VINTON COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2016

Dave Yost · Auditor of State

VINTON COUNTY
DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Vinton County
100 East Main Street
McArthur, Ohio 45651

To the Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio (the County), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio, as of December 31, 2016, and the respective changes in cash financial position and the respective budgetary comparison for the General, Developmental Disabilities, and Motor Vehicle Gasoline Tax Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2017, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

October 5, 2017

As management of Vinton County (the County), we offer readers this narrative overview and analysis of the financial activities of the County as a whole for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- Net position of governmental activities increased $386,847.
- General cash receipts accounted for $4,981,704 in receipts or 40 percent of all cash receipts. Program specific cash receipts in the form of charges for services, grants and contributions accounted for $7,394,678 or 60 percent of total cash receipts of $12,376,382.
- The County had $11,989,535 in cash disbursements related to governmental activities; $7,394,678 of these cash disbursements were offset by program specific charges for services, grants and contributions. General cash receipts (primarily grants, entitlements, sales taxes, and property taxes) of $4,981,704 were adequate to provide for these programs.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

Reporting the County as a Whole

Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis

The statement of net position-cash basis and the statement of activities-cash basis reflect how the County did financially during 2016, within the limitations of the cash basis of accounting. The statement of net position – cash basis presents the cash balances and investments of the governmental activities of the County at year end. The statement of activities-cash basis compares cash disbursements with program cash receipts for each governmental program. Program cash receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the County's general receipts.

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

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

Reporting the County's Most Significant Funds

Fund Financial Statements

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

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

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

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

The County as a Whole

Recall that the Statement of Net Position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2016 as compared to 2015:

Table 1
Net Position – Cash Basis
Governmental Activities

	2016	2015
Assets		
Equity in Pooled Cash and Cash Equivalents	$5,398,014	$5,011,167
Total Assets	5,398,014	5,011,167
Net Position		
Restricted	4,501,500	4,059,237
Unrestricted	896,514	951,930
Total Net Position	$5,398,014	$5,011,167

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

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

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

Table 2
Change in Net Position – Cash Basis
Governmental Activities

	2016	2015
Cash Receipts		
Program Cash Receipts:		
Charges for Services	$2,258,835	$2,267,638
Operating Grants and Contributions	4,956,000	5,816,302
Capital Grants and Contributions	179,843	155,236
Total Program Cash Receipts	7,394,678	8,239,176
General Cash Receipts:		
Property Taxes	2,346,167	2,185,469
Sales Taxes	1,398,545	1,412,597
Unrestricted Grants and Entitlements	605,466	594,871
Interest	37,574	32,398
Issuance of Bonds, Loans, and Notes	339,244	8,000
Payments in Lieu of Taxes	611	10,643
Miscellaneous	254,097	410,259
Total General Cash Receipts	4,981,704	4,654,237
Total Cash Receipts	12,376,382	12,893,413
Cash Disbursements		
Program Cash Disbursements:		
General Government:		
Legislative and Executive	2,230,454	2,118,795
Judicial	657,384	671,009
Public Safety	1,800,388	1,740,398
Public Works	2,519,943	2,734,457
Health	2,305,962	1,957,940
Human Services	234,697	262,957
Community and Economic Development	575,572	638,110
Capital Outlay	1,361,411	1,582,448
Debt Service:		
Principal Retirement	235,917	95,056
Interest and Fiscal Charges	67,807	72,209
Total Cash Disbursements	11,989,535	11,873,379
Change in Net Position	386,847	1,020,034
Net Position – Beginning of Year	5,011,167	3,991,133
Net Position – End of Year	$5,398,014	$5,011,167

Net position increased $386,847 in governmental activities in 2016 as a result of cash receipts exceeding cash disbursements. Program cash receipts were composed of charges for services and operating and capital grants and contributions which were $7,394,678. Property taxes increased due to a new tax levy for 911 communications equipment, while payment in lieu of taxes decreased as the result of an abatement for a company ending. Issuance of bonds, loans, and notes increased due to additional debt issued in the current year. The decrease to operating grants and contributions is due to intergovernmental monies received from the CDBG and CHIP programs in the prior year. The increase in public safety is due to an increase of contract services during 2016. Capital Outlay decreased as a result of work performed by the Engineer's department in addition to vehicle and equipment purchases. Public works decreased as a result of a decrease in noncapital disbursements within the Engineer's department. Heath increased as a result of an increase in disbursements by the Board of Developmental Disabilities. The decrease to community and economic development is due to timing as to when grants are received versus when they are spent. Principal retirement increased as a result of new debt issuances and paying in full one outstanding debt balances during 2016.

