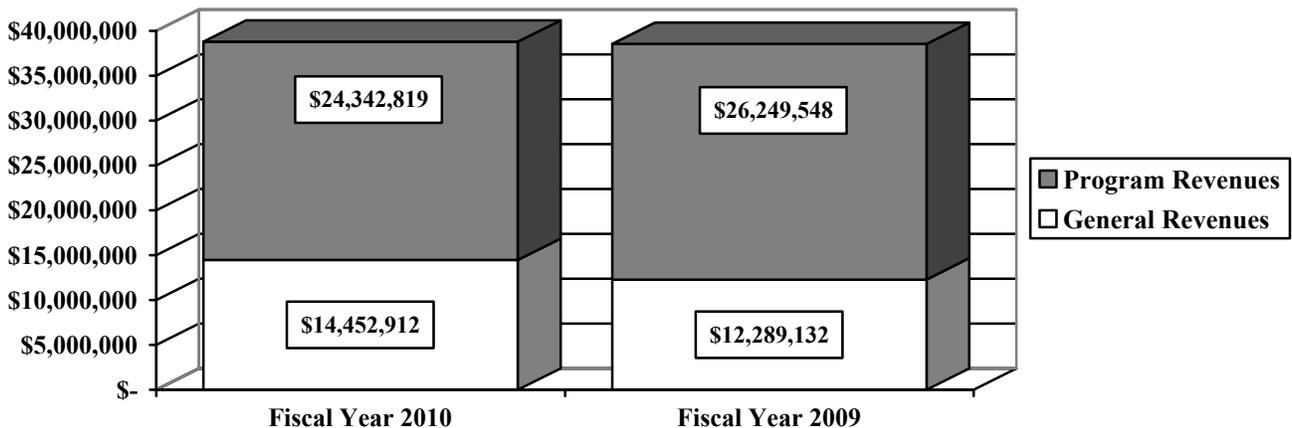
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

The following table shows, for governmental activities, the total cost of services and the net cost of services for 2010 and 2009. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>
Expenses:				
General government	\$ 5,155,209	\$ 3,158,129	\$ 5,148,795	\$ 3,432,912
Public safety	5,099,786	2,962,674	5,299,819	3,201,461
Public works	7,694,867	(518,789)	6,374,341	(74,622)
Health	9,299,171	4,954,042	9,010,252	2,414,722
Human services	9,279,663	1,689,589	10,534,432	1,216,132
Conservation and recreation	155,398	145,274	338,619	338,619
Other	394,795	394,795	387,607	379,357
Interest and fiscal charges	<u>185,389</u>	<u>135,745</u>	<u>210,825</u>	<u>146,561</u>
Total expenses	<u>\$ 37,264,278</u>	<u>\$ 12,921,459</u>	<u>\$ 37,304,690</u>	<u>\$ 11,055,142</u>

The dependence upon general revenues for governmental activities is apparent, with 34.68% and 29.63% of expenses supported through taxes and other general revenues during 2010 and 2009, respectively. The graph below shows the total general revenues and program revenues of the County for 2010 and 2009.

Governmental Activities - General and Program Revenues



COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Financial Analysis of the County's Funds

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

Governmental Funds

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

The County's governmental funds are presented on the balance sheet on pages 19-20. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2010 for all major and nonmajor governmental funds.

	<u>Fund Balance</u> <u>December 31, 2010</u>	<u>Fund Balance</u> <u>December 31, 2009</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 2,029,355	\$ 1,437,132	\$ 592,223
Human services	371,863	392,088	(20,225)
Motor vehicle license and gasoline tax	1,285,168	1,518,868	(233,700)
County board of DD	4,883,052	4,416,530	466,522
Emergency ambulance levy	1,308,030	885,070	422,960
Other nonmajor governmental funds	<u>3,389,977</u>	<u>3,041,497</u>	<u>348,480</u>
Total	<u>\$ 13,267,445</u>	<u>\$ 11,691,185</u>	<u>\$ 1,576,260</u>

General Fund

The general fund is the operating fund of the County. At the end of the year, the fund balance of the general fund was \$2,029,355, a 41.21% increase from 2009. The increase of the general fund balance in 2010 was primarily due to an increase in tax revenues as well as an increase in charges for services and investment income in 2010. The table that follows assists in illustrating the revenues of the general fund.

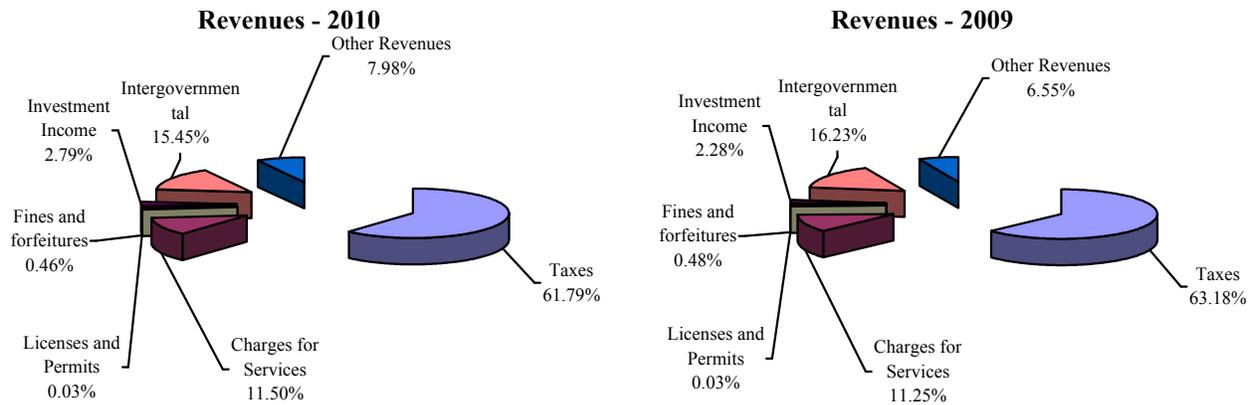
	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Increase/</u> <u>Decrease</u>	<u>Percentage</u> <u>Change</u>
Revenues				
Taxes	\$ 5,712,066	\$ 5,354,490	\$ 357,576	6.68 %
Charges for services	1,062,959	953,720	109,239	11.45 %
Licenses and permits	2,339	2,376	(37)	(1.56) %
Fines and forfeitures	42,402	40,781	1,621	3.97 %
Intergovernmental	1,428,292	1,375,555	52,737	3.83 %
Investment income	257,416	193,111	64,305	33.30 %
Other	<u>737,468</u>	<u>555,298</u>	<u>182,170</u>	<u>32.81 %</u>
Total	<u>\$ 9,242,942</u>	<u>\$ 8,475,331</u>	<u>\$ 767,611</u>	<u>9.06 %</u>

COSHOCTON COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

Tax revenue represents 61.79% of all general fund revenue. Tax revenue increased by 6.68% over prior year. The increase in investment income is due to the slight increase in interest rates throughout the year. The increase in intergovernmental revenues is due to more funding from State and federal sources. All other revenue remained comparable to 2009.

The graphs below show the breakdown of revenues, by source, for 2010 and 2009.



The table that follows assists in illustrating the expenditures of the general fund.

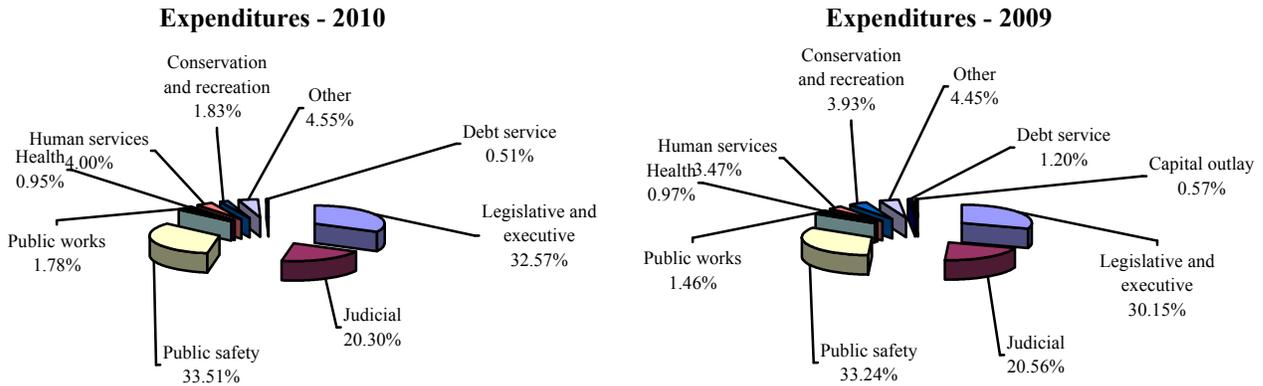
	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Increase/</u> <u>Decrease</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government				
Legislative and executive	\$ 2,740,674	\$ 2,586,208	\$ 154,466	5.97 %
Judicial	1,708,223	1,763,474	(55,251)	(3.13) %
Public safety	2,818,300	2,850,955	(32,655)	(1.15) %
Public works	149,787	125,060	24,727	19.77 %
Health	80,206	83,383	(3,177)	(3.81) %
Human services	336,139	298,038	38,101	12.78 %
Conservation and recreation	154,177	337,400	(183,223)	(54.30) %
Other	383,109	381,377	1,732	0.45 %
Capital outlay	-	48,487	(48,487)	(100.00) %
Debt service	43,275	102,641	(59,366)	(57.84) %
Total	<u>\$ 8,413,890</u>	<u>\$ 8,577,023</u>	<u>\$ (163,133)</u>	<u>(1.90) %</u>

The most significant decrease was in the area of conservation and recreation. Expenditures related to conservation and recreation decreased due to a decrease in agriculture grants received by the County. The most significant increase was in the area of legislative and executive expenses. This increase can be attributed to the overall increase in operating costs related to departments like the commissioners, information technology, and board of elections.

COSHOCOTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

The graphs below show the breakdown of expenditures, by function, for 2010 and 2009.



Human Services Fund

The human services fund, a County major fund, had revenues and other financing sources of \$4,611,652 and expenditures of \$4,631,877 in 2010. The human services fund balance decreased \$20,225 from 2009 to 2010.

Motor Vehicle License and Gasoline Tax Fund

The motor vehicle license and gasoline tax fund, a County major fund, had revenues of \$5,302,504 and expenditures of \$5,536,204 in 2010. The motor vehicle license and gasoline tax fund balance decreased \$233,700 from 2009 to 2010.

County Board of Developmental Disabilities (County Board of DD)

The county board of DD, a County major fund, had revenues of \$6,677,062 and expenditures and other financing uses of \$6,210,540 in 2010. The county board of DD fund balance increased \$466,522 from 2009 to 2010.

Emergency Ambulance Levy Fund

The emergency ambulance levy fund, a County major fund, had revenues of \$2,966,158 and expenditures and other financing uses of \$2,543,198 in 2010. The emergency ambulance levy fund balance increased \$422,960 from 2009 to 2010.

Budgeting Highlights - General Fund

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the County's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly. In the general fund, there were significant changes between the original and final budget. Final budgeted revenues and other financing sources were increased \$744,590 over original budgeted revenues and other financing sources. Actual revenues and other financing sources of \$9,123,745 were \$105,428 more than final budgeted revenues and other financing sources. Actual expenditures and other financing uses were \$700,174 less than the final budgeted expenditures.

COSHOCOTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of 2010, the County had \$28,982,083 (net of accumulated depreciation) invested in land, construction in progress, buildings and improvements, machinery and equipment, vehicles, infrastructure and software. Certain balances in the capital assets at December 31, 2009 have been reclassified to report computer software as a separate capital asset line item.