Governmental Activities

Operating grants and contributions made up 40 percent of cash receipts for governmental activities of the County for 2016. Property tax receipts made up 19 percent of the total cash receipts for governmental activities for a total of 59 percent of all cash receipts coming from property taxes and operating grants and contributions.

Public works cash disbursements comprise 21 percent of governmental program cash disbursements.

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

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

	2016		2015	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
General Government:				
Legislative and Executive	$2,230,454	$1,595,275	$2,118,795	$1,440,183
Judicial	657,384	388,010	671,009	348,881
Public Safety	1,800,388	1,151,985	1,740,398	1,016,100
Public Works	2,519,943	477,867	2,734,457	154,772
Health	2,305,962	479,975	1,957,940	164,615
Human Services	234,697	170,233	262,957	163,145
Community and Economic Development	575,572	109,148	638,110	36,260
Capital Outlay	1,361,411	62,272	1,582,448	273,556
Debt Service:				
Principal Retirement	235,917	156,874	95,056	23,683
Interest and Fiscal Charges	67,807	3,218	72,209	13,008
Total Cash Disbursements	$11,989,535	$4,594,857	$11,873,379	$3,634,203

The County's Funds

The County's governmental funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of $13,260,848 and cash disbursements and other financing uses of $12,874,001. The net change in fund balance for the year was most significant in the Motor Vehicle Gasoline Tax Fund, which went from $1,870,101 in 2015 to $2,105,561 in 2016. Cash receipts and other financing sources exceeded cash disbursements and other financing uses in the amount of $235,460.

General Fund cash disbursements and other financing uses exceeded cash receipts and other financing sources by $55,416. Cash disbursements and other financing uses increased primarily due to an increase in advances out to other funds, legislative and executive, and public safety. Developmental Disabilities Fund cash disbursements exceed cash receipts by $219,219.

General Fund Budgeting Highlights

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

For the General Fund, final budgeted revenue increased $1,422 from original budgeted revenue, while actual receipts and other financing sources increased $538,993 from final budgeted revenue. The increases are due primarily to higher than expected taxes and intergovernmental cash receipts. Actual disbursements and other financing uses were under final appropriations by $210,546 due primarily to less than anticipated disbursements for legislative and executive. Final appropriations were above original appropriations by $1,422 due to increases in public safety and advances out, which were offset by a decrease in legislative and executive.

The County's ending unobligated General Fund cash balance was $749,539.

Capital Assets and Debt Administration

Capital Assets

The County does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The County had capital outlay disbursements of $1,361,411 during 2016.

Debt

Under the cash basis of accounting the County does not report bonds in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information the County's long-term obligations. At December 31, 2016, the County had $1,496,335 in bonds and notes for governmental activities with $145,371 due within one year. Please see Note 10 for additional information regarding the County's debt. Table 4 summarizes long-term debt outstanding:

Table 4
Outstanding Debt as of December 31
Governmental Activities

	2016	2015
County Job and Family Services Building	$1,187,973	$1,266,803
911 Communications Equipment Bond	109,950	0
911 Communications Equipment Note	141,412	0
HVAC Project Promissory Note	0	67,205
Community and Economic Development Building	57,000	59,000
Totals	$1,496,335	$1,393,008

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

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

At December 31, 2016, the County's overall legal debt margin was $4,639,539 with an unvoted debt margin of $2,996,308. The debt is well within permissible limits.

Contacting the County's Financial Management

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

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Vinton County

Statement of Net Position - Cash Basis

December 31, 2016

	Primary Government
	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	$ 5,398,014
Total Assets	5,398,014
NET POSITION:	
Restricted for:	
Debt Service	1,856
Capital Projects	394,988
Motor Vehicle Gasoline Tax	2,105,561
Department of Developmental Disabilities	248,400
Other Purposes	703,628
EMS Levy	306,922
Indigent Drivers	87,608
County Court Computer Research	75,340
Special Projects	91,126
Real Estate Assessment	486,071
Unrestricted	896,514
Total Net Position	$ 5,398,014