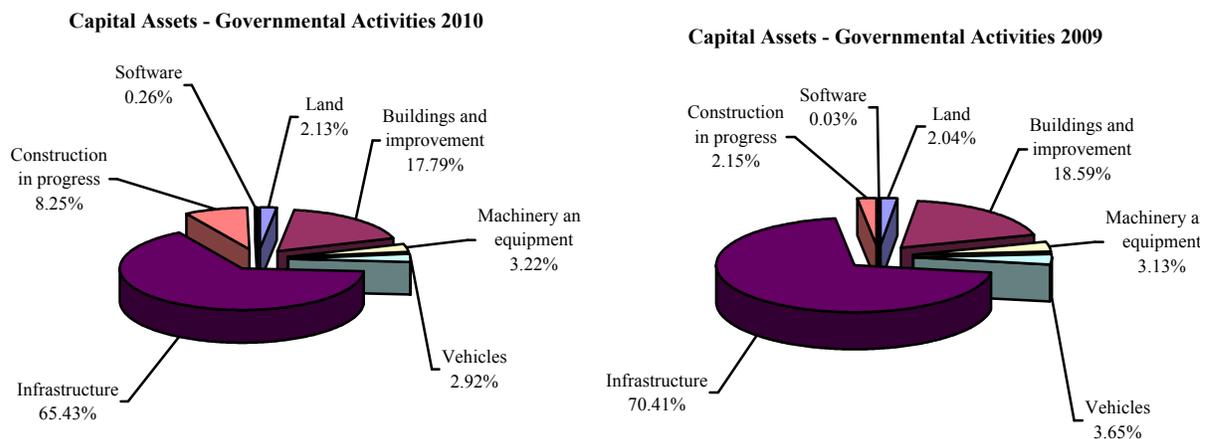
The following table shows 2010 balances compared to 2009:

	Capital Assets at December 31 (Net of Depreciation)	
	Governmental Activities	Governmental Activities
	<u>2010</u>	<u>2009*</u>
Land	\$ 617,503	\$ 577,137
Building and improvements	5,154,713	5,245,786
Machinery and equipment	931,960	884,153
Vehicles	846,689	1,029,218
Infrastructure	18,966,150	19,872,363
Software	75,223	9,339
Construction in progress	2,389,845	607,081
Total	<u>\$ 28,982,083</u>	<u>\$ 28,225,077</u>

* Certain reclassifications have been made for consistency in reporting. There was no effect on net assets.

See Note 13 to the basic financial statements for detail on governmental activities capital assets.

The following graphs show the breakdown of governmental capital assets by category for 2010 and 2009.



The County's largest governmental capital asset category is infrastructure which includes roads, bridges and culverts. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately, 65.43% of the County's total governmental capital assets.

COSHOCTON COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

Debt Administration

At December 31, 2010, governmental activities had \$3,180,000 in general obligation bonds, OWDA loans of \$385,325, OPWC loans of \$198,722, notes payable of \$225,000 and capital leases of \$98,258 outstanding. Of this total, \$289,860 is due within one year and \$3,797,445 is due in greater than one year. The following table summarizes the debt obligations outstanding.

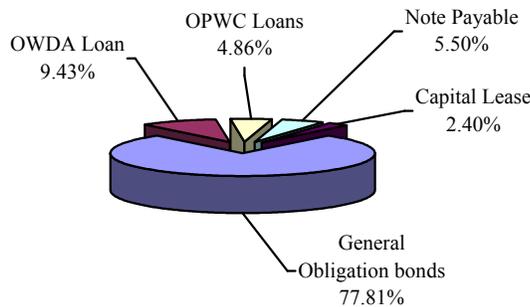
Outstanding Debt, at Year End

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
Long-Term Obligations		
General obligation bonds	\$ 3,180,000	\$ 3,360,000
OWDA loan	385,325	604,081
OPWC loans	198,722	200,463
Note payable	225,000	260,000
Capital leases	<u>98,258</u>	<u>134,833</u>
Total	<u>\$ 4,087,305</u>	<u>\$ 4,559,377</u>

See Note 14 to the basic financial statements for detail on governmental activities outstanding debt.

A comparison of the governmental long-term obligations by category is depicted in the chart below.

Long-term obligations - 2010



Economic Factors and Next Year's Budgets and Rates

Although private sector investment was difficult to measure in 2010, several major public infrastructure projects were completed thanks to strong support from the State and federal government. One such example is a \$3.3 million sanitary sewer extension project in the West Lafayette area supported largely by the American Recovery and Reinvestment Act. Undertaken by the County Commissioners, the project relieved the County Commissioners from Ohio Environmental Protection Agency findings and orders requiring that such service be provided to residents in the hamlet of Fresno. The infrastructure allows Pearl Valley Cheese to maintain its operations with 30 employees since service has been extended to its place of business.

COSHOCTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

The Richard Downing Airport has completed construction of a major improvement project that extended its runway to 5000 feet. Supported by local, State, and federal funds, the \$450,000 investment project was completed in the early fall of 2010.

Nine county buildings received energy-saving upgrades because of an Ohio Department of Development's Energy Efficiency Block Grant. The funding for the grant came from the American Recovery and Reinvestment Act. The Coshocton Port Authority applied for the grant and the County was awarded almost \$480,000 toward a \$627,000 project. The project included upgrades to lighting systems, installation of vending machine misers, night setback controllers, a new central HVAC system in the Courthouse Annex, and a modification to the HVAC system in the Title Building.

Four Coshocton County EPA initiatives were underway in 2010; \$200,000.00 Community-Wide Hazardous Substance Assessment grant, \$200,000.00 Community-Wide Petroleum Substance Assessment grant, Clean Ohio Assistance Fund under the Ohio's Voluntary Action Program for the Steel Ceilings Property and SABIC/GE Property discussions with EPA.

Three Rivers Therapy, Knob Hill Design, Coshocton Laboratory and the Animal Medical & Surgical Center of Coshocton were able to expand, retain and add jobs through the Coshocton Port Authority's revolving loan fund.

Excello Fabric Finishers was able to add new technology to their operations and retain current job levels.

Roscoe Village saw expansion as well as new business growth with Kiefer's Florist, Knob Hill Design, Village Pantry, and Medbery Marketplace.

Main Street Coshocton saw growth including a new owner of the Coshocton Performing Art Center, Connect your Community training facility, the new Family Computing store, and SOTA technologies was able to add a retail component to their business. Miller Funeral Home built a new state of the art facility utilizing a historic landmark.

Discussions to reopen the Coshocton Ethanol Plant were underway, with the possible restoration of 43 jobs.

Coshocton participated for the first time in America in Bloom program obtaining a comprehensive community evaluation report. America in Bloom Coshocton brought together municipal, corporate and citizen volunteers to work together to beautify our public spaces, business properties and out neighborhoods. This initiative is designed to make our community a better place to live, work and plan for our future!

Coshocton Airport Amphitheater, a community initiative, opened its first season with 3 successful shows.

The Main Street Coshocton initiative is under way. The Ohio Main Street Program, administered by Heritage Ohio, has been working with communities across the state to revitalize their historic and traditional commercial area and has become a powerful economic development tool.

These economic factors were considered in preparing the County's budget for 2011, along with realistic projections of real and sales tax collections and close monitoring of cash flow. Coshocton County officials continue to work together using conservative budgeting practices in order to strengthen the County's financial position in the future.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Honorable Sandra Corder, Coshocton County Auditor, at 349 Main Street – Room 101, Coshocton, Ohio 43812.

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COSHOCTON COUNTY, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2010
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Primary Government	Component Units	
	Governmental Activities	Regional Airport Authority	Hopewell Industries, Inc.
Assets:			
Equity in pooled cash and investments	\$ 11,580,592	\$ 147,410	\$ 272,740
Cash with fiscal agent	1,646,340	-	-
Receivables (net of allowances for uncollectibles):			
Sales taxes	730,175	-	-
Real and other taxes	6,792,765	-	-
Accounts	305,678	15,507	11,112
Accrued interest	170,359	-	-
Due from other governments.	3,413,863	-	-
Prepayments	96,509	-	184
Materials and supplies inventory.	207,928	-	-
Capital assets:			
Land and construction in progress	3,007,348	738,887	-
Depreciable capital assets, net	25,974,735	3,536,734	39,909
Total capital assets, net.	28,982,083	4,275,621	39,909
Total assets.	53,926,292	4,438,538	323,945
Liabilities:			
Accounts payable.	291,488	-	38,796
Accrued wages and benefits	528,573	-	-
Due to other governments	609,336	-	15,582
Unearned revenue	6,157,302	-	-
Accrued interest payable	17,298	-	-
Notes payable.	25,776	-	-
Claims payable	333,295	-	-
Long-term liabilities:			
Due within one year	1,013,934	-	-
Due in more than one year	4,252,890	-	-
Total liabilities	13,229,892	-	54,378
Net assets:			
Invested in capital assets, net of related debt	24,894,778	4,275,621	39,909
Restricted for:			
Capital projects	429,805	-	-
Debt service	61,818	-	-
Public works projects	1,513,125	-	-
Human services programs	2,454,139	-	-
Health programs	5,231,122	-	-
General government operations	810,895	-	-
Public safety programs.	725,647	-	-
Other purposes.	42,177	-	-
Unrestricted	4,532,894	162,917	229,658
Total net assets.	\$ 40,696,400	\$ 4,438,538	\$ 269,567

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government:				
Legislative and executive	\$ 3,401,409	\$ 1,131,564	\$ 20,686	\$ -
Judicial	1,753,800	844,569	261	-
Public safety.	5,099,786	154,059	1,983,053	-
Public works.	7,694,867	179,948	4,556,583	3,477,125
Health	9,299,171	1,651,330	2,693,799	-
Human services	9,279,663	535,819	7,054,255	-
Conservation and recreation.	155,398	10,124	-	-
Other.	394,795	-	-	-
Interest and fiscal charges	185,389	49,644	-	-
Total primary government	<u>\$ 37,264,278</u>	<u>\$ 4,557,057</u>	<u>\$ 16,308,637</u>	<u>\$ 3,477,125</u>
Component units:				
Regional Airport Authority.	\$ 1,111,363	\$ 531,140	\$ 102,432	\$ 529,754
Hopewell Industries, Inc	382,750	137,286	181,618	-
Total component units	<u>\$ 1,494,113</u>	<u>\$ 668,426</u>	<u>\$ 284,050</u>	<u>\$ 529,754</u>

General revenues:

Property taxes levied for:

- General purposes
- Health.
- Human services
- Public safety.
- Debt service

Sales taxes levied for:

- General purposes.
- Payment in lieu of taxes

- Grants and entitlements not restricted to specific programs
- Unrestricted investment earnings
- Miscellaneous

Total general revenues.

Change in net assets

Net assets at beginning of year.