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

Vinton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2016

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
					Primary Government
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental Activities:					
General Government:					
Legislative and Executive	$ 2,230,454	$ 393,884	$ 241,295	$ -	$ (1,595,275)
Judicial	657,384	115,554	153,820	-	(388,010)
Public Safety	1,800,388	317,052	331,351	-	(1,151,985)
Public Works	2,519,943	436,361	1,605,715	-	(477,867)
Health	2,305,962	399,585	1,426,402	-	(479,975)
Human Services	234,697	41,462	23,002	-	(170,233)
Community and Economic Development	575,572	99,668	366,756	-	(109,148)
Capital Outlay	1,361,411	311,637	807,659	179,843	(62,272)
Debt Service:					
Principal Retirement	235,917	79,043	-	-	(156,874)
Interest and Fiscal Charges	67,807	64,589	-	-	(3,218)
Total Governmental Activities	$ 11,989,535	$ 2,258,835	$ 4,956,000	$ 179,843	(4,594,857)
General Cash Receipts					
Property Taxes Levied for:					
General Purposes					1,121,612
MRDD					438,666
Special Purposes					785,889
Sales Taxes Levied for General Purposes					1,398,545
Grants and Entitlements Not Restricted to Specific Programs					605,466
General Obligation Bonds Issued					109,950
Issuance of Loans					67,775
Issuance of Notes					161,519
Payments in Lieu of Taxes					611
Miscellaneous					254,097
Interest					37,574
Total General Cash Receipts					4,981,704
Change in Net Position					386,847
Net Position Beginning of Year					5,011,167
Net Position End of Year					$ 5,398,014

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

Vinton County

Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds - Cash Basis
As of and For the Year Ended December 31, 2016

	General	Developmental Disabilities	Motor Vehicle Gasoline Tax	All Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS:					
Taxes	$ 2,520,157	$ 438,666	$ -	$ 785,889	$ 3,744,712
Charges for Services	596,608	-	232,375	1,263,423	2,092,406
Licenses and Permits	1,709	-	-	19,815	21,524
Fines and Forfeitures	108,173	-	13,188	23,544	144,905
Intergovernmental	642,554	549,583	3,269,380	1,279,792	5,741,309
Interest	35,939	88	1,428	119	37,574
Payments in Lieu of Taxes	611	-	-	-	611
Other	103,427	31,560	28,756	90,354	254,097
Total Cash Receipts	4,009,178	1,019,897	3,545,127	3,462,936	12,037,138
CASH DISBURSEMENTS:					
General Government:					
Legislative and Executive	1,936,157	-	-	294,297	2,230,454
Judicial	434,942	-	-	222,442	657,384
Public Safety	1,338,723	-	-	461,665	1,800,388
Public Works	-	-	2,495,028	24,915	2,519,943
Health	70,498	1,228,218		1,007,246	2,305,962
Human Services	207,648	-	-	27,049	234,697
Community and Economic Development	-	-	-	575,572	575,572
Capital Outlay	898	10,898	757,400	592,215	1,361,411
Debt Service:					
Principal Retirement	-	-	-	235,917	235,917
Interest and Fiscal Charges	-	-	-	67,807	67,807
Total Cash Disbursements	3,988,866	1,239,116	3,252,428	3,509,125	11,989,535
Excess of Cash Receipts Over (Under) Cash Disbursements	20,312	(219,219)	292,699	(46,189)	47,603
OTHER FINANCING SOURCES (USES):					
Transfers In	5,927	-	250,000	375,322	631,249
Advances In	119,120	-	9,024	125,073	253,217
Issuance of Bonds	-	-	-	109,950	109,950
Issuance of Notes	-	-	-	161,519	161,519
Issuance of OWDA Loans	-	-	-	67,775	67,775
Transfers Out	(84,701)	-	(316,263)	(230,285)	(631,249)
Advances Out	(116,074)	-	-	(137,143)	(253,217)
Total Other Financing Sources (Uses)	(75,728)	-	(57,239)	472,211	339,244
Net Change in Fund Cash Balances	(55,416)	(219,219)	235,460	426,022	386,847
Cash Basis Fund Balances at Beginning of Year	951,930	467,619	1,870,101	1,721,517	5,011,167
Cash Basis Fund Balances at End of Year	$ 896,514	$ 248,400	$ 2,105,561	$ 2,147,539	$ 5,398,014
CASH BASIS ASSETS AT END OF YEAR:					
Equity in Pooled Cash and Cash Equivalents	$ 896,514	$ 248,400	$ 2,105,561	$ 2,147,539	$ 5,398,014
Total Assets	$ 896,514	$ 248,400	$ 2,105,561	$ 2,147,539	$ 5,398,014
CASH FUND BALANCES AT YEAR END:					
Nonspendable	$ 78,276	$ -	$ -	$ -	$ 78,276
Restricted	-	248,400	2,105,561	2,147,539	4,501,500
Assigned	815,946	-	-	-	815,946
Unassigned	2,292	-	-	-	2,292
Total Cash Basis Fund Balances	$ 896,514	$ 248,400	$ 2,105,561	$ 2,147,539	$ 5,398,014