Net assets at 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		Regional Airport Authority	Hopewell Industries, Inc.		
\$	(2,249,159)	\$	-	\$	-
	(908,970)		-		-
	(2,962,674)		-		-
	518,789		-		-
	(4,954,042)		-		-
	(1,689,589)		-		-
	(145,274)		-		-
	(394,795)		-		-
	(135,745)		-		-
	<u>(12,921,459)</u>		<u>-</u>		<u>-</u>
	-		51,963		-
	-		-		(63,846)
	-		<u>51,963</u>		<u>(63,846)</u>
	1,416,942		-		-
	2,613,777		-		-
	829,302		-		-
	1,267,183		-		-
	176,588		-		-
	4,320,073		-		-
	4,148		-		-
	2,958,230		-		-
	248,228		1,476		47,721
	618,441		1,365		10,015
	<u>14,452,912</u>		<u>2,841</u>		<u>57,736</u>
	1,531,453		54,804		(6,110)
	<u>39,164,947</u>		<u>4,383,734</u>		<u>275,677</u>
\$	<u>40,696,400</u>	\$	<u>4,438,538</u>	\$	<u>269,567</u>

COSHOCTON COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	<u>General</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>
Assets:				
Equity in pooled cash and investments	\$ 1,671,371	\$ 396,899	\$ 908,888	\$ 3,465,541
Cash with fiscal agent	-	-	-	1,646,340
Receivables (net of allowances for uncollectibles):				
Sales taxes	730,175	-	-	-
Real and other taxes	1,565,689	-	-	2,836,676
Accounts	59,911	5,279	-	-
Accrued interest	170,359	-	-	-
Due from other governments	471,552	202,973	2,036,336	150,798
Interfund loans	500	-	-	-
Due from other funds	150,786	-	-	-
Prepayments	96,509	-	-	-
Materials and supplies inventory	-	-	207,928	-
Total assets	<u>\$ 4,916,852</u>	<u>\$ 605,151</u>	<u>\$ 3,153,152</u>	<u>\$ 8,099,355</u>
Liabilities:				
Accounts payable	\$ 45,009	\$ 56,016	\$ 36,670	\$ 16,142
Accrued wages and benefits	175,503	63,956	39,771	82,228
Compensated absences payable	30,924	-	-	13,967
Due to other governments	164,238	91,675	72,754	114,230
Due to other funds	-	21,641	-	2,397
Interfund loans payable	-	-	-	-
Deferred revenue	1,032,323	-	1,718,789	428,746
Unearned revenue	1,439,500	-	-	2,558,593
Notes payable	-	-	-	-
Total liabilities	<u>2,887,497</u>	<u>233,288</u>	<u>1,867,984</u>	<u>3,216,303</u>
Fund balances:				
Reserved for encumbrances	331,988	115,015	312,381	422,715
Reserved for prepayments	96,509	-	-	-
Reserved for materials and supplies inventory	-	-	207,928	-
Reserved for debt service	-	-	-	-
Unreserved, undesignated, reported in:				
General fund	1,600,858	-	-	-
Special revenue funds	-	256,848	764,859	4,460,337
Capital projects funds	-	-	-	-
Total fund balances	<u>2,029,355</u>	<u>371,863</u>	<u>1,285,168</u>	<u>4,883,052</u>
Total liabilities and fund balances	<u>\$ 4,916,852</u>	<u>\$ 605,151</u>	<u>\$ 3,153,152</u>	<u>\$ 8,099,355</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Emergency Ambulance Levy	Other Governmental Funds	Total Governmental Funds
\$ 1,354,867	\$ 3,739,976	\$ 11,537,542
-	-	1,646,340
-	-	730,175
1,262,952	1,127,448	6,792,765
168,756	60,314	294,260
-	-	170,359
77,282	474,922	3,413,863
-	-	500
-	-	150,786
-	-	96,509
-	-	207,928
<u>\$ 2,863,857</u>	<u>\$ 5,402,660</u>	<u>\$ 25,041,027</u>
\$ 26,180	\$ 111,471	\$ 291,488
59,324	106,984	527,766
-	8,562	53,453
74,079	91,281	608,257
-	126,748	150,786
-	500	500
242,344	536,052	3,958,254
1,153,900	1,005,309	6,157,302
-	25,776	25,776
<u>1,555,827</u>	<u>2,012,683</u>	<u>11,773,582</u>
250,795	578,014	2,010,908
-	-	96,509
-	-	207,928
-	61,818	61,818
-	-	1,600,858
1,057,235	2,451,114	8,990,393
-	299,031	299,031
<u>1,308,030</u>	<u>3,389,977</u>	<u>13,267,445</u>
<u>\$ 2,863,857</u>	<u>\$ 5,402,660</u>	<u>\$ 25,041,027</u>

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COSHOCTON COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010

Total governmental fund balances		\$ 13,267,445
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		28,982,083
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes receivable	\$ 635,230	
Sales taxes receivable	355,699	
Intergovernmental revenues receivable	2,736,473	
Charges for services receivable	60,493	
Accrued interest receivable	<u>170,359</u>	
Total		3,958,254
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets. The net assets of the internal service fund are:		(280,713)
On the statement of net assets interest is accrued on outstanding bonds, whereas in governmental funds, interest is accrued.		(17,298)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(3,180,000)	
OPWC loans	(198,722)	
OWDA loan	(385,325)	
Compensated absences	(1,126,066)	
Capital lease payable	(98,258)	
Notes payable	<u>(225,000)</u>	
Total		<u>(5,213,371)</u>
Net assets of governmental activities		<u>\$ 40,696,400</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>General</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>
Revenues:				
Property taxes	\$ 1,402,181	\$ -	\$ -	\$ 2,578,175
Sales taxes	4,309,885	-	-	-
Payment in lieu of taxes	1,548	-	-	1,409
Charges for services	1,062,959	-	-	-
Licenses and permits	2,339	-	-	-
Fines and forfeitures	42,402	-	34,555	-
Intergovernmental	1,428,292	4,296,623	5,166,017	3,965,390
Investment income	257,416	-	1,394	28,425
Rental income	117,479	-	-	-
Other	618,441	137,151	100,538	103,663
Total revenues.	<u>9,242,942</u>	<u>4,433,774</u>	<u>5,302,504</u>	<u>6,677,062</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	2,740,674	-	-	-
Judicial	1,708,223	-	-	-
Public safety	2,818,300	-	-	-
Public works	149,787	-	5,423,726	-
Health	80,206	-	-	6,110,540
Human services	336,139	4,631,877	-	-
Conservation and recreation	154,177	-	-	-
Other	383,109	-	-	-
Capital outlay	-	-	7,695	-
Debt service:				
Principal retirement	36,575	-	63,595	-
Interest and fiscal charges	6,700	-	41,188	-
Total expenditures.	<u>8,413,890</u>	<u>4,631,877</u>	<u>5,536,204</u>	<u>6,110,540</u>
Excess (deficiency) of revenues over (under) expenditures	<u>829,052</u>	<u>(198,103)</u>	<u>(233,700)</u>	<u>566,522</u>
Other financing sources (uses):				
Loan issuance	-	-	-	-
Transfers in	47,842	177,878	-	-
Transfers (out)	(284,671)	-	-	(100,000)
Total other financing sources (uses)	<u>(236,829)</u>	<u>177,878</u>	<u>-</u>	<u>(100,000)</u>
Special item:				
Loan forgiveness	-	-	-	-
Total special item.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	592,223	(20,225)	(233,700)	466,522
Fund balances at beginning of year	<u>1,437,132</u>	<u>392,088</u>	<u>1,518,868</u>	<u>4,416,530</u>
Fund balances at end of year	<u>\$ 2,029,355</u>	<u>\$ 371,863</u>	<u>\$ 1,285,168</u>	<u>\$ 4,883,052</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Emergency Ambulance Levy	Other Governmental Funds	Total Governmental Funds
\$ 1,161,536	\$ 1,080,991	\$ 6,222,883
-	-	4,309,885
592	599	4,148
1,419,467	1,774,039	4,256,465
-	5,236	7,575
-	62,256	139,213
364,297	8,144,944	23,365,563
-	277	287,512
-	-	117,479
20,266	245,229	1,225,288
<u>2,966,158</u>	<u>11,313,571</u>	<u>39,936,011</u>
-	745,131	3,485,805
-	48,111	1,756,334
-	2,235,418	5,053,718
-	1,099,404	6,672,917
2,498,198	442,458	9,131,402
-	4,224,121	9,192,137
-	-	154,177
-	8,750	391,859
-	1,855,079	1,862,774
-	176,985	277,155
-	138,668	186,556
<u>2,498,198</u>	<u>10,974,125</u>	<u>38,164,834</u>
<u>467,960</u>	<u>339,446</u>	<u>1,771,177</u>
-	1,799,383	1,799,383
-	251,793	477,513
<u>(45,000)</u>	<u>(47,842)</u>	<u>(477,513)</u>
<u>(45,000)</u>	<u>2,003,334</u>	<u>1,799,383</u>
-	(1,994,300)	(1,994,300)
-	(1,994,300)	(1,994,300)
422,960	348,480	1,576,260
885,070	3,041,497	11,691,185
<u>\$ 1,308,030</u>	<u>\$ 3,389,977</u>	<u>\$ 13,267,445</u>

COSHOCTON COUNTY, OHIO

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, 2010

Net change in fund balances - total governmental funds \$ 1,576,260

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. Capital outlays exceeded depreciation expense in the current period accordingly.

Capital asset additions	\$	3,152,077	
Current year depreciation		<u>(2,350,062)</u>	
Total			802,015

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (45,009)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		80,909	
Sales taxes		10,188	
Intergovernmental		(1,223,365)	
Charges for services		(1,537)	
Investment income		<u>(9,188)</u>	
Total			(1,142,993)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 277,155

The forgiveness of loans is a special item in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 1,994,300

Proceeds of OPWC and OWDA loans are recognized as other financing sources in the governmental funds, however, in the statement of activities they are not reported as revenues as they increase liabilities on the statement of net assets. (1,799,383)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,167

Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (84,078)

The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (47,981)

Change in net assets of governmental activities \$ 1,531,453

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Sales taxes	\$ 3,912,080	\$ 4,264,144	\$ 4,264,144	\$ -
Real and other taxes	1,280,306	1,395,527	1,396,002	475
Charges for services	942,773	1,027,617	1,055,171	27,554
Licenses and permits	1,972	2,150	2,339	189
Fines and forfeitures	40,335	43,965	43,922	(43)
Intergovernmental	1,306,230	1,423,784	1,431,290	7,506
Investment income	222,793	242,843	243,295	452
Rental income	111,835	121,900	117,114	(4,786)
Payment in lieu of taxes	1,284	1,400	1,553	153
Other	448,356	488,706	521,073	32,367
Total revenues	<u>8,267,964</u>	<u>9,012,036</u>	<u>9,075,903</u>	<u>63,867</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	2,729,643	2,895,166	2,870,428	24,738
Judicial	1,812,367	1,911,664	1,769,736	141,928
Public safety	2,762,933	2,880,971	2,880,971	-
Public works	133,739	226,405	185,093	41,312
Health	70,034	70,214	60,206	10,008
Human services	399,172	454,738	385,663	69,075
Conservation and recreation	154,180	156,980	154,177	2,803
Other	399,943	389,286	382,369	6,917
Total expenditures	<u>8,462,011</u>	<u>8,985,424</u>	<u>8,688,643</u>	<u>296,781</u>
Excess/deficiency of revenues over/under expenditures	<u>(194,047)</u>	<u>26,612</u>	<u>387,260</u>	<u>360,648</u>
Other financing sources (uses):				
Advances (out) and not repaid	-	-	(500)	(500)
Transfers in	5,763	6,281	47,842	41,561
Transfers (out)	(266,142)	(278,271)	(284,671)	(6,400)
Total other financing sources (uses)	<u>(260,379)</u>	<u>(271,990)</u>	<u>(237,329)</u>	<u>34,661</u>
Net change in fund balances	(454,426)	(245,378)	149,931	395,309
Fund balances at beginning of year	669,487	669,487	669,487	-
Prior year encumbrances appropriated	410,293	410,293	410,293	-
Fund balance at end of year	<u>\$ 625,354</u>	<u>\$ 834,402</u>	<u>\$ 1,229,711</u>	<u>\$ 395,309</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HUMAN SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,274,790	\$ 4,229,379	\$ 4,266,693	\$ 37,314
Other	157,455	126,249	132,804	6,555
Total revenues	<u>5,432,245</u>	<u>4,355,628</u>	<u>4,399,497</u>	<u>43,869</u>
Expenditures:				
Current:				
Human services	4,645,800	4,977,142	4,895,311	81,831
Total expenditures	<u>4,645,800</u>	<u>4,977,142</u>	<u>4,895,311</u>	<u>81,831</u>
Excess/deficiency of revenues over/under expenditures	<u>786,445</u>	<u>(621,514)</u>	<u>(495,814)</u>	<u>125,700</u>
Other financing sources (uses):				
Transfers in	221,846	177,878	177,878	-
Total other financing sources (uses)	<u>221,846</u>	<u>177,878</u>	<u>177,878</u>	<u>-</u>
Net change in fund balances	1,008,291	(443,636)	(317,936)	125,700
Fund balances at beginning of year	159,206	159,206	159,206	-
Prior year encumbrances appropriated	<u>335,620</u>	<u>335,620</u>	<u>335,620</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,503,117</u>	<u>\$ 51,190</u>	<u>\$ 176,890</u>	<u>\$ 125,700</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE AND GAS TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 27,796	\$ 32,803	\$ 32,803	\$ -
Intergovernmental	4,627,376	5,460,900	5,462,639	1,739
Investment income	1,212	1,431	1,431	-
Other	85,616	101,037	101,006	(31)
Total revenues	4,742,000	5,596,171	5,597,879	1,708
Expenditures:				
Current:				
Public works	5,408,600	6,135,748	5,805,738	330,010
Debt service:				
Principal retirement	102,000	117,893	114,081	3,812
Interest and fiscal charges	-	-	-	-
Total expenditures	5,510,600	6,253,641	5,919,819	333,822
Net change in fund balances	(768,600)	(657,470)	(321,940)	335,530
Fund balances at beginning of year	615,773	615,773	615,773	-
Prior year encumbrances appropriated	256,638	256,638	256,638	-
Fund balance at end of year	\$ 103,811	\$ 214,941	\$ 550,471	\$ 335,530

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY BOARD OF DD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 2,128,867	\$ 2,563,627	\$ 2,563,627	\$ -
Intergovernmental	3,113,055	3,748,808	3,818,788	69,980
Payment in lieu of taxes	1,285	1,547	1,416	(131)
Other	78,192	94,161	103,663	9,502
Total revenues	<u>5,321,399</u>	<u>6,408,143</u>	<u>6,487,494</u>	<u>79,351</u>
Expenditures:				
Current:				
Health	<u>5,651,200</u>	<u>6,814,091</u>	<u>6,317,996</u>	<u>496,095</u>
Total expenditures	<u>5,651,200</u>	<u>6,814,091</u>	<u>6,317,996</u>	<u>496,095</u>
Excess/deficiency of revenues over/under expenditures	<u>(329,801)</u>	<u>(405,948)</u>	<u>169,498</u>	<u>575,446</u>
Other financing sources (uses):				
Transfers (out)	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balances	(329,801)	(505,948)	69,498	575,446
Fund balances at beginning of year	2,421,596	2,421,596	2,421,596	-
Prior year encumbrances appropriated	441,891	441,891	441,891	-
Fund balance at end of year	<u>\$ 2,533,686</u>	<u>\$ 2,357,539</u>	<u>\$ 2,932,985</u>	<u>\$ 575,446</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMERGENCY AMBULANCE LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real and other taxes	\$ 1,160,254	\$ 1,155,346	\$ 1,155,875	\$ 529
Charges for services	1,395,190	1,389,288	1,410,730	21,442
Intergovernmental	364,719	363,176	364,297	1,121
Payment in lieu of taxes	358	357	595	238
Other	26,190	26,079	26,779	700
Total revenues	<u>2,946,711</u>	<u>2,934,246</u>	<u>2,958,276</u>	<u>24,030</u>
Expenditures:				
Current:				
Health	3,307,860	3,379,110	2,869,721	509,389
Total expenditures	<u>3,307,860</u>	<u>3,379,110</u>	<u>2,869,721</u>	<u>509,389</u>
Excess/deficiency of revenues over/under expenditures	<u>(361,149)</u>	<u>(444,864)</u>	<u>88,555</u>	<u>533,419</u>
Other financing sources (uses):				
Transfers (out)	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
Net change in fund balances	(406,149)	(489,864)	43,555	533,419
Fund balances at beginning of year	688,313	688,313	688,313	-
Prior year encumbrances appropriated	310,250	310,250	310,250	-
Fund balance at end of year	<u>\$ 592,414</u>	<u>\$ 508,699</u>	<u>\$ 1,042,118</u>	<u>\$ 533,419</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUND
 DECEMBER 31, 2010

	Governmental Activity - Internal Service Fund
	<u> </u>
Assets:	
Current assets:	
Equity in pooled cash and investments	\$ 43,050
Receivables:	
Accounts	<u> 11,418</u>
Total assets	<u> 54,468</u>
Liabilities:	
Current liabilities:	
Accrued wages and benefits	807
Due to other governments	1,079
Claims payable	<u> 333,295</u>
Total liabilities	<u> 335,181</u>
Net assets:	
Unrestricted (deficit)	<u> (280,713)</u>
Total net assets (deficit)	<u> \$ (280,713)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 2,681,411
Other	<u>121,673</u>
Total operating revenues	<u>2,803,084</u>
Operating expenses:	
Personal services	21,086
Contract services	416,475
Claims	2,414,646
Other	<u>1,571</u>
Total operating expenses	<u>2,853,778</u>
Operating loss	<u>(50,694)</u>
Nonoperating revenues :	
Intergovernmental revenue	<u>2,713</u>
Total nonoperating revenues	<u>2,713</u>
Change in net assets	(47,981)
Net assets (deficit) at beginning of year	<u>(232,732)</u>
Net assets (deficit) at end of year	<u><u>\$ (280,713)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Governmental Activities- Internal Service Fund
Cash flows from operating activities:	
Cash received from interfund services	\$ 2,681,411
Cash received from other receipts	110,255
Cash payments for personal services	(20,930)
Cash payments for contractual services	(416,475)
Cash payments for claims	(2,435,709)
Cash payments for other expenses	(1,571)
Net cash used in operating activities	(83,019)
Cash flows from noncapital financing activities:	
Cash received from grants	2,713
Net cash provided by noncapital financing activities	2,713
Net decrease in cash and investments	(80,306)
Cash and investments at beginning of year	123,356
Cash and investments at end of year	\$ 43,050
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (50,694)
Changes in assets and liabilities:	
Increase in accounts receivable	(11,418)
Increase in accrued wages and benefits	109
Increase in due to other governments	47
Decrease in claims payable	(21,063)
Net cash used in operating activities	\$ (83,019)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 DECEMBER 31, 2010

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments	\$ 2,251,738
Cash in segregated accounts	355,578
Receivables:	
Real and other taxes.	29,169,388
Due from other governments	<u>2,138,206</u>
Total assets	<u>\$ 33,914,910</u>
Liabilities:	
Compensated absences.	\$ 2,657
Due to other governments	31,307,578
Deposits held and due to others	<u>2,604,675</u>
Total liabilities	<u>\$ 33,914,910</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE COUNTY

Coshocton County, Ohio (the "County") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The County was formed by the Ohio State Legislature in 1811. The County is governed by a three-member Board of Commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body and the chief administrators of public services for the County.

The County Auditor serves as fiscal officer for the County and the tax assessor for all political subdivisions within the County. The County Treasurer is required by Ohio law to collect locally assessed taxes. As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County Treasury. Other elected officials include the Prosecutor, Engineer, Recorder, Sheriff, Coroner, Clerk of Courts and Common Pleas Judges.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental activities and its proprietary fund provided it does not conflict with or contradict GASB pronouncements. The County has the option to also apply FASB guidance issued after November 30, 1989 to its proprietary fund, subject to this same limitation. The County has elected not to apply this FASB guidance.

The most significant of the County's accounting policies are described below.

A. Reporting Entity

The County's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The basic financial statements include all funds, agencies, boards, commissions, and component units for which the County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's basic financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of the PCU's Board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County.

Based on the foregoing criteria, the financial activities of the following PCU's have been reflected in the accompanying basic financial statements as:

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

DISCRETELY PRESENTED COMPONENT UNITS

The component unit's column in the combined financial statements identifies the financial data of the County's component units: Coshocton County Regional Airport Authority and the Hopewell Industries, Inc. They are reported separately to emphasize that they are legally separate from the County.

Coshocton County Regional Airport Authority (the "Authority") - is a legally separate regional airport authority established pursuant to Section 308.03 of the Ohio Revised Code, for the purpose of acquiring, constructing, operating, and maintaining an airport and airport facility in, and for, Coshocton County. Coshocton County Commissioners appoint a voting majority of the Board and the County has a financial benefit/burden relationship with the Authority.

Hopewell Industries, Inc., (the "Workshop") - is a legally separate, not-for-profit corporation, served by a self-supporting board of trustees. The Workshop, under a contractual agreement with the Coshocton County Board of Developmental Disabilities (County Board of DD), provides sheltered employment for developmentally disabled adults in Coshocton County. The Coshocton County Board of DD provides the Workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the Workshop. Based on the significant services and resources provided by the County to the Workshop and Workshop's sole purpose of providing assistance to the developmentally disabled adults of Coshocton County, the Workshop is considered a component unit of the County.

Information related to Coshocton County Regional Airport Authority and Hopewell Industries, Inc. is presented in Notes 20 and 21.

EXCLUDED POTENTIAL COMPONENT UNITS

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the County Treasurer invests 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 and custodian, but is not accountable; therefore the operations of the following PCUs' have been excluded from the County's basic financial statements, but the funds held on behalf of these PCU's in the County Treasury are included in the agency funds.

Information in the notes to the basic financial statements is applicable to the primary government. When information is provided relative to the component unit, it is specifically identified.

JOINTLY GOVERNED ORGANIZATIONS

Solid Waste District (the "District") - The County is a member of the Coshocton, Fairfield, Licking, and Perry Solid Waste District, which is a jointly governed organization. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

The District is governed and operated through three groups. A twelve-member Board of Directors, consisting of three commissioners from each County, is responsible for the District's financial matters. Financial records are maintained by the Licking County Auditor. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. No contributions were made by the County in 2010 and no future contributions by the County are anticipated.

A twenty-nine-member policy committee, consisting of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

County Risk Sharing Authority, Inc. (CORSA) - CORSA is jointly governed by sixty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA are managed by an elected board of not more than nine 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 CORSA is limited to its voting authority and any representation it may have on the Board of Trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2010 was \$291,211.

Muskingum Area Board of Alcohol, Drug Addiction, and Mental Health Services - (the "ADAMH") - The ADAMH Board is a jointly governed organization. Participants are Muskingum, Coshocton, Guernsey, Perry, Morgan, and Noble counties. The board has responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The ADAMH is managed by a seventeen-member Board of Trustees; two appointed by the Coshocton County Commissioners, seven appointed by the commissioners of the other participating counties, three by the Director of the State Department of Alcohol and Drug Addiction, and four appointed by the Director of the State Department of Mental Health. The ADAMH Board exercises total control, including budgeting, appropriating, contracting, and designating management.

During 2010, Coshocton County contributed \$441,938 from levy proceeds. Additional revenues are provided by levies from other member counties, and State and federal grants awarded to the multi-county board. Continued existence of the ADAMH is not dependent on the County's participation and no equity interest exists. The ADAMH has no outstanding debt.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

Area Office on Aging (the "Council") - The Area Office on Aging is a regional council of governments that assists nine counties, including Coshocton County, in providing services to senior citizens in the Council's service area. The Council is governed by a Board of Directors consisting of one representative appointed by each participating County. The board has total control over budgeting, personnel, and all other financial matters. The continued existence of the Council is not dependent on the County's continued participation and no equity interest exists. The Council has no outstanding debt.

Mid East Ohio Regional Council of Governments (MEORC) - MEORC is a jointly governed organization which serves fourteen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. MEORC is made up of the superintendents of each county's Board of Mental Retardation and Developmental Disabilities. Revenues are generated by fees and State grants. Continued existence of MEORC is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the MEORC. MEORC has no outstanding debt. During 2010, Coshocton County did not make any voluntary contributions to MEORC.

Ohio Mideastern Governments Association (OMEGA) - OMEGA is organized as an agency of the local governments by agreement among the membership. OMEGA consists of Carroll, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Tuscarawas and Columbiana Counties and other political subdivisions in the counties.