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

Vinton County
Statement of Receipts, Disbursements, And Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Taxes	$ 2,172,378	$ 2,173,293	$ 2,520,157	$ 346,864
Charges for Services	350,845	350,993	407,012	56,019
Licenses and Permits	1,473	1,474	1,709	235
Fines and Forfeitures	93,245	93,285	108,173	14,888
Intergovernmental	517,405	517,623	600,237	82,614
Interest	31,065	31,078	36,038	4,960
Payments in Lieu of Taxes	527	527	611	84
Other	83,682	83,769	117,098	33,329
Total Receipts	3,250,620	3,252,042	3,791,035	538,993
DISBURSEMENTS:				
Current:				
General Government:				
Legislative and Executive	2,342,084	2,011,358	1,884,950	126,408
Judicial	264,301	272,175	259,623	12,552
Public Safety	1,255,873	1,384,015	1,338,723	45,292
Health	38,666	71,304	70,498	806
Human Services	221,570	221,570	207,648	13,922
Capital Outlay	1,200	950	898	52
Total Disbursements	4,123,694	3,961,372	3,762,340	199,032
Excess of Receipts Over (Under) Disbursements	(873,074)	(709,330)	28,695	738,025
OTHER FINANCING SOURCES (USES):				
Transfers In	5,927	5,927	5,927	-
Advances In	119,120	119,120	119,120	-
Transfers Out	(45,708)	(93,378)	(81,864)	11,514
Advances Out	-	(116,074)	(116,074)	-
Total Other Financing Sources (Uses)	79,339	(84,405)	(72,891)	11,514
Net Change in Fund Balance	(793,735)	(793,735)	(44,196)	749,539
Fund Balance at Beginning of Year	793,735	793,735	793,735	-
Fund Balance at End of Year	$ -	$ -	$ 749,539	$ 749,539

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

Vinton County

Statement of Receipts, Disbursements, And Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Developmental Disabilities Fund
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Taxes	$403,064	$403,064	$ 438,666	$35,602
Intergovernmental	497,961	497,961	549,583	51,622
Interest	80	80	88	8
Other	28,595	28,595	31,560	2,965
Total Receipts	929,700	929,700	1,019,897	90,197
DISBURSEMENTS:				
Current:				
Health	666,500	1,290,500	1,300,717	(10,217)
Capital Outlay	-	13,000	10,898	2,102
Total Disbursements	666,500	1,303,500	1,311,615	(8,115)
Net Change in Fund Balance	263,200	(373,800)	(291,718)	82,082
Fund Balance at Beginning of Year	467,619	467,619	467,619	-
Fund Balance at End of Year	$ 730,819	$ 93,819	$ 175,901	$ 82,082

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

Vinton County
Statement of Receipts, Disbursements, And Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Motor Vehicle Gasoline Tax Fund
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
RECEIPTS:				
Charges for Services	$ 216,462	$ 216,462	$ 232,375	$ 15,913
Fines and Forfeitures	12,285	12,285	13,188	903
Intergovernmental	3,223,774	3,223,774	3,269,380	45,606
Interest	1,330	1,330	1,428	98
Other	26,786	26,786	28,756	1,970
Total Receipts	3,480,637	3,480,637	3,545,127	64,490
DISBURSEMENTS:				
Current:				
Public Works	2,939,500	2,859,500	2,495,028	364,472
Capital Outlay	478,787	759,008	757,400	1,608
Total Disbursements	3,418,287	3,618,508	3,252,428	366,080
Excess of Receipts Over (Under) Disbursements	62,350	(137,871)	292,699	430,570
OTHER FINANCING SOURCES (USES):				
Advances In	-	-	9,024	9,024
Transfers In	-	-	250,000	250,000
Transfers Out	(60,000)	(340,000)	(316,263)	23,737
Total Other Financing Sources (Uses)	(60,000)	(340,000)	(57,239)	282,761
Net Change in Fund Balance	2,350	(477,871)	235,460	713,331
Fund Balance at Beginning of Year	1,870,101	1,870,101	1,870,101	-
Fund Balance at End of Year	$ 1,872,451	$ 1,392,230	$ 2,105,561	$ 713,331

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

Vinton County

Statement of Fiduciary Net Position

Fiduciary Funds - Cash Basis

As of December 31, 2016

	Private Purpose Trust Fund	Agency Funds
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	$ 15,503	$ 1,739,490
Cash and Cash Equivalents in Segregated Accounts	-	92,419
Total Assets	$ 15,503	$ 1,831,909
NET POSITION:		
Unrestricted	$ -	$ 1,831,909
Held in Trust for Private Purposes	15,503	-
Total Net Position	$ 15,503	$ 1,831,909

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

Vinton County

Statement of Changes in Fiduciary Net Position

Private Purpose Trust Fund - Cash Basis

For the Year Ended December 31, 2016

	Sheppard-Dunkle Scholarship Trust
ADDITIONS:	
Interest	$ 67
Total Additions	67
DEDUCTIONS:	
Scholarship's Awarded	-
Increase in Net Position	67
Net Position Beginning of Year	15,436
Net Position End of Year	$ 15,503

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

NOTE 1 – DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

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

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

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

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt or levying of taxes. The County has no blended or discretely presented component units.

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

- Soil and Water Conservation District
- Vinton County Health District

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the County presented in two categories: governmental and fiduciary.

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

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the County for any purpose provided if it is expended or transferred according to the general laws of Ohio.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (continued)

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

*Developmental Disabiliti*es This fund accounts for and reports the operation of a school for the mentally retarded and developmentally disabled, financed by a county-wide property tax levy and federal and state grants. Disbursements are restricted by State statute and grant agreements to mental retardation and developmental disabilities programs.

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

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

Agency Funds are purely custodial in nature and are used to account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, fines and forfeitures collected and distributed to other political subdivisions, and County department bank accounts held outside the County treasury.

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

C. Basis of Accounting

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

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (continued)

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

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

E. Cash and Cash Equivalents

To improve cash management, all cash received by the County is pooled and invested. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents". For 2016, interest receipts amounted to $37,641, which $35,939 was recorded in the General Fund, $88 in the Developmental Disabilities Major Special Revenue Fund, $1,428 in the Motor Vehicle Gasoline Tax Major Special Revenue Fund, $119 in all other governmental funds, and $67 in the Private Purpose Trust Fund.

F. Capital Assets

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

G. Accumulated Leave

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

H. Long-Term Obligations

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

I. Internal Activity

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Net Position

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

Of the County's $4,501,500 in restricted net position, none is restricted by enabling legislation.

K. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the County Commissioners or a County official delegated that authority by resolution or by State Statute.

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

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

L. Pensions

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Employer Contributions to Cost-Sharing Pension Plans

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

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

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

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

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;

2. Bonds, notes, debentures, or other obligations of or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and federal national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above, provided 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, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;

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

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

9. Up to twenty-five percent of the County's average portfolio in either of the following

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

   b. Bankers acceptances eligible for purchases by the Federal Reserve System and which mature within 180 days after purchase.

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. provided the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;

11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency of instrumentality, and/or highly rated commercial paper; and,

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $7,066,920 of the County's bank balance of $7,581,920 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the County's name.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

NOTE 4- BUDGETARY BASIS FUND BALANCES

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Non-GAAP Budgetary Basis presented for the General Fund and the Developmental Disabilities and Motor Vehicle Gasoline Tax Special Revenue Funds, are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than as a restriction, commitment or assignment of fund balance (cash basis). The Developmental Disabilities Fund hand outstanding encumbrances of $72,499. As part of the Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", certain funds that were previously reported as special revenue or an agency are considered part of the General Fund on a cash basis. These include the Unclaimed Monies Fund, Certificate of Title Fund, Recorder's Equipment Fund, and Public Defender Fund. These funds were excluded from the budgetary presentation for the General Fund.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The assessed value for the taxes levied in 2016 was $299,630,820 of which real property represented 57 percent ($170,408,520) of the total and public utility property represented 43 percent ($129,222,300) of the total. The full tax rate for all County operations for taxes collected in 2016 was $15.55 per $1,000 of assessed valuation.

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

NOTE 6 - PERMISSIVE SALES AND USE TAX

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

Proceeds of the tax are credited entirely to the General Fund. Sales and use tax cash receipts for 2016 amounted to $1,398,545.

NOTE 7 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2016, the County contracted with Buckeye Joint-County Self Insurance Council (a public entity shared risk pool, see note 12) for liability, auto, and crime insurance. The program has a $0 to $5,000 deductible per occurrence:

	Aggregate	Ea. Occurrence
General Liability	$3,000,000	$1,000,000
Public Officials Including		
Law Enforcement	3,000,000	1,000,000
Employee Benefits	3,000,000	1,000,000

In addition, the County maintains separate replacement cost insurance on buildings and contents in the amount of $14,959,611. The County evaluated its coverage and reduced the amount from the prior year.

Health insurance was provided by a private carrier, United Healthcare for the year.

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

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

NOTE 8 - RETIREMENT SYSTEM

Net Pension Liability

Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Under the cash basis of reporting, the County does not record a long-term net pension liability for the proportionate share of each plan's unfunded benefits.

NOTE 8 - RETIREMENT SYSTEM (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

NOTE 8 - RETIREMENT SYSTEM (Continued)

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

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

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

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

	State and Local	Public Safety	Law Enforcement
2016 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2016 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution to OPERS was $637,378 for fiscal year 2016.