OMEGA's governing board consists of a total of three members from each county which appoints an executive board consisting of one person from each member county to supervise the administrative functions of OMEGA. The executive board elects officers, appoints an executive director and its own fiscal officer. The board exercises total control, including budgeting, appropriating, contracting, and designating management.

The continued existence of OMEGA is not dependent on the County's continued participation and no equity interest exists. OMEGA has no outstanding debt.

RELATED ORGANIZATIONS

Coshocton Metropolitan Housing Authority (the "Authority") - The Authority is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to State statutes. The Authority is operated by a five-member Board. Two members are appointed by the mayor of the largest city in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County Commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The Board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

Coshocton City and County Park District (the "District") - The District is a legally separate organization created pursuant to Ohio Revised Code Section 1545.01. The County cannot impose its will on the District and a financial benefit/burden relationship does not exist. State statute provides that the County Auditor and Treasurer are ex-officio members of the Park District Board of Commissioners and designates the County Auditor as fiscal officer of the commission. Neither do the County Commissioners have the ability to significantly influence operations, designate management, approve budgets, nor does the County have responsibility for funding deficits. The County maintains an agency fund for the District's operation since the County Auditor serves as fiscal agent for the District.

B. Basis of Presentation

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the County as a whole. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements include the financial activities of the primary government except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental 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. 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. Revenues 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 function is self-financing or draws from the general revenues of the County.

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

C. Fund Accounting

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

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

Governmental Funds - Governmental funds are those through which most governmental functions typically 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 purposes 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:

General fund - The general fund is used to account for all financial resources of the County 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.

Human services fund - This fund accounts for various federal and State grants as well as transfers from the general fund used to provide public assistance to general relief recipients, medical assistance, and certain public social services.

Motor vehicle license and gasoline tax fund - This fund accounts for State gasoline tax and motor vehicle registration fees for maintenance and improvement of County roads.

County board of developmental disabilities (the "county board of DD") fund - This fund accounts for a county-wide property tax levy, State grants and reimbursements used for care and services for the mentally handicapped and developmentally disabled.

Emergency ambulance levy fund - This fund accounts for a county-wide property tax levy used to operate the County emergency ambulance service.

Other governmental funds of the County are used to account for (a) the accumulation of resources for, and payment of, long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; and (c) grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - Proprietary funds focus on the determination of changes in net assets, financial position, and cash flows, and are classified as either enterprise or internal service. The County's only proprietary fund is an internal service fund.

Internal service fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County's only internal service fund accounts for a self-insurance program for employee health insurance benefits.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

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 to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's only fiduciary fund is an agency fund which accounts for property taxes, special assessments, and other "pass through" monies to be disbursed to local governments other than the County.

D. Measurement Focus

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.

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 proprietary fund is accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its internal service fund activities.

Agency funds do not report a measurement focus as they do not report operations.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the basic financial statements. Government-wide financial statements are prepared using the full accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the full accrual basis of accounting. Differences in the full accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the full accrual basis when the exchange takes place. On a 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.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On a full accrual basis, revenue from sales taxes is recognized in the year in which the sales are made. Revenue from property taxes is recognized in the year for which the taxes are levied (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 a modified accrual basis, revenue from all other nonexchange 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 7), interest, federal and State grants and subsidies, State-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue 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, 2010, but which were levied to finance year 2011 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2010, are recorded as deferred revenue in the governmental funds.

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

Expense/Expenditures - On the full 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.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

F. Budgetary Data

All funds, other than agency funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, 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 that the County Commissioners may appropriate. The appropriation resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Commissioners. The legal level of control has been established by the County Commissioners at the object level within each department.

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 in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that was in effect at the time the final appropriations were passed by the County Commissioners.

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

G. Cash and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During 2010, investments were limited to nonnegotiable certificates of deposit, federal agency securities and State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements, are reported at cost.

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 shares price, which is the price the investment could be sold for on December 31, 2010.

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2010 amounted to \$257,416 which includes \$227,649 assigned from other County funds.

The County has segregated bank accounts for monies held separate from the County's central bank account. These interest bearing depository accounts are presented on the financial statements sheet as "cash in segregated accounts" since they are not required to be deposited into the County treasury.

The County has monies being held by the Mid East Ohio Regional Council of Governments (MEORC). The funds held by MEORC at year end are reflected on the financial statements as "cash with fiscal agent".

For presentation on the basic financial statements, deposits, investments of the cash management pool and investments are presented as "equity in pooled cash and investments."

An analysis of the Treasurer's investment account at year end is provided in Note 4.

H. Inventories of Materials and Supplies

On government-wide and fund financial statements, purchased inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

J. Capital Assets

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the 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 utilized by the proprietary funds are reported both in the governmental activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a threshold of \$5,000 for general capital assets and a threshold of \$100,000 for infrastructure capital assets.

The County's governmental infrastructure assets consist of roads, bridges and culverts. 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 not.

All reported capital assets are depreciated except for land and construction in progress. 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 80 years
Machinery and Equipment	10 - 15 years
Vehicles	10 - 20 years
Infrastructure	10 - 50 years
Software	4 years

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments.

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the internal service fund are reported in the proprietary 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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability in the fund financial statements when due.

M. Interfund Transactions

During the normal course of operations, the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/interfund payable" for the current portion of interfund loans or advances to/from other funds for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds". These amounts are eliminated on the statement of net assets.

N. Fund Balance Reserves

The County records reservations for those portions of fund balance which are legally segregated for specific future use or which do not represent available spendable resources and, therefore, are not available for expenditure. Undesignated fund balance indicates that portion of fund equity that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, prepaid items, materials and supplies inventory and debt service.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for the employee self-insurance program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

P. 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 borrowing 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 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes consist primarily of monies restricted for capital outlays, maintenance and repairs of facilities.

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

Q. Estimates

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

R. Interfund Activity

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or event that are within the control of the County and that are either unusual in nature or infrequent in occurrence. During 2010, the County had a portion of an Ohio Water Development Authority (OWDA) loan forgiven in the fresno water and sewer capital project fund (a nonmajor governmental fund). This item will be presented on the financial statements as a special item.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2010, the County has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. In accordance with the implementation GASB Statement No. 51, the County has reported intangible assets on a separate line in Note 13 and has reflected intangible assets as indicated in the financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the County.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the County.

B. Fund Deficits

<u>Nonmajor funds</u>	<u>Deficit</u>
Victims assistance grant	\$ 162
Fresno water and sewer	30,476

These funds complied with Ohio State law, which does not permit a cash basis deficit at year end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. These deficit fund balances are results of adjustments for accrued liabilities.

At December 31, 2010, the health insurance internal service fund also reported deficit net assets in the amount of \$280,713. Management is currently analyzing the operations of this fund to determine appropriate action to alleviate the deficit.

NOTE 4 - 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.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Monies held by the County which are not considered active are classified as inactive. 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;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of, or guaranteed by, the United States and mature, or be redeemable, within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the County's name. During 2010, the County and public depositories complied with the provisions of these statutes.

A. Cash with Fiscal Agent

At December 31, 2010, the County had \$1,646,340 in monies held by MEORC as fiscal agent. These funds are held outside of the County Treasury and are not included in "deposits with financial institutions" below.

B. Cash on Hand

At December 31, 2010, the County had \$942 in cash on hand which is reported on the financial statements as part of "equity in pooled cash and cash equivalents".

C. Deposits with Financial Institutions

At December 31, 2010, the carrying amount of all County deposits was \$12,182,082 including cash in segregated accounts. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2010, \$7,727,972 of the County's bank balance of \$12,477,972 was exposed to custodial risk as discussed below, while \$4,750,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the County's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the County. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of December 31, 2010, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
STAR Ohio	\$ 5,744	\$ 5,744	\$ -	\$ -	\$ -	\$ -
FFCB	1,499,640	-	-	-	499,640	1,000,000
FHLB	499,500	-	-	-	499,500	-
Total	<u>\$ 2,004,884</u>	<u>\$ 5,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 999,140</u>	<u>\$ 1,000,000</u>

The weighted average length to maturity is 2.30 years.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County's investment policy limits investment portfolio maturities to five years or less.

Credit Risk - STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The County's investments in federal agency securities carry a rating of AAA by Standard & Poor's and Aaa by Moody's.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County investments in federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the County's name. The County has no investment policy dealing with investment custodial risk beyond the requirement in State Statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk - The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
STAR Ohio	\$ 5,744	0.29
FFCB	1,499,640	74.80
FHLB	499,500	24.91
Total	<u>\$ 2,004,884</u>	<u>100.00</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

E. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 12,182,082
Investments	2,004,884
Cash on hand	942
Cash with fiscal agent	<u>1,646,340</u>
Total	<u>\$ 15,834,248</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 13,226,932
Agency funds	<u>2,607,316</u>
Total	<u>\$ 15,834,248</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2010, consisted of the following, as reported on the fund financial statements:

<u>Transfers from general fund to:</u>	
Human services fund	\$ 177,878
Nonmajor governmental funds	106,793
 <u>Transfers from County Board of DD to:</u>	
Nonmajor governmental funds	100,000
 <u>Transfers from emergency ambulance fund to:</u>	
Nonmajor governmental funds	45,000
 <u>Transfers from nonmajor governmental funds to:</u>	
General fund	<u>47,842</u>
Total transfers	<u>\$ 477,513</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers made in 2010 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

The \$47,842 transfer from the capital projects fund (a nonmajor governmental fund) and the general fund is a residual equity transfer, as the County's capital projects fund (a nonmajor governmental fund) was closed.

Transfers between governmental funds are eliminated for reporting on the statement of activities.

B. Due To/From Other Funds

The County had the following amounts due to/from other funds at December 31, 2010:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General	\$ 150,786	\$ -
Human services	-	21,641
County board of DD	-	2,397
Nonmajor governmental	-	126,748
Total	<u>\$ 150,786</u>	<u>\$ 150,786</u>

Amounts due to/from other funds represent amounts owed between funds for goods or services provided. The balances resulted from the time lag between the dates that payments between the funds are made. Due to/from other fund balances between governmental funds are eliminated for reporting on the government-wide statement of net assets.

C. Interfund Balances

Interfund balances, related to items other than charges for goods and services rendered, at December 31, 2010, consist of the following individual fund loan receivable and payable as reported on the fund statements:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General	\$ 500	\$ -
Nonmajor governmental	-	500
Total	<u>\$ 500</u>	<u>\$ 500</u>

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the County due to the phasing out of the tax. In calendar years 2009-2010, the County was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6 - PROPERTY TAXES - (Continued)

The full tax rate for all County operations for the year ended December 31, 2010 was \$12.45 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real property	\$ 580,840,680
Public utility personal property	<u>106,373,270</u>
Total assessed value	<u><u>\$ 687,213,950</u></u>

NOTE 7 - PERMISSIVE SALES AND USE TAX

In 1971, the County Commissioners, by resolution, imposed a one-half percent tax on all retail sales made in the County. In 1984, the County Commissioners, by resolution, imposed an additional one-half percent tax on all retail sales made in the County. At the end of 2005, the County Commissioners by resolution imposed a one-half percent tax on all retail sales made in the County for specific use in the Justice System to begin January 1, 2006. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of the month. The State Auditor then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited to the general fund. Sales tax revenue in 2010 amounted to \$4,309,885 with the entire amount credited to the general fund.

NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE

In a prior year, the County entered into lease agreements for the acquisition of server equipment and an energy management system. These leases met the criteria of a capital lease as defined by FASB Statement Number 13, "Accounting for Leases" and have been recorded in the statement of net assets. The assets have been capitalized in governmental capital assets in the amount of \$188,187, the present value of the minimum lease payments at the inception of the lease. Principal and interest payments for the capital lease obligation are made from the general fund.

NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

<u>Year</u>	<u>Amount</u>
2011	\$ 43,275
2012	43,275
2013	13,586
2014	<u>5,443</u>
Total minimum lease payments	105,579
Less: amount representing interest	<u>(7,321)</u>
Present value of minimum lease payments	<u><u>\$ 98,258</u></u>

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 9 - COMPENSATED ABSENCES

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. No vacation time shall be carried over for more than three years. Accumulated, unused sick leave is paid at varying rates depending on length of service to employees who retire.

NOTE 10 - NOTES PAYABLE

The County issued a \$25,776 note payable on December 23, 2009. The note bears an interest rate of 2.95% and matures on May 23, 2011. The note was issued to purchase easements from landowners. The following is a summary of the note payable activity for 2010:

	Balance 12/31/09	Issued	Retired	Balance 12/31/10
Easement note	<u>\$ 25,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,776</u>

NOTE 11 - CONTINGENT LIABILITIES

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

At year end, the County was involved in a pending lawsuit as a defendant. However, at December 31, the outcome of the lawsuit is undetermined.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 12 - RECEIVABLES

Receivables at December 31, 2010, consisted of taxes, accounts, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2010, as well as intended to finance 2010 operations. A summary of the principal items due from other governments:

<u>Fund / Type</u>	<u>Amount</u>
Major funds:	
General fund:	
Local government revenue	\$ 359,953
Payment in lieu of taxes	73
Homestead and rollback	84,083
Miscellaneous reimbursements	<u>27,443</u>
	<u>471,552</u>
Human services fund:	
Grants and entitlements	<u>202,973</u>
Motor vehicle license and gasoline tax fund:	
License, gasoline and permissive taxes	1,993,824
Ohio Department of Transportation grants	40,624
Miscellaneous reimbursements	<u>1,888</u>
	<u>2,036,336</u>
County Board of DD fund:	
Payment in lieu of taxes	135
Homestead and rollback	<u>150,663</u>
	<u>150,798</u>
Emergency ambulance levy fund:	
EMS receivables	4,426
Homestead and rollback	72,799
Payment in lieu of taxes	<u>57</u>
	<u>77,282</u>
Other governmental funds:	
Ohio Department of Development grants	394,001
Payment in lieu of taxes	58
Homestead and rollback	60,685
Miscellaneous grants and reimbursements	<u>20,178</u>
	<u>474,922</u>
Total due from other governments	<u>\$ 3,413,863</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 13 - CAPITAL ASSETS

A portion of the December 31, 2009 balance of machinery and equipment has been reclassified to report computer software as a separate capital asset line item. Capital asset activity for the year ended December 31, 2010, was as follows:

<u>Governmental activities:</u>	Balance 12/31/09*	Additions	Deductions	Balance 12/31/10
<i>Capital assets, not being depreciated:</i>				
Land	\$ 577,137	\$ 40,366	\$ -	\$ 617,503
Construction in progress	<u>607,081</u>	<u>1,782,764</u>	<u>-</u>	<u>2,389,845</u>
Total capital assets, not being depreciated	<u>1,184,218</u>	<u>1,823,130</u>	<u>-</u>	<u>3,007,348</u>
<i>Capital assets, being depreciated:</i>				
Building improvements	13,662,243	211,182	(46,650)	13,826,775
Machinery and equipment	4,310,776	288,365	(488,932)	4,110,209
Vehicles	3,797,513	270,565	(382,536)	3,685,542
Infrastructure	32,074,916	483,444	-	32,558,360
Software	<u>400,148</u>	<u>75,391</u>	<u>-</u>	<u>475,539</u>
Total capital assets, being depreciated	<u>54,245,596</u>	<u>1,328,947</u>	<u>(918,118)</u>	<u>54,656,425</u>
<i>Less: accumulated depreciation:</i>				
Building and improvements	(8,416,457)	(302,255)	46,650	(8,672,062)
Machinery and equipment	(3,426,623)	(225,456)	473,830	(3,178,249)
Vehicles	(2,768,295)	(423,187)	352,629	(2,838,853)
Infrastructure	(12,202,553)	(1,389,657)	-	(13,592,210)
Software	<u>(390,809)</u>	<u>(9,507)</u>	<u>-</u>	<u>(400,316)</u>
Total accumulated depreciation	<u>(27,204,737)</u>	<u>(2,350,062)</u>	<u>873,109</u>	<u>(28,681,690)</u>
Total capital assets, being depreciated net	<u>27,040,859</u>	<u>(1,021,115)</u>	<u>(45,009)</u>	<u>25,974,735</u>
Governmental activities capital assets, net	<u>\$ 28,225,077</u>	<u>\$ 802,015</u>	<u>\$ (45,009)</u>	<u>\$ 28,982,083</u>

* Certain reclassifications have been made for consistency in reporting. There was no effect on net assets.

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental activities:</u>	
General government:	
Legislative and executive	\$ 113,763
Judicial	57,711
Public safety	139,443
Public works	1,684,869
Health	271,673
Human services	81,475
Conservation and recreation	<u>1,128</u>
Total depreciation expense - governmental activities	<u>\$ 2,350,062</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 14 - LONG-TERM OBLIGATIONS

The County's governmental activities long-term obligations at year-end and a schedule of current year activity are as follows:

Governmental activities:	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 12/31/09*</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>	<u>Amount Due in One Year</u>
General obligation bonds:								
Human Services Building	1990	12/1/2016	5.9-7.3%	\$ 255,000	\$ -	\$ (40,000)	\$ 215,000	\$ 40,000
County Garage Building	1999	12/1/2019	5.875-6.5%	640,000	-	(45,000)	595,000	50,000
Juvenile/Probate Court Phones	2002	12/1/2022	1.6-4.5%	595,000	-	(35,000)	560,000	35,000
N. Corridor/Variou Purpose	2004	12/1/2029	4.5-4.99%	1,870,000	-	(60,000)	1,810,000	60,000
Total general obligation bonds				<u>3,360,000</u>	<u>-</u>	<u>(180,000)</u>	<u>3,180,000</u>	<u>185,000</u>
Notes								
Hopewell Roof Note	2003	3/20/2013	5.50%	60,000	-	(15,000)	45,000	15,000
Sewer Note	2009	7/1/2019	3.45%	200,000	-	(20,000)	180,000	20,000
Total notes				<u>260,000</u>	<u>-</u>	<u>(35,000)</u>	<u>225,000</u>	<u>35,000</u>
Loans:								
OPWC - Bridge Program	2005	12/1/2015	0.00%	73,159	-	(10,195)	62,964	10,195
OPWC - N. Corridor Sewer	2001	7/1/2021	0.00%	44,815	-	(3,735)	41,080	3,735
OPWC - Bridge Program	2002	7/1/2021	0.00%	23,405	-	(8,400)	15,005	8,400
OPWC - Sewer Replacement	2004	1/1/2024	0.00%	12,432	-	(858)	11,574	858
OPWC - SR 83 Extension	2007	1/1/2028	0.00%	46,652	-	(2,392)	44,260	2,392
OPWC - County Rd. 55	2010	1/1/2031	0.00%	-	1,575	-	1,575	-
OPWC - County Rd. 495	2010	1/1/2031	0.00%	-	22,264	-	22,264	-
Township Rd. 74								
OWDA - Fresno/Pearl Wastewater System	2010	12/31/2010	N/A	233,251	1,761,049	(1,994,300)	-	-
OWDA - Fresno/Pearl Sewer Construction	2010	1/1/2041	1.00%	370,830	14,495	-	385,325	5,523
Total loans				<u>804,544</u>	<u>1,799,383</u>	<u>(2,019,880)</u>	<u>584,047</u>	<u>31,103</u>
Other long-term obligations:								
Capital leases				134,833	-	(36,575)	98,258	38,757
Compensated absences				1,042,088	734,170	(596,739)	1,179,519	724,074
Total other long-term obligations				<u>1,176,921</u>	<u>734,170</u>	<u>(633,314)</u>	<u>1,277,777</u>	<u>762,831</u>
Total general long-term obligations				<u>\$ 5,601,465</u>	<u>\$ 2,533,553</u>	<u>\$ (2,868,194)</u>	<u>\$ 5,266,824</u>	<u>\$ 1,013,934</u>

* - Certain reclassifications were made for consistency in reporting. There was no effect on net assts.

The general obligation bonds are direct obligations of the County and will be paid from the debt service funds (nonmajor governmental funds), the general fund, and the motor vehicle license and gasoline tax fund using property tax revenues and gasoline tax revenues.

The Ohio Public Works Commission (OPWC) loans will be paid from the debt service funds (nonmajor governmental funds) and the motor vehicle license and gasoline tax fund using property tax revenues and gasoline tax revenues.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 14 - LONG TERM OBLIGATIONS - (Continued)

The Ohio Water Development Authority (OWDA) loans will be paid from the debt service funds (nonmajor governmental funds) using user fees and property tax revenues.

The Hopewell roof note and the sewer note will be paid from debt service funds (nonmajor governmental funds) using property tax revenues.

Compensated absences will be paid from the fund from which the employees' salaries are paid, which, for the County, is primarily the general fund, the human services fund, the motor vehicle license and gasoline tax fund and the county board of DD fund.

The County has entered into contractual agreements for construction loans from the OWDA. Under the terms of these agreements, OWDA will reimburse, advance, or directly pay the construction costs of the approved projects. OWDA will capitalize administration costs and construction interest and then add them to the total amounts of the final loans. During 2010, the County received \$1,994,300 in American Recovery and Reinvestment Act funds to be used for the forgiveness of \$1,994,300 of the County's outstanding OWDA loans. This forgiveness has been presented on the financial statements as a special item. See Note 2.S for additional detail on special items. At December 31, 2010 the balance of the County's OWDA loan is \$385,325.

The annual requirements to retire governmental activities debt are as follows. OPWC loans County Road 55 and County Road 495 are currently "open" meaning the final disbursements have not yet been made from OPWC; therefore, future debt service requirements have not been included finalized and are not presented in the schedule of future debt service below.

Year Ending December 31,	General Obligation Bonds		OPWC Loans	OWDA Loans	
	Principal	Interest	Principal	Principal	Interest
2011	\$ 185,000	\$ 165,039	\$ 25,580	\$ 5,523	\$ 1,927
2012	195,000	155,519	23,785	11,129	3,770
2013	195,000	145,683	17,180	11,240	3,659
2014	205,000	135,522	17,180	11,353	3,546
2015	215,000	124,642	17,180	11,467	3,432
2016 - 2020	1,010,000	440,918	46,914	59,081	15,413
2021 - 2025	645,000	214,124	18,684	62,102	12,391
2026 - 2030	530,000	62,773	8,380	65,277	9,217
2031 - 2035	-	-	-	68,616	5,877
2036 - 2040	-	-	-	72,125	2,369
2041	-	-	-	7,412	38
Total	\$ 3,180,000	\$ 1,444,220	\$ 174,883	\$ 385,325	\$ 61,639

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 14 - LONG TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Note Payable		Total	
	Principal	Interest	Principal	Interest
2011	\$ 35,000	\$ 7,983	\$ 251,103	\$ 174,949
2012	35,000	6,702	264,914	165,991
2013	35,000	5,421	258,420	154,763
2014	20,000	4,140	253,533	143,208
2015	20,000	3,450	263,647	131,524
2016 - 2020	80,000	6,900	1,195,995	463,231
2021 - 2025	-	-	725,786	226,515
2026 - 2030	-	-	603,657	71,990
2031 - 2035	-	-	68,616	5,877
2036 - 2040	-	-	72,125	2,369
2041	-	-	7,412	38
Total	<u>\$ 225,000</u>	<u>\$ 34,596</u>	<u>\$ 3,965,208</u>	<u>\$ 1,540,455</u>

Legal Debt Margin

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

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was \$12,577,756 at December 31, 2010 and the unvoted legal debt margin was \$6,872,140 at December 31, 2010.

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 15 - RISK MANAGEMENT

A. General Insurance

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. The program is governed by a nine member Board of Trustees, all of whom must be commissioners from member counties. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include liability, property and crime insurance.