NOTE 8 - RETIREMENT SYSTEM (Continued)

Net Pension Liability

The net pension liability for OPERS was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the respective measurement dates. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportion of the Net Pension Liability Current Measurement Date	0.02901300%
Proportion of the Net Pension Liability Prior Measurement Date	0.02891000%
Change in Proportionate Share	0.00010300%
Proportionate Share of the Net Pension Liability	$5,025,417

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation at 3.75%
COLA or Ad Hoc COLA	Pre January 7, 2013: 3.00% simple Post January 7, 2013: 3.00% simple through 2018, then 2.80% simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used, set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

NOTE 8 - RETIREMENT SYSTEM (Continued)

Actuarial Assumptions – OPERS (continued)

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the 401(b) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
County's proportionate share of the net pension liability	$8,006,718	$5,025,417	$2,510,785

Changes Between Measurement Date and Report Date In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the County's net pension liability is expected to be significant.

NOTE 9 - POSTEMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information. The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

Substantially all of the County's contributions allocated to fund postemployment health care benefits relate to the cost-sharing, multiple employer trusts. The corresponding contributions for the years ended December 31, 2016, 2015, and 2014 were $106,267, $106,044, and $104,875, respectively. The full amount has been contributed for all three years.

NOTE 10 - LONG-TERM DEBT

Under the cash basis of accounting, debt obligations are not reported as a liability in the accompanying basic financial statements. However, information regarding such changes in the County's long-term obligations during 2016 is as follows:

Types/Issues	Outstanding At 12/31/15	Increases	Decreases	Outstanding At 12/31/16	Due in One Year
2002 - 5.1% County Job & Family Services Building General Obligation Bonds	$ 1,266,803	$ -	$ (78,830)	$ 1,187,973	$ 82,902
2016 - 2.5% Communications Equipment Note	-	161,519	(20,107)	141,412	39,157
2016 - 3.9% Communications Equipment Bond	-	109,950	-	109,950	20,312
2016 - OWDA Forgiveness Loan	-	67,775	(67,775)	-	-
2014 -2.95% HVAC Project Promissory Note	67,205	-	(67,205)	-	-
2007 - 4.125% Community & Economic Development Building General Obligation Bonds	59,000	-	(2,000)	57,000	3,000
Total	$ 1,393,008	$ 339,244	$ (235,917)	$ 1,496,335	$ 145,371

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

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

The County issued a loan in 2012 in the amount of $119,268 for the Vinton County Courthouse HVAC project. This note was refinanced during 2014 in the amount of $87,108 at an interest rate of 2.95%. This loan was repaid through the Courthouse HVAC Debt Service Fund during 2016.

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

In 2016, the County issued an OWDA loan in the amount of $165,000, but only $67,775 was drawn down in 2016. This amount was paid by principal forgiveness from the American Reinvestment and Recovery Act in 2016.

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

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

At December 31, 2016, the County’s overall legal debt margin was $4,639,539 with an unvoted debt margin of $2,996,308.

NOTE 10 - LONG-TERM DEBT (Continued)

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

	Community & Economic Development		911 Communications Note	
	Principal	Interest	Principal	Interest
2017	$3,000	$2,351	$39,157	$3,291
2018	3,000	2,228	40,142	2,306
2019	3,000	2,104	41,152	1,296
2020	3,000	1,980	20,961	263
2021	3,000	1,856	-	-
2022-2026	16,000	7,426	-	-
2027-2031	21,000	3,715	-	-
2032	5,000	206	-	-
Totals	$57,000	$21,866	$141,412	$7,156

	Job & Family Services		911 Communications Bond	
	Principal	Interest	Principal	Interest
2017	$82,902	$59,544	$20,312	$4,365
2018	87,184	55,262	21,118	3,559
2019	91,686	50,758	21,957	2,720
2020	96,422	46,022	22,828	1,849
2021	101,400	41,042	23,735	942
2022-2026	593,198	120,882	-	-
2027	135,181	5,409	-	-
Totals	$1,187,973	$378,919	$109,950	$13,435

NOTE 11 - INTERFUND TRANSACTIONS

A. Interfund Advances

Advances in and out during the year ended December 31, 2016 consisted of the following:

	Advances In	Advances Out
General Fund	$119,120	$116,074
Motor Vehicle Gas Tax Fund	9,024	0
Non-Major Funds	125,073	137,143
Total All Funds	$253,217	$253,217

During 2016, advances were made between non-major governmental community development funds in anticipation of intergovernmental grant revenue.

During 2013, the County Commissioners and the County Engineer's Office issued Cruiser loans in the amount of $45,000 each to the Sheriff's Department for a five year period at a rate of .15%. The County Commissioners and County Engineer's Office has purchased this note as an investment. The Sheriff Equipment Fund was identified as the fund that received the proceeds and the General Fund and Motor Vehicle Gas Tax Fund was identified as the fund that purchased the investment. For reporting purposes, these transactions are reflected as an interfund advance in and out in the respective funds. As of December 31, 2016, the balance of $18,000 is pledged to be paid from the Sheriff Equipment Fund over the next year.

NOTE 11 - INTERFUND TRANSACTIONS (Continued)

A. Interfund Advances (continued)

Principal and interest requirements to maturity on the above notes are as follows:

Types/Issues	Year Ending December 31,	Principal	Interest	Total
2013 - Vinton County Commissioners	2017	$9,000	$10	$9,010
2013 - Vinton County Engineer	2017	$9,000	$10	$9,010

B. Interfund Transfers

The following transfers in and out were made during 2016:

	Transfers In	Transfers Out
General Fund	$5,927	$84,701
MVGT	250,000	316,263
Non-Major Funds	375,322	230,285
Total All Funds	$631,249	$631,249

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt. Transfers from the MVGT to the Non-Major Funds were for the County's share of the Road Deputy. Transfers between Non-major funds are either for debt payments or from special revenue funds to capital project funds for capital purchases. Transfers to the General Fund were to close out a debt service fund since the debt has been paid in full.

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

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

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

The Center's revenue is from per diem charges for inmates to the respective Counties and a percent of the County tax base to the total tax base. Ross County is the fiscal officer of the Center. Vinton County does not have any financial interest or responsibility. During 2016, Vinton County contributed $73,228 to the Center.

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

The degree of control exercised by any participating government is limited to its representation on the Board. The Governing Board is composed of at least one County Commissioner from each of the participating Counties. The Governing Board annually elects officers which include President, Vice President, Second Vice-President and two Governing Board Members. The expenditures and investments of funds by the officer must be approved by the Governing Board unless specific limits have been set by the Governing Board.

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

In the event of the termination of the Council, current members shall be paid in an amount they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is, therefore, not possible. During 2016, Vinton County paid $109,494 to the Council for insurance coverage. This jointly governed organization is a cost-sharing pool.

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

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

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

Southern Ohio Council of Governments
The County is a member of the Southern Ohio Council of Governments (the "Council"), which is a jointly governed organization created under Ohio Revised Code Section 167.01. The governing body consists of a thirteen member board with each participating county represented by its Director of it Board of Developmental Disabilities. Member counties include: Adams, Athens, Brown, Clinton, Fayette, Gallia, Highland, Jackson, Lawrence, Meigs, Pickaway, Pike, Ross, Scioto, and Vinton Counties. The Council acts as fiscal agent for the Vinton County Board of Developmental Disabilities' supportive living program monies. As of December 31, 2016, the County had no funds on hand with the Council. Financial statements can be obtained from the Council at 17273 State Route 104, Building 8, Chillicothe, Ohio 45601.

Corrections Commission of Southeastern Ohio
The Corrections Commission of Southeastern Ohio (the Commission), is a joint venture of which Athens, Hocking, Morgan, Perry and Vinton Counties are members. The Commission is a body politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Commission was established to use the authority common to the members to develop, construct, operate and administer a multi-county correctional center to augment county jail programs and facilities.

The Commission was established by the Board of County Commissioners of Athens, Hocking, Morgan and Perry Counties. The Commission is directed by one Commissioner from each participating county, along with the Sheriff and the presiding Judge of the Court of Common Pleas of each participating county. Any of these may name other representatives to fulfill this duty. The presiding judge for Hocking County chose to neither participate nor name a representative so there were 14 directors of the Commission in 2016. Each member county is responsible for a portion of the capital and operating budget as follows: Athens County 41.08%; Perry County 24.32%; Hocking County 18.38%; Morgan County 8.11%; and Vinton County 8.11%.

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

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

NOTE 13 - CONTINGENT LIABILITIES

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

The County is not currently party to any legal proceedings.

NOTE 14 - COMPLIANCE

Ohio Administrative Code, Section 117-2-03 (B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, deferred inflows and outflows or resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

NOTE 15 – NEW ACCOUNTING PRINICIPLES

For the fiscal year ended December 31, 2016, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, GASB Statement No. 77, Tax Abatement Disclosures, and GASB Statement No. 79, Certain External Investment Pools and Pool Participants.

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the County.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the County.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the County.

NOTE 15 – NEW ACCOUNTING PRINICIPLES (Continued)

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose the certain information about the agreements including brief descriptive information such as the tax being abated, the authority under and mechanism by which tax abatements are provided, eligibility criteria, provisions for recapturing abated taxes, the types of commitments made by tax abatement recipients, the gross dollar amount of taxes abated during the period, and commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the County as there were no tax abatements in effect that could have a significant effect on the County.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the County.