By contracting with the CORSA for liability, property, and crime insurance, the County has addressed these various types of risk. CORSA, a nonprofit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime coverage for its members. CORSA was established May 12, 1987, and has grown to sixty-one members.

The CORSA program has a \$2,500 deductible per claim. Coverage provided by CORSA is as follows:

General liability	\$ 1,000,000
Law enforcement liability	1,000,000
Errors and omissions liability:	
Per occurrence	1,000,000
Annual aggregate	1,000,000
Automobile liability	1,000,000
Uninsured/underinsured motorists liability	250,000
Excess liability	5,000,000
Stop gap liability	1,000,000
Medical professional liability	6,000,000
Foster parents	6,000,000
Accounts receivable	5,000,000
Property - total covered value	180,065,127
Other property insurance:	
Extra expense/business interruption	21,000,000
Data processing equipment	868,874
Bridges	845,000
Sewer line coverage	5,932,582
Water line coverage	5,225,307
Equipment breakdown	100,000,000
Crime insurance	1,000,000

With the exception of workers' compensation, health insurance and all elected officials' bonds, all coverage is held with CORSA. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 15 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

The County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. Performance discounts are given to pool members based on previous year's experience. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

C. Health Care Self-Insurance

The County has elected to provide employees' major medical and hospitalization through a self-insured program. The County maintains a Self-Insurance Internal Service Fund to account for, and finance, its uninsured risks of loss in this program. At the end of December 31, 2010, this plan provided a major medical plan with a \$1,500 individual and \$2,000 family deductible and a Preferred Provider Network (PPO) with a \$400 individual and a \$800 family deductible. A third party administrator, Aulta Administrative Services, located in Canton, Ohio, reviews all claims which are then paid by the County. The County purchases stop-loss coverage of \$90,000 per employee per year and an aggregate annual limit of \$1,000,000. The County provides \$956 family coverage, \$402 single coverage per employee per month, which represents the entire premium required. This premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

The claims liability of \$333,295 reported in the fund at December 31, 2010, was estimated by a third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported, claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include allocated or unallocated claims adjustment expenses.

Changes in the fund's claims liability amount for 2010 and 2009 were:

	Balance at		Current		Claim		Balance at
	<u>Beginning of Year</u>		<u>Year Claims</u>		<u>Payments</u>		<u>End of Year</u>
2010	\$ 354,358	\$	2,414,646	\$	(2,435,709)	\$	333,295
2009	383,722		2,241,590		(2,270,954)		354,358

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 16 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension 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% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. 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 Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 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 2010, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2010 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1%, respectively. The County's contribution rate for 2010 was 14.00%, except for those plan members in law enforcement or public safety, for whom the County's contribution was 17.87% of covered payroll.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 16 - PENSION PLANS - (Continued)

The County's contribution rate for pension benefits for members in the Traditional Plan for 2010 was 8.50% from January 1 through February 28, 2010 and 9.00% from March 1 through December 31, 2010. The County's contribution rate for pension benefits for members in the Combined Plan for 2010 was 9.27% from January 1 through February 28, 2010 and 9.77% from March 1 through December 31, 2010. For those plan members in law enforcement and public safety pension contributions were 12.37% from January 1 through February 28, 2010 and 12.87% from March 1 through December 31, 2010. The County's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$1,364,522, \$1,258,237, and \$1,137,432, respectively; 90.60% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. Contributions to the member-directed plan for 2010 were \$25,895 made by the County and \$18,496 made by the plan members.

B. State Teachers Retirement System

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

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

The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code. A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 16 - PENSION PLANS - (Continued)

Funding Policy - For 2010, plan members were required to contribute 10.00% of their annual covered salaries. The County was required to contribute 14.00%; 13.00% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to STRS Ohio for the years ended December 31, 2010, 2009, and 2008 were \$50,208, \$65,826, and \$70,073, respectively; 100% has been contributed for 2010, 2009 and 2008. There were no contributions for the DCP and CP for 2010.

NOTE 17 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement

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

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00% of covered payroll (17.87% 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 the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2010 was 5.50% from January 1 through February 28, 2010 and 5.00% from March 1 through December 31, 2010. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2010 was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010.

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

COSHOCTON COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 17 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$725,808, \$863,309, and \$1,065,068, respectively; 90.60% has been contributed for 2010 and 100% has been contributed for 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. State Teachers Retirement System

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1.00% of covered payroll to the Health Care Stabilization Fund. The County's contributions for health care for the fiscal years ended December 31, 2010, 2009, and 2008 were \$3,861, \$5,064, and \$5,390, respectively; 100% has been contributed for 2010, 2009 and 2008.

NOTE 18 - RELATED PARTY TRANSACTIONS

Hopewell Industries, Inc., a component unit of Coshocton County, received contributions in the amount of \$17,736 during 2010 from the County for facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of its programs. The Coshocton County Board of Developmental Disabilities expended \$276,743 in the operation of Hopewell Industries, Inc. during 2010.

Coshocton County Airport authority is a component unit of Coshocton County. During 2010, the County Airport Authority received an operating transfer from the County in the amount of \$40,748.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements and encumbrances. The statements of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as payables (GAAP basis);
- (d) Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund and major special revenue funds are as follows:

	Net Change in Fund Balances				
	<u>General</u>	<u>Human Services</u>	<u>Motor Vehicle License and Gasoline Tax</u>	<u>County Board of DD</u>	<u>Emergency Ambulance Levy</u>
Budget Basis	\$ 149,931	\$ (317,936)	\$ (321,940)	\$ 69,498	\$ 43,555
Net adjustments for revenues	173,320	34,277	(295,375)	189,568	7,882
Net adjustments for expenditures	(96,004)	43,425	25,266	(233,798)	94,579
Net adjustments for other financing sources/uses	(12,181)	-	-	-	-
Encumbrances	<u>377,157</u>	<u>220,009</u>	<u>358,349</u>	<u>441,254</u>	<u>276,944</u>
GAAP Basis	<u>\$ 592,223</u>	<u>\$ (20,225)</u>	<u>\$ (233,700)</u>	<u>\$ 466,522</u>	<u>\$ 422,960</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 20 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT

A. Reporting Entity

The Coshocton County Regional Airport Authority, Coshocton County, (the Airport) 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. The Authority is directed by a seven member Board, with a majority of the Board appointed by the Coshocton County Commissioners. The Board has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. Since the Airport imposes a financial burden on the County, the Airport is reflected as a component unit of Coshocton County. The Airport has a December 31 year end.

B. Summary of Significant Accounting Policies

The Airport reports its operations as a single enterprise fund. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

1. *Measurement Focus and Basis of Accounting*

The Airport's fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net assets. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The Airport used the full accrual basis of accounting in which revenue is recognized when earned and expenses when incurred.

2. *Cash*

To improve cash management, cash received by the Airport is pooled in a central bank account. The Airport has no investments.

3. *Capital Assets*

Capital assets at the Airport are capitalized. All capital assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year.

Donated capital assets are recorded at their fair market values as of the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fund capital assets.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 20 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT -
(Continued)**

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	40 - 50 years
Furniture and Equipment	25 years
Vehicles	10 years
Infrastructure	5 - 40 years

4. *Estimates*

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

C. Deposits and Investments

At year end, the carrying amount of the Airport's deposits was \$147,410 and the bank balance was \$110,685. The entire balance was covered by Federal Deposit Insurance Corporation. The Airport has no investments.

D. Loan Payable

The Airport had a loan payable at December 31, 2010 as follows:

	Outstanding <u>12/31/09</u>	<u>Additions</u>	<u>Reductions</u>	Outstanding <u>12/31/10</u>
Chase Bank loan	<u>\$ 3,178</u>	<u>\$ -</u>	<u>\$ (3,178)</u>	<u>\$ -</u>

In 2000, the Airport was issued a loan for upgrading the fuel farm with new above-ground fuel tanks. The loan bore an interest rate of 4.80%. The loan was paid in full during 2010.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

**NOTE 20 - COSHOCTON COUNTY REGIONAL AIRPORT AUTHORITY - COMPONENT UNIT -
(Continued)**

E. Capital Assets

	Balance 12/31/09	Additions	Deductions	Balance 12/31/10
<i>Capital assets, not being depreciated:</i>				
Land	\$ 11,339	\$ -	\$ -	\$ 11,339
Construction in progress	<u>547,883</u>	<u>179,665</u>	<u>-</u>	<u>727,548</u>
Total capital assets, not being depreciated	<u>559,222</u>	<u>179,665</u>	<u>-</u>	<u>738,887</u>
<i>Capital assets, being depreciated:</i>				
Building and improvements	675,000	-	-	675,000
Infrastructure	3,868,350	-	-	3,868,350
Vehicles	14,394	-	-	14,394
Furniture and equipment	<u>313,827</u>	<u>6,000</u>	<u>(27,200)</u>	<u>292,627</u>
Total cost	<u>4,871,571</u>	<u>6,000</u>	<u>(27,200)</u>	<u>4,850,371</u>
<i>Less: accumulated depreciation:</i>				
Building and improvements	(193,750)	(11,250)	-	(205,000)
Infrastructure	(725,917)	(154,735)	-	(880,652)
Vehicles	(14,394)	-	-	(14,394)
Furniture and equipment	<u>(223,109)</u>	<u>(17,682)</u>	<u>27,200</u>	<u>(213,591)</u>
Total accumulated depreciation	<u>(1,157,170)</u>	<u>(183,667)</u>	<u>27,200</u>	<u>(1,313,637)</u>
Total capital assets, being depreciated net	<u>3,714,401</u>	<u>(177,667)</u>	<u>-</u>	<u>3,536,734</u>
Total capital assets, net	<u>\$ 4,273,623</u>	<u>\$ 1,998</u>	<u>\$ -</u>	<u>\$ 4,275,621</u>

NOTE 21 - HOPEWELL INDUSTRIES, INC - COMPONENT UNIT

A. Reporting Entity

Hopewell Industries, Inc. (the "Workshop") is a legally separate, not-for-profit corporation, served by a self-supporting Board of Trustees. The Workshop, under a contractual agreement with the Coshocton County Board of Developmental Disabilities (County Board of DD), provides sheltered employment for developmentally disabled adults in Coshocton County. The Coshocton County Board of DD provides the Workshop with staff salaries, transportation, equipment, staff to administer and supervise training programs, and other funds as necessary for the operation of the Workshop. Based on the significant services and resources provided by the County to the Workshop and Workshop's sole purpose of providing assistance to the developmentally disabled adults of Coshocton County, the Workshop is considered a component unit of Coshocton County. Hopewell Industries, Inc. has a December 31 year end.

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 21 - HOPEWELL INDUSTRIES, INC - COMPONENT UNIT - (Continued)

B. Basis of Accounting

The financial statements of Hopewell Industries, Inc. have been prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Since Hopewell Industries, Inc. is a component unit of Coshocton County, the same basis of accounting has been chosen to be used for presentation purposes.

Current funds - unrestricted funds represent resources over which the Board of Directors has discretionary control and are used to carry out the operations of the Workshop in accordance with its bylaws. Restricted funds represent resources currently available for use, but expendable only for those operating purposes specified by the donor. Resources of this fund originate from gifts, grants, bequests, contracts, and emergency appeals.

Land, building, and equipment funds are designed to account for funds restricted for land, building, and equipment acquisitions and funds expended. Land, building and equipment acquisitions are financed through current operations.

Inventories are stated at the lower of cost or market. Cost is determined substantially by the first-in, first-out method. Market value is based on replacement cost. Substantially, the entire inventory consists of raw materials and supplies used in the various production activities.

Property, plant, and equipment are carried at cost and include expenditures for major renewals and betterments. Donated equipment is recorded at the fair market value. Maintenance, repairs, and minor renewals are charged to expenses as incurred. When assets are sold, or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any profit or loss arising from such disposition is included as income or expense in the year in which sold.

Depreciation is based on the estimated useful lives computed on the straight-line method.

C. Deposits

At year end, the carrying amount of the Workshop's deposits was \$74,019 and the bank balance was \$69,749. The entire bank balance was covered by the Federal Deposit Insurance Corporation.

D. Investments

As of December 31, 2010, the Workshop had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Greater than 24 months</u>
Corporate Bonds	\$ 77,087	\$ 77,087
Mutual Funds	111,255	111,255
Repurchase Agreement	<u>1,580</u>	<u>1,580</u>
Total	<u>\$ 189,922</u>	<u>\$ 189,922</u>

COSHOCTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 21 - HOPEWELL INDUSTRIES, INC - COMPONENT UNIT - (Continued)

The Workshop follows the County’s investment policy.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk- The Workshop’s investments in corporate bonds carry ratings of AA+ and A- by Standard & Poor’s and Aa2 and A3 by Moody’s.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Workshop will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Workshop’s investments in corporate bonds are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty’s trust department or agent, but not in the Workshop’s name. The County has no investment policy dealing with investment custodial risk beyond the requirement in State Statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk - The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by Hopewell Industries, Inc. at December 31, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>of Total</u>
Corporate Bonds	\$ 77,087	40.59%
Mutual Funds	111,255	58.58%
Repurchase Agreements	<u>1,580</u>	<u>0.83%</u>
 Total	 <u>\$ 189,922</u>	 <u>100%</u>

E. Equipment and Buildings

The following is a summary of equipment and capital improvements at December 31, 2010.

Furniture, fixtures & vehicles	\$ 102,347
Building improvements	27,549
Equipment	<u>74,705</u>
	204,601
Less: Accumulated depreciation	<u>(164,692)</u>
Net equipment and capital improvements	<u>\$ 39,909</u>

COSHOCOTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Federal Pass Through Entity Number	Disbursements
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed Through Ohio Department of Development:</i>			
CDBG - State-Administered Small Cities Program Cluster			
Community Development Block Grants	14.228	B-F-0901601	103,480
Community Development Block Grants	14.228	B-F-0801601	138
Community Development Block Grants	14.228	B-C-09016-1	85,448
Total CDBG - State-Administered Small Cities Program Cluster			<u>189,066</u>
Home Investments Partnerships Program	14.239	B-C-09016-2	45,855
Total U.S. Department of Housing and Urban Development			<u>234,921</u>
<u>U.S. Department of Justice</u>			
<i>Passed Through the Ohio Department of Justice:</i>			
Crime Victim Assistance	16.575	2010VAGENE001T	15,750
Crime Victim Assistance	16.575	2009VAGENE001T	1,213
Total Crime Victim Assistance			<u>16,963</u>
Total U.S. Department of Justice			<u>16,963</u>
<u>U.S. Department of Homeland Security</u>			
<i>Passed Through Ohio Department of Public Safety:</i>			
Homeland Security Cluster:			
Homeland Security Grant Program	97.067	2009-GE-T7-0030	42,524
Homeland Security Grant Program	97.067	2008-GE-T7-0030	38,075
Total Homeland Security Cluster			<u>80,599</u>
Total U.S. Department of Homeland Security			<u>80,599</u>
<u>U.S. Department of Education</u>			
<i>Passed Through Ohio Department of Education:</i>			
Adult Education - Basic Grants to States	84.002	N/A	135,473
Vocational Rehabilitation Cluster:			
Vocational Rehabilitation Grants To States	84.126	N/A	416,752
Total Vocational Rehabilitation Cluster			<u>416,752</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	N/A	22,941
Special Education - Preschool Grants	84.173	N/A	7,939
Total Special Education Cluster (IDEA)			<u>30,880</u>
Total U.S. Department of Education			<u>583,105</u>
<u>U.S. Department of Labor</u>			
<i>Passed through Ohio Jobs & Family Services</i>			
ARRA Employee Benefits Security Administration (EBSA)	17.151	N/A	2,713
<i>Passed Through Workforce Investment Act, Area 7:</i>			
Employment Services Cluster:			
Employment Services/Wagner-Peyser Funded Activities	17.207	N/A	3,092
Disabled Veteran's Outreach Program (DVOP)	17.801	N/A	852
Local Veteran's Employment Representative Program	17.804	N/A	40
Total Employment Services Cluster			<u>3,984</u>
Workforce Investment Act Cluster:			
Workforce Investment Act-Adult Program	17.258	N/A	150,409
ARRA Workforce Investment Act-Adult Program	17.258	N/A	1,963
Workforce Investment Act-Youth Activities	17.259	N/A	139,700
ARRA Workforce Investment Act-Youth Activities	17.259	N/A	4,686
Workforce Investment Act-Dislocated Workers	17.260	N/A	186,018
ARRA Workforce Investment Act-Dislocated Workers	17.260	N/A	52,059
Total WIA Cluster			<u>534,835</u>
Total U.S. Department of Labor			<u>541,532</u>

(Continued)

COSHOCOTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Pass Through Grantor/ Program Title	CFDA Number	Pass Through Entity Number	Disbursements
<u>U.S. Department of Transportation</u>			
<i>Direct from the Federal Government</i>			
Airport Improvement Program	20.106	N/A	545,060
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	N/A	829,449
Total Highway Planning and Construction Cluster			829,449
Transit Services Program Cluster:			
Capital Assistance Program for Elderly Persons & Persons with Disabilities	20.513	N/A	50,867
New Freedom Program	20.521	OH-16-X031	480
Total Transit Services Program Cluster			51,347
Total U.S. Department of Transportation			1,425,856
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through National Association of County & City Health Offices</i>			
Medical Reserve Corps Small Grant Program	93.008	1MRCSG061001-02	3,486
<i>Passed through Ohio Department of Aging (Area Agency on Aging Region 9))</i>			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	N/A	23,638
Total Aging Cluster			23,638
<i>Passed through Ohio Jobs & Family Services</i>			
Promoting Safe & Stable Families	93.556	N/A	35,612
TANF Cluster:			
Temporary Assistance for Needy Families	93.558	JFSFT-3V60	918,639
Temporary Assistance for Needy Families - Independent Living	93.558	JFSFTF10-3460	80,613
ARRA-Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	JFSFTF10-3V60	84,521
Total TANF Cluster			1,083,773
Child Support Enforcement	93.563	JF8FCS-3970	230,831
ARRA Child Support Enforcement	93.563	JFSFCS-3970	189,735
Total Child Support Enforcement			420,566
Child Welfare Services - State Grants	93.645	N/A	40,212
Foster Care - Title IV-E	93.658	N/A	106,499
ARRA Foster Care Title IV-E	93.658	N/A	17,176
Total Foster Care			123,675
CCDF Cluster:			
Child Care and Development Block Grant	93.575	JFSFCD11-3H70	2,844
Child Care Mandatory and Matching Funds of Child Care and Development Fund	93.596	JFSFCD11S-3H70	19,315
Child Care Mandatory and Matching Funds of Child Care and Development Fund	93.596	JFSFCM11-3H70	48,958
Child Care Mandatory and Matching Funds of Child Care and Development Fund	93.596	JFSFCM10-3H70	(53,684)
Total CCDF Cluster			17,433
Adoption Assistance	93.659	N/A	1,093
Social Services Block Grant	93.667	JFSF11-3960	546,270
Child Abuse & Neglect State Grants	93.669	JFSSTFO-1980	1,795
Chaffee Foster Care Independence Program	93.674	JFSFIL11-3980	3,216
Medicaid Cluster			
Medical Assistance Program	93.778	JFSFMT11	10,669
Total Medicaid Cluster			10,669

(Continued)

COSHOCOTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Pass Through Grantor/ Program Title	CFDA Number	Pass Through Entity Number	Disbursements
<i>Passed Through the Ohio Department of Mental Retardation and Development Disabilities:</i>			
Social Services Block Grant	93.667	N/A	32,985
Children's Health Insurance Program	93.767	N/A	523
Medicaid Cluster			
Medical Assistance Program	93.778	N/A	16,164
ARRA Medical Assistance Program	93.778	N/A	77,860
Total Medicaid Cluster			<u>94,024</u>
Total U.S. Department of Health and Human Services			<u>2,438,970</u>
<u>U.S. Election Assistance Commission</u>			
<i>Passed through Ohio Secretary of State</i>			
Help America Vote Act Requirements Payments	90.401	N/A	272
Total U.S. Election Assistance Commission			<u>272</u>
<u>U.S. Department of Agriculture</u>			
<i>Passed through Ohio Jobs & Family Services</i>			
Food Stamp Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	JFSFF10-3840	169,394
ARRA State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	JFSFFB09S-3840	14,293
Total Food Stamp Cluster			<u>183,687</u>
Total U.S. Department of Agriculture			<u>183,687</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u><u>5,505,905</u></u>

N/A - No pass through entity number
See the accompanying notes to the Schedule of Expenditures of Federal Awards

COSHOCTON COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2010

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUBRECIPIENTS

The County passes through certain Federal assistance received from the United States Department of Housing and Urban Development, the Ohio Department of Mental health, and the Ohio Department of Alcohol and Drug Addition Services to other governments or not-for-profit agencies (subrecipients). As described in Note A, the County records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal programs. Under Federal Circular A-133, the County is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulation, and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C – MATCHING REQUIREMENTS

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

NOTE D – OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES

The Coshocton County Department of Developmental Disabilities received federal financial assistance from the Ohio Department of Developmental Disabilities. Payments for settlements were made to Coshocton County Board of DD in calendar year 2010 in the amount of \$21,586 for CAFS and \$14,662 for TCM Settlements. These figures were not included in the Federal Schedule as both of the amounts relate to settlements for services provided during 2004 and 2005.



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards***

Coshocton County Financial Condition
349 Main Street
Coshocton, Ohio 43812

To the Board of Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coshocton County, Ohio, (the County) as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 3, 2011, wherein we noted the County adopted Governmental Accounting Standards Board Statements No. 51, No. 53, and No. 58. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing 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 a combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the County'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 intend this report solely for the information and use of management, the audit committee, Board of Commissioners, federal awarding agencies, pass-through entities, and others within the County. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
August 3, 2011



Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

Coshocton County Financial Condition
349 Main Street
Coshocton, Ohio 43812

To the Board of Commissioners:

Compliance

We have audited the compliance of Coshocton 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 could directly and materially affect each of Coshocton County's major federal programs for the year ended December 31, 2010. 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.

In our opinion, the Coshocton County Financial Condition complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

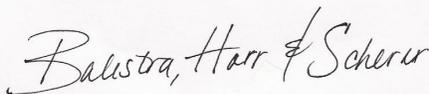
Internal Control Over Compliance

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

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

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

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



Balestra, Harr & Scherer, CPAs, Inc.
August 3, 2011

COSHOCTON COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 Section .505
DECEMBER 31, 2010

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any significant internal control deficiencies reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any material weakness reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any significant internal control deficiencies reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any material weakness reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under .510?	No
<i>(d)(1)(vii)</i>	Major Program (list):	Vocational Rehabilitation Grants to States –CFDA #84.126 TANF Cluster: Temporary Assistance for Needy Families – CFDA #93.558 ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program – CFDA #93.714 Child Support Enforcement – CFDA #93.563 ARRA Child Support Enforcement – CFDA #93.563 Highway Planning and Construction –CFDA #20.205 Airport Improvement Program –CFDA #20.106 Foster Care – Title IV-E -CFDA #93.658 ARRA Foster Care – Title IV-E -CFDA #93.658
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

COSHOCTON COUNTY FINANCIAL CONDITION

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 Section .505
DECEMBER 31, 2010
(Continued)

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

COSHOCTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (b)
FOR THE YEAR ENDED DECEMBER 31, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2009-001	Material Weakness – Capital Asset restatement	Yes	

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Dave Yost • Auditor of State

COSHOCTON COUNTY FINANCIAL CONDITION

COSHOCTON 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 27, 2011