NOTE 16 - FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Developmental Disabilities	Motor Vehicle Gasoline Tax	All Other Governmental	Total Governmental Funds
Nonspendable					
Unclaimed Monies	$ 78,276	$ -	$ -	$ -	$ 78,276
Restricted for					
Other Purposes	-	-	-	957,702	957,702
EMS	-	-	-	306,922	306,922
Real Estate Assessment	-	-	-	486,071	486,071
Road Repair and Other Purposes	-	-	2,105,561	-	2,105,561
Developmental Disabilities	-	248,400	-	-	248,400
Debt Services Payments	-	-	-	1,856	1,856
Capital Improvements	-	-	-	394,988	394,988
Total Restricted	-	248,400	2,105,561	2,147,539	4,501,500
Assigned to					
Subsequest Appropriations	749,539	-	-	-	749,539
Other Purposes	66,407	-	-	-	66,407
Total Assigned	815,946	-	-	-	815,946
Unassigned	2,292	-	-	-	2,292
Total Fund Balances	$ 896,514	$ 248,400	$ 2,105,561	$ 2,147,539	$ 5,398,014

NOTE 17 – SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Effective January 1, 2013 the County participated in the South Central Ohio Job and Family Services. A review was performed to close out funding obligations between Vinton County and Ohio Department of Job and Family Services (ODJFS). It was determined that:

- For the July-September 2013 period Vinton County was due $9,204.23 in IV-E funds from ODJFS.
- For the October-December 2013 period Vinton County was due $22,487.56 in IV-E funds from ODJFS.
- The Vinton County CSEA fund was due $13,201.90 from ODJFS.
- The Vinton County PCSA fund must reimburse ODJFS $3,527.29.
- The Vinton County Public Assistance fund must reimburse ODJFS $244,032.40.
- The net reimbursement due from Vinton County/Commissioners to ODJFS for this closeout was $202,666.00.

In March of 2013, the County signed an agreement with ODJFS to repay the net reimbursement. The payments are being made quarterly beginning March 31, 2014 through December 31, 2018 in the amount of $10,133.30. During 2016, the County repaid $40,533, leaving a balance of $81,067.

NOTE 18 – EARLY RETIREMENT INCENTIVE

In September 2014, the County Engineer's Office/Highway Department approved a one-time Early Retirement Incentive (ERI) effective September 1, 2014 through August 31, 2017. The ERI is available to 15% of the employees of the department who are members of the Public Employees Retirement System and are eligible to retire under Section 145.332 or 145.37 of the Ohio Revised Code. This ERI is not available to any employee who is an elected official, a member of a board or commission, a person elected to serve a term of fixed length, or an employee who retires on a disability benefit. Eligible employees, who elect to participate in the ERI, may select to be paid in a lump sum or to be paid in installments.

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

Vinton County
100 East Main Street
McArthur, Ohio 45651

To the Board of County Commissioners:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vinton County, Ohio (the County) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 5, 2017, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

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

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

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.

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However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2016-001 and 2016-002.

Entity's Response to Findings

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

Purpose of this Report

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

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

October 5, 2017

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

FINDING NUMBER 2016-001

Noncompliance

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

Ohio Admin. Code § 117-2-03(B) requires the County to file its annual financial report pursuant to generally accepted accounting principles. However, the County prepared its financial statements in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles.

The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code § 117.38, the County may be fined and subject to various other administrative remedies for its failure to file the required financial report.

The County should take the necessary steps to ensure that the annual financial report is prepared and filed on a generally accepted accounting principles basis.

Officials' Response: Vinton County understands the requirement but cannot justify the additional cost of $15,000 plus to do so at this time. If the financial situation changes, we will reconsider our options.

FINDING NUMBER 2016-002

Noncompliance

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

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

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

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

FINDING NUMBER 2016-002 (Continued)

Noncompliance – Ohio Rev. Code § 5705.41 (D)(1) (Continued)

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

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

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

The County had unrecorded encumbrances totaling $72,499 and $490,470 at December 31, 2016 in the Developmental Disabilities and Other Governmental Funds, respectively, which resulted in one hundred percent of the transactions tested not certified by the County Auditor at the time the commitment was incurred. In addition, there was no evidence that the County followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

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

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

Officials’ Response: Vinton County Auditor will remind all departments of the requirement to encumber any funds for purchases, made but not paid, in the previous year and also the requirement of obtaining a purchase order prior to purchases being made.

VINTON COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Noncompliance Citation of Ohio Rev. Code §117.38 and Ohio Admin. Code §117-2-03(B) for not preparing annual financial statements in accordance with Generally Accepted Accounting Principles.	Not Corrected	Vinton County understands the requirement but cannot justify the additional cost of $15,000 plus to do so at this time. If the financial situation changes, we will reconsider our options

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Dave Yost · Auditor of State

VINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 17, 2017

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